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SESSION Weekly

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THE 2004 LEGISLATURE CONVENES

BONDING PROPOSAL, STATE OF THE STATE, AND MORE

HF1659-HF1914

Session Weekly

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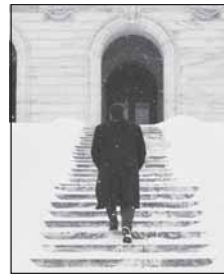
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On the cover: House Speaker Steve Sviggum gavels the House to order Feb. 2 as lawmakers begin the 2004 legislative session.

— Photo by Tom Olmscheid

Short and sweet

House members commence 2004 session and begin work of compiling bonding bill, other policy measures

By MICHELLE KIBIGER

The 2004 Legislative Session began Feb. 2 without much fanfare as members of the House convened. Groundhog Day brought nearly a foot of snow with it to the State Capitol, but members got right down to business with a short session and only a few jokes about the length of the session lasting another 16 weeks – the maximum length it could be constitutionally.

They welcomed a new member, acknowledging Rep. Scott Newman (R-Hutchinson) who was elected Dec. 30 to replace former Rep. Tony Kielkucki (R-Lester Prairie). Kielkucki resigned during the interim to take a position with the Minnesota Secretary of State's Office.

They received a request from Gov. Tim Pawlenty to deliver his State of the State address before a joint session of the House and Senate, and they extended an invitation to him in response.

They noted the absence of Chief Clerk Edward Burdick, who missed only his second opening day of session since 1941 due to an illness.

And they observed a moment of silence for the late director of the Minnesota Lottery, George Andersen, who died in late January.

The relatively brief session lasted just over 20 minutes. Members then dispersed to attend various committee meetings and other special events planned for the first day. Members have until the May 17 constitutional deadline to finish work on a bonding bill and any other policy-related initiatives and budget adjustments they might take up.

Bonding year

Traditionally, the second year of a legislative biennium is called the bonding year – legislators consider capital improvement

projects that are funded by selling state bonds. Those bonds are backed by the general fund, from which debt service (payments and interest) on the investments is paid.

Gov. Tim Pawlenty has recommended \$760 million in total bonding, \$689 million of which would be general obligation bonding. Included in the recommendations are \$37.5 million for the Northstar commuter rail line.

Committees have already begun reviewing proposals from different state agencies and local government units for ultimate recommendation to the House Capital Investment Committee, which compiles the final bill. A similar process will take place in the Senate.

Other initiatives

House committees held a number of hearings during the interim months that provide a preview of the topics members will debate



PHOTO BY TOM OLMSCHIED

Rep. Tom Rukavina, left center, and Rep. Mary Murphy, right center, share a light moment on the first day of the 2004 Legislative Session. Also pictured are Rep. Jean Wagenius, left, and Rep. Tom Huntley, right.

this session. Below is a preview of the items the Legislature might consider in 2004, based on some of the interim hearings conducted. No official decisions may be made at interim hearings, since the Legislature is technically not in session.

- **SEX OFFENDERS:** The House Judiciary Policy and Finance Committee met Jan. 27 to review sex offender sentencing guidelines and civil commitment procedures in

light of the abduction of University of North Dakota college student Dru Sjodin. The accused kidnapper is a recently released sex offender from Minnesota.

- **SAME-SEX MARRIAGE:** Following a recent decision by the Massachusetts Supreme Court regarding the recognition of same-sex unions, the House Civil Law Committee met Jan. 28 to examine the history and roots of marriage in the United States.
- **HEALTH CARE COSTS:** A joint hearing of the House Commerce, Jobs, and Economic Development Policy; Health and Human

To our readers:

Welcome to the 2004 Legislative Session and *Session Weekly*! We're very grateful to be printing and mailing the magazine to our subscribers again this year. During the interim, we were able to secure funding for 2004, and the status of the magazine will be evaluated annually going forward. We'll be sure to let you know what the future holds.

You will find a number of new features and changes in this year's magazines. First, in order to accommodate our budget constraints, we are limiting the size of the magazine to 24 pages each week. Still, we will continue to do our best bringing you as much information as we can about what the House is doing each week.


However, we will no longer be publishing the Committee Schedule in the magazine. Readership surveys for the past several years have indicated that the schedule information is out of date by the time most readers receive their magazines. As a result, we have chosen to save the space for highlights and bill-related content. If you have any comments, please feel free to contact me the office.

In addition, we will be expanding our coverage of the Legislature on the Internet. Topics may occasionally require more in-depth treatment than we can accommodate in the regular magazine. We will provide a spot for that information on the House Web site so that anyone interested in more background information can find it there. Look for "*Session Weekly EXTRA*" icons in the magazine to indicate when additional content is available online.

On behalf of the *Session Weekly* and House Public Information Services staff, we are looking forward to this session and continuing to provide readers with credible and timely non-partisan information about the Legislature. Please contact me at anytime throughout the year if you have any questions or concerns about the magazine.

— MICHELLE KIBIGER, EDITOR
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Services Finance; and Health and Human Services Policy committees examined health care cost drivers and proposed strategies to contain them Jan. 15. Witnesses representing more than 20 organizations on both sides of the issue testified regarding a bill (HF1681), sponsored by Rep. Fran Bradley (R-Rochester). Members are already deliberating the merits of the bill in additional hearings.

- **BUDGET ADJUSTMENTS:** The Department of Finance released its November budget forecast, showing a projected deficit of \$185 million by the end of June 2005. A revised forecast will be released at the end of February. Legislators may choose to adjust the budget to resolve the deficit, but such adjustments are not necessarily an immediate concern until the 2005 Legislative Session.
- **K-12 EDUCATION ASSESSMENT AND STANDARDS:** Members of the House Education Finance and Education Policy committees met to discuss different assessment techniques for K-12 students. In addition, the committees met several times to discuss developing social studies and science standards that will be considered this session.
- **CASINO GAMBLING:** The House Governmental Operations and Veterans Affairs Policy Committee met with the House State Government Finance Committee on Jan. 22 to discuss several bills proposing additional casino licenses in the state that would not be located on American Indian reservations, though revenue may be shared with the tribes. One proposal would also provide stadium funding for the Minnesota Twins, Minnesota Vikings, and the University of Minnesota.
- **STADIUMS:** Pawlenty appointed a committee to review stadium proposals for the Twins, Vikings, and University of Minnesota. The committee forwarded its recommendation to the governor, who may make a funding proposal to the Legislature.
- **DATA PRACTICES:** The House Civil Law Committee met Jan. 22 to discuss how the state's data practices law relates to information in the developing CriMNet system, which will integrate information from criminal justice system databases statewide.
- **CHILD SUPPORT:** The House Civil Law and Judiciary Policy and Finance committees met in October to discuss child-support collections guidelines and possibly changing to an income-shares model that takes both the income of the custodial and the non-custodial parents into account. 

IT'S A FACT



A cold creation

Land near capitol grounds featured a frozen palace 67 years ago

The Ice Palace erected outside the Xcel Energy Center for the St. Paul Winter Carnival is just the latest cold creation in the Capital City. Since 1886, 17 other palaces of various shapes and sizes have been constructed.

Included in that group is the 1937 structure, located on land across from the State Capitol, which is now part of the Capitol Mall. The castle is the only one ever situated on or near the Capitol grounds.

After many years without a festival, the event was revived that year "on a large scale by a group of enthusiasts who sought to instill life in a city recovering from the Great Depression," according to the carnival Web site.

At the centerpiece was the palace that measured 193 feet long, 86 feet at its widest point and approximately 60 feet high. An elevator was included in the palace, designed by city architect Charles A. Bassford and his assistant C.W. Wigington, the first registered African-American architect to practice for any substantial length of time in Minnesota.

By comparison, the tallest center turret in the 2004 palace is 75 feet.

"The walls changing width created dramatic effects of translucency, opacity, and shadow," wrote Fred Anderes and Ann Agranoff in their book, *Ice Palaces*. "It varied in thickness from 6 feet, 5 inches to 2 feet, 9 inches, except at the main entrances, where it swelled to 15 feet, 7 inches." Fifteen-foot tall flagpoles capped the peaks supported by the entrance blocks. At night, electric lights illuminated the palace in patterns of changing color.

Inside the frozen walls were three chambers: an approximately 7,000-square foot Central Hall and two antechambers that measured 22 feet square. Approximately 30,000 ice blocks were used for the palace, compared to about 27,000 for the current structure.

Like today's palace, construction of the 1937 fortress went down to the wire.

Crews put in 16-hour days to finish while a crowd of 100,000 gathered around the site and 20,000 automobiles "choked the approaches to the palace," according to the Anderes and Agranoff book. Much like the current palace, reports from 1937 indicate "people traveled hundreds of miles

for the sole purpose of seeing the building."

Unlike technology used today to keep workers warm and aid in construction, things were far more primitive in 1937.

Due to subzero weather, large log fires burned inside the palace during construction. The heat generated was used to warm water stored in eight 50-gallon oil drums and later used to cement the ice blocks together. "In the extremely cold weather, the water had to be kept near the boiling point or it would freeze as it was hoisted to the top of the wall," wrote Anderes and Agranoff.

Like those constructed before, some viewed the palace as a short-lived architectural treasure.

"These structures were built with the intention of lasting probably three months at the most, and yet rivaled the most prominent buildings in the world in style, form, and engineering, if not surpassing them in sheer beauty," Robert Olsen wrote in his book, *A history of St. Paul Ice Palaces*.

After the carnival, dynamite was used to bring the palace down and the ice was left to wait for the spring melt. "It would be dangerous to allow the palace to melt by itself, as it would be impossible to keep watch continuously to prevent visitors going into the building while it was weakened by thawing," Bassford said.

(M. COOK)



The St. Paul Winter Carnival brought an ice palace to the State Capitol area in 1937.

Photo courtesy of the Craighead family

★ BUSINESS

Protecting viability

A bill that some private business owners believe would protect them from being run out of business by the government was heard by the House Civil Law Committee Feb. 3.

HF898, sponsored by Rep. Paul Thissen (DFL-Mpls), allows a business to bring legal action against the state or any political subdivision if that government entity enters into the same business venture and consequently obstructs the private business's viability.

As an example, testifiers cited the garbage industry. The bill would apply if, for example, a municipality decided to start collecting garbage on its own, therefore prohibiting private haulers from doing business as usual. "It's really an issue of basic fairness," Thissen said.

However, the bill would not apply if any city entering into a business venture did not prohibit competition from a private business. The bill also would not apply to utilities, such as water and electricity services; separate statutes govern such operations. The bill also would exempt corrections facilities.

In cases where a business is operating under a government license or contract, the provisions of the license or contract would have precedence. For instance, a taxi cab driver given a one-year license would only have a claim if the city decided to begin offering the same service within that time period. Beyond that, the driver wouldn't have a claim because, presumably, the city simply wouldn't renew the license.

Mark Stoltman, general manager of Randy's Sanitation in Delano, supported the bill. If a city decided it wanted only one private garbage hauler, for example, he said he couldn't compete due to the exorbitant expense of upgrading his equipment fleet to serve 20,000 to 25,000 homes.

"Frankly, competition is good," Stoltman said. "It keeps prices stable."

Keith Carlson, executive director of the Metropolitan Inter-County Association, testified against the bill, as did representatives of the Association of Minnesota Counties and the League of Minnesota Cities. The bill would prohibit counties from offering services, such as in-home health care, when third-party efforts don't rise above mediocrity, Carlson said.

At Thissen's request, action on the bill was deferred for fine-tuning and amendments.

A companion bill (SF1233), sponsored by Sen. Julianne Ortman (R-Chanhassen), awaits committee action.

★ CRIME

Doing time

Drug offenders are keeping Minnesota's prisons full, and more so than ever, according to a new report presented to the House Judiciary Policy and Finance Committee Feb. 4 by the Minnesota Sentencing Guidelines Commission.

The report indicates that the number of drug offenders admitted to Minnesota prisons was never higher than in 2002. Drug offenders accounted for 11.8 percent of prison admissions in 1990. By 2002, that number grew to 30.1 percent, according to Barbara Tombs, executive director for the commission.

The presentation followed a visit by committee members to the Capitol Rotunda for a methamphetamine awareness event. Professionals working to combat methamphetamine use presented literature and displays on the popular illegal drug.

Tombs highlighted a number of other statistics in the report.

- The number of felony drug offenders sentenced to Minnesota prisons in 1981 was 801, and at 3,425 in 2002, with an increase of 32 percent between 2001 and 2002 alone.
- Across all crime categories, the number of drug offenders sentenced in 2002 increased more than any other group.
- Drug offenders represented 9 percent of the

prison population in 1990, and 23 percent in 2002.

Tombs said it takes a lesser amount of drugs for a person to be sentenced to prison in Minnesota than in other states. At the same time, Minnesota has higher maximum sentences, making sentence lengths disproportionate to other states.

The minimum drug possession amounts, set by the Legislature in 1989, have contributed to longer average sentences. The average sentence has risen from nearly 23 months in 1988 to about 50 months in 2002.

No one factor can be cited for the increase in drug offenders in state prisons, the report stated. Rather, the situation is a result of a "combination of intended and unintended consequences."

Options for the Legislature to consider, as highlighted in the report, include the following: expanding prisons, re-examining the minimum drug possession amounts, creating a comprehensive drug treatment program to reduce repeated offenses, and developing a statewide sentencing policy targeting drug offenders.

The committee took no action at the hearing.



For information on sex offender sentencing and the civil commitment process from a January committee hearing, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

SNOWY VISITOR



PHOTO BY TOM OLMSCHIED

Duane Arens, community development coordinator for Connexus Energy in Minneapolis, makes his way up the snowy steps of the State Capitol Feb. 2 to deliver a letter to Gov. Tim Pawlenty's office. Legislators were greeted with nearly a foot of snow upon their return to the State Capitol.

★ EDUCATION

Social studies, science standards

One year after state lawmakers repealed the controversial Profile of Learning, they need to create new state standards as required by the federal No Child Left Behind Act.

Last year content standards were established in math and reading. Science and social studies are up for review this year, although social studies testing is not required under the federal law.

Members of the House Education Policy Committee heard about the proposed standards from both sides of the issue Jan. 27. No action was taken, but Rep. Barb Sykora (R-Excelsior), the committee chair, said another hearing is scheduled for Feb. 12.

Education Commissioner Cheri Pierson Yecke said that in response to concerns addressed throughout the five-month drafting process, the number of standards and benchmarks were greatly reduced. (Benchmark is a formal term for ways to measure standards and quality.) The final social studies standards number 211 with 541 benchmarks, reductions of 10 percent and 36 percent respectively. There are now 100 science standards (down from 127) and 300 benchmarks (down from 459).

Still, some people expressed concern that in each case there are too many.

"At the high school level, students must master 265 benchmarks in four years. Assuming 175 days in a school year, that means completion of one benchmark every 2.6 days," said Sandra Peterson, vice-president of Education Minnesota. "This is hardly conducive to a deep understanding of any topic."

District officials are also worried about implementation costs.

"Availability and/or cost of materials to support the documents continue to be problematic, particularly at the elementary and early middle levels," said Jenni Norlin-Weaver, Edina director of teaching and learning.

Social studies standards comprise five areas: U.S. history, world history, government and citizenship, geography, and economics.

As younger students are introduced to social studies they will receive information in all areas, but beginning in grade four the standards and benchmarks are focused on specific areas. This continues through eighth grade. Standards for high school students again cover all areas.

Yecke said the science area is divided into four categories: history and nature of science, physical science, earth and space science, and life science. Elementary students are to be introduced to all areas, while the standards and benchmarks are organized so that middle



Education Commissioner Cheri Pierson Yecke makes a presentation to the House Education Policy Committee Feb. 3 on compliance with the federal No Child Left Behind law.

school students can spend a full year on one subject area: physical, life, and earth and space science. High school standards revert to all four areas.

Four science committee members were among a handful of testifiers to submit written testimony expressing concern about one aspect of the standards.

"We remain deeply concerned that the proposed standards fail to require students to learn enough information about evolution to be able to understand the theory's weaknesses as well as its strengths," they wrote.

Magnet school funding

A court-mandated mediation settlement could mean House members have little choice but to approve another \$1 million in bonding money for a Woodbury middle school.

Officials of the East Metro Integration District – a state-created district to support voluntary school integration between St. Paul schools and nine suburban districts – appeared before the House Education Finance Committee Feb. 3 to explain their funding request to complete land acquisition for the 400-student Crossroads Arts and Science Middle School. The school began operating in 2001, and,

according to Principal Anne Andersen, 45 percent of the student body are students of color.

Sponsored by Rep. Karen Klinzing (R-Woodbury), HF1638 would appropriate the \$1 million needed to settle a land purchase dispute that began in the late-1990s. The district's request is included in Gov. Tim Pawlenty's bonding proposal.

The bill will be considered for inclusion in the committee's bonding recommendations.

The owner of the former Jordan ranch in Woodbury appealed a condemnation award for the 37-acre school site. Court-supervised mediation established a \$4 million property value for the land in 2003. The mediation settlement added \$980,000 plus interest to the land's condemnation value. The district had previously paid \$2.8 million for the property.

The Legislature appropriated \$22.8 million in bonding since 1999 for land acquisition, site preparation, design, and construction of the school. The latest request is the fourth time district officials have returned to the state for more construction funding.

"We're in a difficult position," said Rep. Phil Krinkie (R-Shoreview), citing the court mediation settlement. Krinkie chairs the House Capital Investment Committee.

"This school was started at the direction of the state," said Rep. Mindy Greiling (DFL-Roseville). "This could heat up a lot more in court costs if we want to renege on that promise."

As a specially created school district, the East Metro district has no taxing authority to raise capital funds for school construction, said Carl Wahlstrom, district superintendent.

A companion bill (SF1566), sponsored by Sen. James Metzen (DFL-South St. Paul), awaits action in the Senate Finance Committee.

Federal funding for reform

There hasn't been a windfall of federal dollars to help the state meet required school reforms mandated by the No Child Left Behind law, Education Commissioner Cheri Pierson Yecke told the House Education Policy Committee Feb. 3.

Yecke said the state expects \$223 million during calendar year 2004 to help the state meet requirements of the federal law, including supplemental tutoring services for underperforming students, transportation to new schools, and improving teacher development. The estimate includes \$119 million in long-established Title I grants to school districts for economically disadvantaged students.

"It looks like a wash," Yecke said in response to a question if the state was gaining or losing federal dollars because of the law.

There was no mention about any potential additional state costs to comply.

While writing new academic standards for

public K-12 students to comply with the federal law have been funded by the state, Yecke said the development and implementation of new tests to measure student achievement, which follows implementation of the new standards, is expected to have more federal funding support.

The federal education department's Web site shows an estimated \$8.5 million reduction in federal dollars for 2004 to Minnesota for programs falling under the No Child Left Behind law, from \$231.5 million in 2003 to an estimated \$223.1 million for 2004.

Those estimates don't include federal dollars for special education, estimated at \$174 million for Minnesota for 2004, a \$10.2 million increase over 2003 funding.

Yecke said there is more discretionary grant money for education available under the No Child Left Behind law that states may compete for. Minnesota expects \$59 million for a reading program for kindergarten to third grade students and nearly \$8 million for a teacher recruitment and advancement program, she said.

The federal law, which took effect in January 2002, requires states to measure "adequate yearly progress" for public school and charter school students. Schools and school districts that don't show academic improvement on an annual basis could lose students to other schools, be required to shift some Title I funding to provide supplemental tutoring services and transportation to new schools, or after five years of insufficient progress, could be forced to change the school's governance structure.

ELECTIONS



Statewide election uniformity

Minnesotans would use a uniform statewide voting system during elections, under a bill approved Feb. 4 by the House Governmental Operations and Veterans Affairs Policy Committee.

HF1703, sponsored by Rep. Eric Lipman (R-Lake Elmo), would appropriate federal funds to the Minnesota secretary of state to develop the system.

The new machines would allow individuals to verify their votes, change or correct votes before ballots are counted, produce a permanent paper record of a ballot, and preserve the records in case of a recount.

Other measures in the bill include providing the same accessibility to individuals with disabilities in the election process as individuals without. Currently those visually impaired must vocally cast their vote to an election judge who then aids them in filling out the ballot. New machines would give voters independence and

privacy using alternative voting technology.

The federal funds come from the federal Help America Vote Act of 2002, enacted to eliminate punch card voting systems.

Lipman said the new system would "inspire public confidence" by giving voters the ability to verify and change their ballots before casting them.

Rep. Bill Hilty (DFL-Finlayson) expressed concern about post-election security measures, and he said the bill doesn't address appropriate action should a major technical problem occur.

The use of optical scan ballots, as required in the bill, also raised concern among several committee members. While problems have previously occurred using the voting system, Lipman said that the new technology lowers error rates compared to hand counting votes.

Kevin Corbid, director of Washington County Taxpayer Services, expressed concern over long-term funding of the voting machines. While the state will provide the initial purchasing of the machines, the ongoing maintenance responsibility remains with municipalities. Corbid said the bill language should allow for more municipal flexibility.

Lipman acknowledged that upgrades could be necessary for machines every six to eight years.

Tony Kielkucki, deputy secretary of state, warned that if the Legislature waits to act on the changes, the new voting machines would not be in place by the 2006 election, when the next statewide elections, for such positions as governor, will take place.

The bill now moves on to the State Government Finance Committee.

A companion bill (SF1666), sponsored by Sen. Dan Sparks (DFL-Austin), has been referred to the Senate Elections Committee.

ENVIRONMENT



'Conservation catalyst' seeks capital

The Minnesota Zoo has some grand ideas but needs a little help from the state to accomplish them. Zoo officials are seeking \$48 million from the Legislature for new capital projects, including a Biodiversity Center that will jazz up the zoo's entrance, add retail space, and expand classroom options and a Gateway to the North exhibit featuring creatures that roam the territory near the Ussuri River in Eastern Russia.

They also hope to generate excitement over conservation and environmental education by adding Siberian grizzly bears, sea otters, and Amur leopards, along with interactive activities, such as woolly mammoth fossil digs, to their offerings.



Rachael Kroog, naturalist with the Minnesota Zoomobile, introduces a red-tailed hawk to the House Environment and Natural Resources Finance Committee Feb. 4 as part of the zoo's capital investment request.

Additionally, the zoo is asking for \$10 million to catch up on some deferred asset maintenance and \$9.2 million for the state to assume debt service on bonds that funded the Discovery Bay exhibit.

Some feathered and furry creatures helped officials present their \$67.2 million appeal to the House Environment and Natural Resources Finance Committee Feb. 4.

"The key component of the request is the \$48 million," Director Lee Ehmke said, because attendance levels are directly proportional to new investment in facilities and exhibits.

Zoo attendance, though currently at 1 million visitors per year, has leveled off and even waned slightly in recent years, according to Ehmke.

"The Bears of the Ussuri exhibit brings in 'charismatic megavertebrates' and world class exhibit design," said Susan Palumbo, a Minnesota Zoo Foundation trustee. When it comes to fundraising and building visitor enthusiasm, "you really need something to create some momentum to move forward."

Palumbo assured committee members there is "enthusiastic private support that is just waiting for a public commitment." Over the years, the foundation has contributed \$18 million to the zoo, she said, and the trustees are poised to begin another major campaign after a capital investment nod from the state.

The governor is recommending \$34.2 million for the zoo: \$19 million for capital projects, \$6 million for asset preservation, and

\$9.2 million for debt relief payments. Ehmke said those figures are the largest ever recommended by a governor in the history of the zoo.

The zoo's request will be considered for inclusion in the committee's overall bonding recommendations.

Clean water initiative

The House Environment and Natural Resources Finance Committee leapt into legislative business Feb. 3 with an overview of the governor's \$26.4 million bonding recommendation for the Board of Water and Soil Resources (BWSR).

Under the plan, \$20 million in general obligation bonds and \$2 million from the general fund would be directed toward a so-called second generation Conservation Reserve Enhancement Program (CREP). The program is a combination of the U.S. Department of Agriculture Conservation Reserve Program and the state Reinvest in Minnesota Reserve. Both are voluntary programs aimed to reduce sedimentation and soil erosion by encouraging landowners to set aside or retire marginal or environmentally sensitive agricultural land along waterways.

"CREP is the centerpiece of the Governor's Clean Water Initiative," said Ron Harnack, board director.

The state has successfully enrolled 100,000 acres along the Minnesota River watershed in the program, and this new initiative proposes another 100,000 acres from three watersheds across the state.

The overall cost is \$226 million through December 2007, with the state eventually contributing \$46.4 million. The program leverages \$4 from the federal government for every \$1 spent by the state, Harnack said.

The board request also includes \$4.4 million in funds for local government road wetland replacement projects. Wetland replacement efforts improve water quality, flood mitigation, and wildlife corridor enhancement, Harnack said.

The implications for not funding the wetland replacements could reduce or delay completion of local public road projects, Harnack said. "It's critical for the city, county, and township road authorities."

Session initiatives outlined

The House Environment and Natural Resources Policy Committee conducted a session preview Feb. 3. Chair Rep. Tom Hackbarth (R-Cedar) laid out his expectations for the 2004 session, including his hopes to revive mourning dove hunting season and shooting range legislation.

The first priority, Hackbarth said, will be reviewing bills sent back to committee at the close of the 2003 session, including an omnibus game and fish bill. There are unintentional consequences from new all-terrain vehicle provisions in law that should be corrected, as well, he added. For example, language added in a conference committee restricted ATV use on specific categories of wetlands, even frozen wetlands on private lands. Some riders have questioned the environmental impact the machines have and asked for a review.

There have been some discussions during the interim of blending the Pollution Control Agency and the Office of Environmental Assistance, Hackbarth said, which may reach the committee this year.

There are more hunting and fishing issues on the radar. For example, Rep. Bill Haas (R-Champlin) has requested a hearing on the Department of Natural Resources' Lake Mille Lacs management plan.

Rep. David Dill (DFL-Crane Lake) expressed eagerness to discuss hunter recruitment in general. In addition to a youth deer hunting measure, Dill said he intends to introduce a bill removing a requirement for youngsters between the ages of 12 and 17 to provide their social security numbers on hunting license applications. The measure is apparently part of a child-support collection initiative, Dill explained, but he questions the number of potential offenders under the age of 18.

"We should be introducing the kids to the great outdoors – not to adult bureaucracy."

Another topic still in play is a phosphorus study ordered by the 2003 Legislature.

The Pollution Control Agency was asked to examine acceptable levels of this nutrient in cleaning agents such as dishwasher detergents, how to best remove it at the wastewater treatment stage, and what effects do decreased phosphorus levels have on overall water quality.

Rep. Ray Cox (R-Northfield) sponsored a bill last year that would have limited the amount of phosphorus in dishwasher detergents sold in Minnesota. The proposal was scaled back to a study and included in the 2003 omnibus environment bill. He said he expects the results later this month.

Rep. Jean Wagenius (DFL-Mpls) requested hearings on the effects of climate change on Minnesota ecology – specifically the state's forests and fish population – and an overview of statewide water monitoring efforts.

"Right now Minnesota monitors its lakes and stream at the rate of once every 67 years," Wagenius said. "I think the public expects better."

GAMBLING



Betting on change

Minnesotans are not purchasing as many lottery tickets as they did in the mid-1990s; however, things may be turning around.

The late State Lottery Director George Andersen, who died Jan. 27, told a joint meeting of the House Governmental Operations and Veterans Affairs Policy and State Government Finance committees Oct. 29 that \$352 million of tickets were sold in fiscal year 2003, the lowest amount since 1995, and a \$25 million (7 percent) drop from one year prior.

However, projections for the current fiscal year show a 6.1 percent sales increase, and a 19 percent revenue increase to nearly \$94.6 million. That is due in part to a 70.2 percent increase in Powerball sales through late-October. Andersen's presentation came two days after a group of school workers from Holdingford claimed \$95.5 million in Powerball winnings. The game also had a \$261.3 million jackpot in July 2003, meaning another surge in ticket buyers.

Andersen's presentation was merely informative. No votes were taken because the Legislature had not yet reconvened.

He also updated legislators on cost-saving changes at the lottery.

Last year the Legislature reduced the lottery's annual operating budget to \$43.5 million, a drop from \$46.6 million in fiscal year 2003 and \$50 million the previous year. Additionally, all unclaimed lottery prize money must be returned to the state's general fund. Previously, 42 percent went to the general fund, 30 percent went back into the prize pool, and 28 percent went to the environment and natural resources fund.

The lottery now has 35 fewer employees than in it did in June 2003, vehicles are not replaced until they reach 150,000 miles, the toll-free player hotline has been eliminated, and the amount spent on advertising, primarily through print and radio, is down 7 percent from 2002 and 32 percent from 1992.

Additionally, the lottery promotional budget has been cut 76.5 percent, including the cutting of ties to a number of events, such as the Bayfront Blues Festival in Duluth, WE Fest in Detroit Lakes, and all four major professional sports teams.

Instead of reducing its promotional activities, Rep. Bill Haas (R-Champlin) said the lottery should have further reduced its advertising. Even though some consider the ads to be "corny," Andersen said they are effective.

An April 2003 report by the Minnesota Center for Environmental Advocacy showed that

lottery operations are costlier in Minnesota compared to eight other states with similar populations and lottery sales and thereby curtail funds to the Environmental Trust Fund. In response, Andersen said each lottery is run differently and Minnesotans play more scratch-off games, which have a lower profit margin.

★ GOVERNMENT

Reorganizing state government

A major change in state government structure would occur if a bill introduced last session, and heard in the interim, became law.

Sponsored by Rep. Paul Thissen (DFL-Mpls), HF1210 would establish eight secretary positions, instead of the current commissioner structure.

By definition the secretaries would be:

- administration;
- agriculture, commerce, and trade;
- education;
- finance;
- health and human resources;
- natural resources;
- public safety; and
- transportation.

Each would oversee from three to more than a dozen state departments, agencies, and boards. Currently, state departments have their own commissioner and agencies and boards have an executive director. "There is nothing in the bill to eliminate state agencies," Thissen said.

Instead, at an Oct. 29 joint meeting of the House Governmental Operations and Veterans Affairs Policy and State Government Finance committees, he said, "This is a proposal to reorganize the executive branch." Thissen said that a common theme he has heard from constituents is that government needs to work more effectively and efficiently.

No votes were taken because the Legislature had not yet reconvened its regular session.

A fiscal note attached to a companion bill (SF1106), sponsored by Sen. Jane Ranum (DFL-Mpls), indicates a nearly \$1.88 million savings annually through 2007. The money would come from a reduction "in managerial, supervisory, and other positions in executive branch agencies," according to the bill. Thissen said that more positions could be eliminated in the future as things become more efficient.

Some questions were raised about the assigning of departments and boards under a particular secretary. Thissen said a task force called for in the bill would ultimately make that decision. The task force would be comprised of four to six heads of state agencies, and one member from

the majority and largest minority caucuses in the House and Senate.

Thissen said that various reorganizations of state government have been proposed since 1913, but most proposals have not gone very far.

The most recent change to Minnesota government was the January 2003 abolishment of the state treasurer position by constitutional amendment. Those duties were transferred to the Department of Finance.

★ HEALTH

Malpractice awards discussed

If a bill under consideration by the House Health and Human Services Policy Committee were to become law, jury awards for non-economic damages in medical malpractice suits could not exceed \$250,000.

The committee heard testimony Feb. 4 on HF1681, sponsored by Rep. Fran Bradley (R-Rochester), intended to lower the cost of health care and health insurance. The bill would provide changes in laws that relate to insurance, tort reform, and taxes.

In addition to imposing limits on medical malpractice damages, the bill would limit attorney fees paid in medical malpractice suits, and grant permission to the Board of Medical Practice to approve "best practice" guidelines, adherence to which would be an "absolute defense" in the case of an allegation of medical malpractice.

Other measures of HF1681 would:

- permit for-profit health maintenance organizations (HMOs) to operate in Minnesota;
- require outpatient-surgical centers, clinics, and physician offices to report adverse health events, a requirement that currently applies only to hospitals;
- establish an information and referral center for interpreter services; and
- amend Minnesota law to conform to federal tax law changes that encourage the use of health care savings accounts.

Of the bill's provisions, the issue packing the most emotional punch is a proposed \$250,000 cap on certain medical malpractice awards. Rep. Lynda Boudreau (R-Faribault), the committee chair, emphasized the bill addresses only non-economic and punitive damages. There would be no cap on economic damages.

Impassioned testimony was given on both sides of the issue.

"The proposed cap bears no relation to reality," said James Williams, a Plymouth resident whose family has been severely affected by medical malpractice. "You simply cannot predict economic costs down the road." He

said the cost of caring for his injured wife exceeds \$400,000 per year.

Dr. David Ketrosier, a physician and medical malpractice attorney, urged the committee to eliminate the cap from the bill, saying there is no evidence that caps reduce the cost of medical malpractice insurance.

Other physicians called the need for medical malpractice adjustments "critical."

Dr. Mary Braddock, a pediatrician with Children's Hospitals and Clinics, said medical malpractice premiums are becoming unaffordable, while at the same time becoming less available.

"We are definitely in crisis in Minneapolis," said Dr. Gary Gosewisch, an emergency room physician. "We need significant tort reform at both the state and federal levels."

According to David Feinwachs, general counsel for the Minnesota Hospital Association, statistics show that states with caps have premiums 17.1 percent lower than states without caps.

The committee is scheduled to continue discussing the bill Feb. 9. It has no Senate companion.

The cost of care

Since Sept. 11, 2001, insurance rates have risen sharply in all areas. Nowhere has this had a greater impact than in the field of long-term health care, where liability insurance premiums have risen as much as 340 percent in the past year alone, those in the industry told the House Health and Human Services Finance Committee Feb. 3.

Nazneen Khatoon, an administrator for Best Care Home Health of Minneapolis, said her organization's premiums have increased from \$6,000 to \$23,000 per year since 2001, a period during which the state reimbursement rate has not changed. She said more than 85 percent of the firm's clients are Medicaid recipients.

"Out of control premium increases are especially burdensome to adult care providers," said Michael Klatt, CEO of the Lutheran Home Association, who voiced concerns that some organizations are choosing to go without liability insurance.

Testifiers agreed that premium increases are occurring without regard to the claims history of an organization. Khatoon said her organization has never filed a claim.

Bob Johnson, executive vice president for the Insurance Federation of Minnesota, said premium increases are driven, in part, by the increasing costs of the United States tort system.

"The insurance payout from 9/11 was over \$40 billion and is still growing," Johnson said. The result is that insurance company capital has decreased dramatically, he said, and,

despite recent premium increases, the financial rankings of insurance companies are in "a persistent, accelerating decline."

Insurance and health care representatives seemed to agree that tort reform, placing some restrictions on lawsuit awards, is crucial to solving the problem of increasing insurance costs. Representatives of the Long-Term Care Imperative also called for insurance reform and an expansion of liability coverage available to them through the Minnesota Joint Underwriting Association. Johnson expressed concern that too much reliance on the association could displace private sector insurance companies.

Both the Health and Human Services Finance and Policy committees plan additional hearings on the topic.

HIGHER EDUCATION



Governor's recommendation

University of Minnesota President Robert Bruininks said Gov. Tim Pawlenty's bonding recommendations for the institution are "not enough to maintain the university, let alone move it forward."

The university request is \$155.5 million; Pawlenty is recommending \$76.6 million.

Speaking to the House Higher Education Finance Committee Feb. 3, Bruininks said, "This is a work horse proposal, not a show horse." No committee action was taken.

Bruininks said that \$90 million of the "modest request" is for asset preservation and replacement, \$49 million would fund four major building renewals, and nearly \$16.5 million would finance new construction.

"We want to get full use out of our structures," he said of the preservation portion. "This request will help prevent costly downstream problems because of neglect."

The governor's plan calls for \$38 million in campus-wide asset preservation and funding for three of six major building projects the university requested: \$16.8 million for renovation of Kolthoff Hall, home to the chemistry department on the Minneapolis campus, \$13.3 million to convert a vacant building into a new Education Sciences Building on the Minneapolis campus, and \$9.3 million to renovate the life science building on the Duluth campus to house the College of Pharmacy program. Designed to train and place needed pharmacists in Greater Minnesota, the program expanded to the Duluth campus in the fall of 2003.

Rejected requests were business school expansions at the Duluth and Minneapolis campuses, a biomass heating plant addition in

Morris, and medical classroom upgrades in nine Academic Health Center buildings on the Twin Cities campus.

With the 15 percent operating budget reduction last session, Rep. Ron Latz (DFL-St. Louis Park) said the Legislature has an "opportunity to show that we are not against higher education." He plans to introduce a bill to fully fund the university's bonding request and the \$275 million appeal from the Minnesota State Colleges and Universities system.

Rep. Jim Knoblach (R-St. Cloud) noted there was \$48.7 million in last year's bonding bill for the university, but Bruininks said much of that restored what Gov. Jesse Ventura vetoed in 2002.

University officials say higher education usually receives 15 percent to 18 percent of state bonding dollars. Under Pawlenty's recommendation higher education concerns would receive about 10 percent of the total package.

HOUSING



Verifying home ownership

Homeowners paying off mortgages would be assured that the proof of their efforts – the certificate of satisfaction – would in fact list them as the owner, despite any occurrence of multiple refinancing efforts.

HF1805, introduced by Rep. Thomas Pugh (DFL-South St. Paul), addresses a problem stemming from today's climate in which finance companies repeatedly change names, and homeowners refinance mortgages multiple times in search of lower interest rates. As mortgages are reassigned, the homeowner frequently goes unlisted on the mortgage when it is paid in full.

The bill would require that the satisfaction certificate list the name of the broker, the mortgage provider, the property owner, the date of the mortgage, the date of the recording of the document, and the volume and page number or document number of the mortgage in the real property records where the mortgage is recorded. It would apply only to mortgages with principles of \$500,000 or less.

Chuck Parson, head of the real estate section of the Minnesota State Bar Association, said the association favored the bill.

Approved by the House Civil Law Committee Feb. 3, it now moves to the House floor.

A Senate companion bill (SF1621), sponsored by Sen. Thomas Neuville (R-Northfield), awaits committee action.

LAW



Initiative and referendum advances

If a bill approved by the House Governmental Operations and Veterans Affairs Policy Committee Feb. 3 becomes law, voters could get the opportunity to enact new laws and repeal laws without legislative approval.

"True grassroots support," is how House Majority Leader Erik Paulsen (R-Eden Prairie) described his bill (HF250) that would propose changing Minnesota's Constitution to allow for the initiative and referendum process. The amendment would be placed on the 2004 general election ballot for voter approval.

Paulsen said the change would, "empower and energize voters in the political process" by bringing more accountability to government.

According to the bill, a proposal would be placed on the ballot if a petition were signed by 5 percent of the voters in the previous gubernatorial election in at least six of the eight congressional districts in the state.

The plan calls for the initiated or referred law or constitutional amendment to take effect 30 days after approval by the voters. The governor could not veto an initiative.

In the state of Minnesota, 80 cities already use the process. Secretary of State Mary Kiffmeyer said the initiative and referendum process "gets more people involved in a real, more purposeful way." While we have a government "of the people, by the people, and for the people," those same people make good decisions about the individuals on a ballot, and should be allowed to weigh in on policy matters.

While in favor of the proposed legislation, Nick Raleigh, chair of the Green Party of Minnesota, said legislators should be careful with the bill's language to ensure that corporations and industrial lobbying groups are excluded. He argued those organizations with large purse strings have the manpower to organize



As House Majority Leader Erik Paulsen, left, listens, Brandon Rettke, right, a political action specialist for Education Minnesota, testifies before the House Governmental Operations and Veterans Affairs Policy Committee Feb. 3 in opposition to a Paulsen-sponsored bill that would provide a proposed constitutional amendment on initiative and referendum procedures.

statewide campaigns to gather enough signatures to get a question on the ballot.

Brad Lehto, legislative director for the Minnesota AFL-CIO, added that influence comes from "few rather than many."

Opposing the measure, Bill Blazer, senior vice president of the Minnesota Chamber of Commerce, argued it puts businesses and organizations at a disadvantage because they no longer become involved in the process.

Rep. Phyllis Kahn (DFL-Mpls) unsuccessfully attempted to amend the provision in the bill granting authority to determine whether two or more initiatives on a ballot conflict to the secretary of state. Kahn said a more non-partisan authority would be the chief justice of Minnesota's Supreme Court.

Approved by the committee, the bill now goes to the House Judiciary Policy and Finance Committee.

A companion bill (SF1565), sponsored by Sen. Dave Kleis (R-St. Cloud), awaits action by the Senate Elections Committee.



For information from a January committee hearing about the legal definition of marriage, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

SAFETY



For information on the data practices concerns surrounding the CriMNet system from a January committee hearing, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

TRANSPORTATION

Financing road construction

Fourteen road and highway projects would be constructed earlier than scheduled through bond financing, under a proposal offered Feb. 4 by the Minnesota Department of Transportation (MnDOT).

Of the 14 projects presented to the House Transportation Finance Committee, nine are in Greater Minnesota.

The labeling of a proposed Highway 212 expressway as a rural project renewed the longstanding debate regarding equitable transportation funding between rural and metropolitan areas. The project would create an expressway between the area just west of Flying Cloud Airport in Eden Prairie and the city of Carver. The entire highway, however, runs between Montevideo and the Twin Cities.

Rep. Al Juhnke (DFL-Willmar) said that

western Minnesota residents who favored expressway bonding didn't realize that their support would come at the expense of other rural projects.

"To say that 212 is your rural project is far-fetched," Juhnke said.

Al Schenkelberg, director of MnDOT's Office of Investment Management, said the criteria included safety, travel times, traffic signal proliferation, and congestion. Highway 212 is now handling more volume and more heavy commercial vehicles, and it varies between two and four lanes, he said.

Rep. Alice Hausman (DFL-St. Paul) also had concerns about the project. Instead of continuing to allow the highway to intersect with the congested Interstate 494, it could be diverted south to join Highway 13, she said.

"I wish somehow we could force going back to the drawing board," Hausman said.

Other projects on the proposed bonding list and the accelerated dates include:

- Highway 371: four-lane expressway from Highway 10 to County Road 48 north of Little Falls, accelerated from 2006 to 2005.
- Highway 52: reconstruction at Oronoco, accelerated from 2005-2009 to 2005.
- Highway 14: four-lane expressway from Janesville to Waseca, accelerated from 2005-2010 to 2004.
- Interstate 694: reconstruction at the junction of Interstate 35E in Vadnais Heights, accelerated from 2008 to 2005.
- Interstate 494: construction of one lane in each direction from Interstate 394 to Highway 212 in Eden Prairie and Minnetonka.

The 14 projects are estimated to cost \$824.9 million, with \$424.9 million coming from the federal government and the remainder in trunk highway bonds.

Cost estimates, stations reduced

Members of the House Transportation Finance Committee received revised plans and cost estimates for the Northstar commuter rail line, a high-speed rail system that would extend from Minneapolis north and west along U.S. Highway 10, at a meeting Jan. 20.

Initially, the line would have extended from Minneapolis to Rice, just north of St. Cloud. However, five stations and 42 miles were eliminated to bring costs in line with federal guidelines, which saves \$53 million in project costs.

The project is again competing for federal funds. This time, Gov. Tim Pawlenty has recommended that the state borrow \$37.5 million to provide matching funds to begin final planning stages of the project.

The line would operate on existing Burlington Northern Santa Fe Railway tracks, between Big Lake and Minneapolis, during

REP. CHUCK BROWN REMEMBERED



The House approved a resolution Feb. 5 memorializing former Rep. Chuck Brown who passed away unexpectedly in August 2003 at age 52.

Brown, of Appleton, served in the House from 1985-1996. His legislative district included Big Stone, Douglas, Grant, Pope, Stevens, Swift, and Traverse counties.

He was remembered on the House floor for his quick wit, love of family, bipartisan approach, and dedication to rural Minnesota, particularly his work to ease farmers' financial burdens during the troubled economic times of the late-1980s.

Brown is survived by a wife and four daughters.

peak morning and evening commute times. Estimates say enough riders would use the line to reduce round trips on the corresponding highways by 2,800 per day.

Costs associated with building the line involve improvements necessary along the tracks and construction of stations and park and ride facilities and right-of-way acquisition.

The Federal Transit Administration has initiated new guidelines for evaluating projects seeking federal funding, prompting completely new and incomparable projections for the line's ridership and costs. The administration evaluates the dollar value of travel-time savings to determine whether a project is cost-effective. Officials at the meeting were careful to note that a cost-effectiveness standard is not the same as a cost-benefit analysis, which has not yet been performed on the Northstar project.

The cost-effectiveness indicators suggest the line will save commuters 892,000 hours per year.

Preliminary plans show improvements, complete by 2008, would cost \$265 million to begin the line, with the federal government picking up 50 percent, the state 33 percent, and local entities 17 percent, under the governor's proposal.

In addition, officials said that initial operation of the Northstar line would not eliminate the need for expanding Highway 10 if anticipated growth continues.

Setting the bar

Governor's bonding proposal offers mix of new construction, asset preservation

By MARY KAY WATSON

Gov. Tim Pawlenty is backing a variety of projects in his 2004 capital budget that taken together equal \$760 million.

If the Legislature were to pass a bonding bill reflecting the governor's priorities, the state would borrow \$688.7 million in general obligation bonds for projects ranging from construction of new schools to fish hatchery improvements. The remainder of the bonds would be funded through other sources.

Not all projects involve new construction; some aim to preserve or improve current assets. The decision as to which of these projects to fund will be at the heart of legislative debate this session, as is always the case in even-numbered years. The total amount requested by agencies and local governments was nearly \$1.6 billion.

Newly appointed Finance Commissioner Peggy Ingison presented the governor's proposals to the House Capital Investment Committee Feb. 3.

She said that Pawlenty's recommendations fall into the following areas:

- Education: \$195.6 million,
- Economic development, housing, and transportation: \$194 million,
- Environment: \$172.4 million,
- Prisons: \$108.4 million,
- Public services: \$89.3 million.

Ingison said the governor's proposal adheres to a guideline mandating that no more than 3 percent of general fund revenue be used for debt service. What follows is a breakdown of key portions of his recommendations.

Education

The governor's plan calls for \$76.6 million for the University of Minnesota, and \$88.6 million for the Minnesota State Colleges and Universities (MnSCU) system. It addresses the need for science and technology projects and renovations, including science facilities for Winona State University (\$10.2 million) and Minnesota State University, Moorhead (\$9.6 million).

A research facility planned as a joint project

between the University of Minnesota and the Mayo Clinic is slated to receive funding of \$20 million.

Rep. Phil Krinkie (R-Shoreview), the committee chair, asked Ingison who the fiscal agent would be for that facility. She said that funds for the building would be appropriated by the Department of Employment and Economic Development, but the building would be owned by the university. She acknowledged the partnership between the university and the Mayo Clinic is "a complex arrangement."

The Department of Education would receive \$24.2 million for projects that include construction of a new middle school at Red Lake for \$22.1 million.

In addition, the Minnesota state academies are earmarked to receive \$4.3 million for asset preservation.

Prisons

The Department of Corrections would receive \$105.4 million for prison projects, including nearly \$74.9 million for the expansion of space at Faribault. A 150-bed segregation unit at Stillwater would be funded at \$19.2 million.

New facilities for a sex offender program, to be administered by the Department of Human Services, would be built in St. Peter at a proposed cost of \$3 million.

Agriculture and environment

Among Pawlenty's bonding recommendations for natural resources are habitat acquisition, reforestation, and metro greenways, some of the projects for which the Department of Natural Resources would receive a total of \$67 million, including grants of \$20 million for flood hazard mitigation.

The Minnesota Zoo would receive \$25 million for a combination of asset preservation and for implementing phase one of a redesigned master plan that includes building a new exhibit called "Gateway to the North."

The Water and Soil Resources Board would receive \$22 million for Conservation Reserve Enhancement Program and Reinvest in

Minnesota projects and \$4.4 million for road wetland replacement projects.

The Department of Agriculture is slated to receive \$18 million for Rural Finance Authority loans and \$570,000 for the Agriculture Water Management Research Partnership.

Public services

The governor's plan designates grants of \$10 million for infrastructure repair and improvements in Roseau related to 2002 flooding, \$4.2 million for the Colin Powell Youth Leadership Center in Minneapolis, and \$635,000 for a maintenance garage and street repair in Buffalo Lake.

It also includes \$39 million for the Department of Administration, \$15 million of which is for the Cooperative Local Facility Grant Program to encourage, enable, and support local units of government to develop innovative methods to deliver public services better, faster, and cheaper through increased cooperation and consolidation.

Much of the other funding for public services focuses on asset preservation, renovation, and general improvement. Among areas targeted are historic sites and parking improvements.

Housing, development, transportation

The Department of Transportation would receive funding amounting to \$92.3 million, which would cover such projects as Northstar Commuter Rail (\$37.5 million), local bridge replacement (\$28 million), and local road improvement grants (\$10 million).

Redevelopment grants, which help local communities renew properties for industrial, commercial, or residential purposes, totaling \$25 million are earmarked by the proposal for the Department of Employment and Economic Development, along with the \$20 million discussed under education for the University/Mayo Clinic research facility.

The Housing Finance Agency would receive \$20 million for permanent supportive housing loans.

All these proposals will be addressed in various committees in the coming weeks. Ingison said the governor would release supplemental recommendations the first week of March.



Mid-term replacement

Rural jobs, transportation, education, taxes are top issues for newest House member, elected in December to fill vacancy

By PATTY JANOVEC

Minnesota's newest House member has a simple explanation for why he sought the role of legislator.



Rep. Scott Newman

"It's a matter of serving my community," said Rep. Scott Newman (R-Hutchinson), who won a Dec. 30 special election to earn a seat in the House chamber.

Newman replaces former Rep. Tony Kielkucki (R-Lester Prairie), who became a

deputy secretary of state late last year. "I fully intend to do at least as good a job as Tony," Newman said, complimenting his predecessor.

Said Kielkucki, Newman will represent the area well because he's "very easy to talk to, communicates well with his constituents, knows the needs of his constituents, (and) has a great legal mind. I'm very glad he got elected to replace me."

Newman assumes Kielkucki's role on the Education Finance, Education Policy, Governmental Operations and Veterans Affairs Policy, and State Government Finance committees.

An attorney by trade, Newman has practiced law for nearly 30 years and is a certified civil trial specialist. "I've worked both sides of the fence," he said.

It's the challenge of the position that attracts people to the Legislature, he said. "I think it's going to be difficult and that's part of why I want to do this."

The learning curve has been steep, Newman said, but he looks forward to the entire experience of being a representative. "I'm going to personally see how a bill actually gets passed into law."

Newman said that members from his community encouraged him to run. So did the views of leaders in his party. "I like the

direction the speaker is going, I like the direction the governor is going, and that had a great deal of influence on me."

With his three children grown and married, he said he discussed the idea of running for office with his wife, Ginny, and came to the conclusion that it was important for him to do. "I can tell you, I'm not doing it for the money," he added with a laugh.

"There are issues that are facing us as a state, and within my county, and within my district that I think are really important," he said, citing rural jobs, transportation, education, and taxes as examples.

While his hometown of Hutchinson and

Gambling issues are a priority this session, said Newman. Feedback from his constituents included opposition to using gambling proceeds to possibly fund sports stadiums. Many of his constituents oppose gambling morally and philosophically, and proceeds are "not for general balancing of the budget," he said.

Another issue on the Republican agenda is tort reform, said Newman. As an attorney, he brings a unique perspective to the issue and said two broad issues important to him are caps and unnecessary lawsuits.

"To me the jury is pure grassroots of America," he said, comprised of members of the community evaluating a dispute as peers. Putting caps on awards allows the government to tell a jury what they will decide. "I don't think government should do that," he said.

When he looks back on his legislative days years from now, he said he hopes to be able to say, "I did a good job, and did the best job that I can, and I don't believe this is going to be

"I'm very happy to be here, I'm very proud to be here. I have a strong faith in America and it's values. And this in reality is what it's all about."

— Rep. Scott Newman

Glencoe, also in his district, faced major local government aid cuts following the 2003 session, other smaller towns are experiencing loss of funding from declining enrollment in local schools.

Even as he deals with those issues, he said, he plans to maintain a balance between Hutchinson, which he described as a "progressive, solid town" and the more rural towns in the district facing issues such as farming and value-added products, feedlots, and permits. "I've got kind of a unique district ... and I have to balance the needs in my district."

Transportation issues are at the forefront, said Newman, with "significant accidents" happening on U.S. Highway 212 and state highway 7. With bonding measures up for discussion this session, he said he promises to keep a constant eye on funding to take care of the problems in district 18A.

one of those experiences in life unless I work hard."

"I'm very happy to be here, I'm very proud to be here. I have a strong faith in America and its values. And this in reality is what it's all about."

DISTRICT 18A

2002 Population: 36,487

Largest City: Hutchinson

Counties: McLeod, Meeker

Location: west of the Twin Cities metropolitan area

Top concern: "(Graduation) Standards - I am on that committee and it is an important topic at the moment."

— Rep. Scott Newman

2003 Minnesota State Fair poll results

More than 7,300 fairgoers sound off

1. Under current law, child support payments are based on a noncustodial parent's income. Should both custodial and noncustodial parents' income be taken into account in calculating child support payments?

Yes	77.1%	(5,654)
No	13.4%	(982)
Undecided/No Opinion	8.3%	(609)
Left blank/vote not tallied	1.1%	(84)

2. Education (not including higher education) funding makes up about 40 percent of the state's overall general fund budget. Should education funding — including funding for public schools, after-school programs, early childhood, and adult basic education — be subject to budget cuts during times of economic distress?

Yes	34.3%	(2,517)
No	60.8%	(4,457)
Undecided/ No Opinion	3.8%	(276)
Left blank/vote not tallied	1.1%	(79)

3. From 1913 until 1973, legislators were elected in Minnesota on nonpartisan ballots, meaning there was no political party designation for individual members. Nebraska is the only state currently with a nonpartisan legislature. In addition, candidates for most local government offices (i.e. city councils and school boards) are not elected according to party designation. Do you support the practice of electing legislators according to political party designation?

Yes	48.9%	(3,581)
No	38.5%	(2,820)
Undecided/No Opinion	11.4%	(835)
Left blank/vote not tallied	1.3%	(93)

4. Mourning dove hunting has been banned in Minnesota since 1947. Should state law be changed to allow a mourning dove hunting season?

Yes	18.8%	(1,380)
No	56.5%	(4,139)
Undecided/No opinion	23.2%	(1,697)
Left blank/vote not tallied	1.5%	(113)

5. Should employers be allowed to pass along certain employment information, such as job references, wages, job description, or written disclosures of any instances of theft, harassment or other illegal conduct in a current and previous employee's record without the employee's consent?

Yes	34.7%	(2,541)
No	58.9%	(4,319)
Undecided/No Opinion	5.1%	(372)
Left blank/vote not tallied	1.3%	(97)

6. A bill that would have changed the statute of limitations for civil suits related to childhood sexual abuse stalled in the Legislature in 2003. According to a Minnesota Supreme Court ruling, individuals have six years to file suit, beginning when a person turns 18. Should the statute of limitations be extended?

Yes	58.5%	(4,288)
No	32.7%	(2,397)
Undecided/No Opinion	7.7%	(562)
Left blank/vote not tallied	1.1%	(82)

7. The speed limit on rural, two-lane state highways is now 55 miles per hour. A bill to raise the limit to 65 mph and keep the nighttime limit at 55 mph was introduced in 2003. Should the daytime speed limits on Greater Minnesota highways be raised?

Yes	53.4%	(3,911)
No	42.9%	(3,145)
Undecided/ No Opinion	2.9%	(210)
Left blank/vote not tallied	1.0%	(63)

8. In Minnesota, children between the ages of 12 and 16 may operate all-terrain vehicles, including four-wheelers and off-road motorcycles, on public lands if they possess a vehicle safety certificate and are accompanied by someone 18 or older operating another vehicle. Should young people under the age of 16 be allowed to drive all-terrain vehicles, including four-wheelers and off-road motorcycles, on public lands?

Yes	22.6%	(1,608)
No	73.4%	(5,219)
Undecided/ No Opinion	4.0%	(288)

9. During the 2003 Legislature, a plan to allow state-owned gaming machines at Canterbury Park was considered. Portions of the additional revenue created would have been dedicated to the state's general fund. Do you support a state-operated casino?

Yes	52.8%	(3,764)
No	43.6%	(3,107)
Undecided/ No Opinion	3.6%	(255)

10. In 2000, license tab registration fees were reduced to their current levels, including a \$99 fee from the time a car is three years old, until it is 10 years old. Several bills discussed during the 2003 legislative session proposed increasing those fees to fund transit and additional road construction projects. Should license tab fees be increased?

Yes	36.5%	(2,598)
No	59.3%	(4,219)
Undecided/ No Opinion	4.2%	(300)

11. Minnesota has a bicameral legislature, which means that it has both a House and Senate, like the U.S. Congress and 48 other states. One state, Nebraska, has a unicameral legislature, where there is a single lawmaking body. Would you support making Minnesota's Legislature unicameral?

Yes	31.0%	(2,200)
No	60.7%	(4,312)
Undecided/ No Opinion	8.3%	(592)

12. Should the Legislature increase cigarette taxes?

Yes	70.7%	(4,963)
No	22.8%	(1,599)
Undecided/ No Opinion	6.5%	(454)

13. During 2003, a new law was enacted changing the way handgun permits are issued in the state, requiring permits to be granted to individuals who meet a set of criteria, including a gun safety course. Do you plan to apply for a handgun permit or have you already applied for one?*

Yes	12.3%	(881)
No	84.2%	(6,011)
Undecided/ No Opinion	3.4%	(243)

14. In general, the 2004-05 budget passed by the Legislature reflected reductions to 2002-03 levels and some fee increases to accommodate for a projected budget shortfall. Do you support budget cuts during times of economic distress as opposed to increasing certain taxes?

Yes	44.9%	(3,186)
No	47.4%	(3,359)
Undecided/ No Opinion	7.7%	(544)

*Question 13 does not attempt to measure support for the law passed during the 2003 session which changes the way handgun permits are issued in the state. It is merely an opportunity to see how many polltakers are planning to apply for a handgun permit.

(All percentages are rounded off to the nearest one-tenth. Percent total votes left blank or not tallied are included for those above 1 percent. On questions 8 through 14, percentages are based on the number who actually voted on the question, because those questions appeared on the back side of the ballot and may have been inadvertently skipped.)

Note: The Minnesota House of Representatives' survey is informal and unscientific. It is simply a measurement of the opinions expressed by those who took the time to complete the poll while visiting our booth at the Minnesota State Fair. Our main purpose in conducting this opinion poll was to familiarize fairgoers with some of the issues that have recently been discussed by the Legislature and issues that may be debated during the 2004 legislative session.

Biosciences 101

Legislators sponsor symposium in hopes Minnesota can benefit from an emerging industry

By NICOLE WOOD

Nanotechnology, advanced bioinformatics, “biopharming,” bioremediation, and xenotransplantation might not yet be household words to the average Minnesotan, but they reflect an essential part of a scientific and economic revolution, that many say the state is poised to capitalize on.

Biosciences are basically the application of human, plant, and animal biological knowledge and processes across a range of industries, including agriculture, health care, and manufacturing.

Examples of Minnesota bioscience products include:

- plastics and biosynthetic fabrics made from corn rather than petroleum by Cargill Dow, a Minnetonka-based company;
- gene sequencing, animal disease diagnostics, and system specific vaccines provided by Newport Laboratories in Worthington; and
- Gore-Tex coated pace-maker lead wires produced by Guidant Corporation in Arden Hills that can easily be repositioned or removed.

Policymakers have caught on in the last year to the buzz the biosciences are generating and they have begun looking for ways to support industry growth.

The 2003 Legislature approved a bill, sponsored by Rep. Lynne Osterman (R-New Hope), that allowed the designation of one biotechnology and health science zone in the state. Businesses within the zone can qualify for sales, corporate franchise, and property tax exemptions, among other incentives.

“The goal is to cluster existing and startup bioscience companies and help them gain access to U of M and Mayo researchers and to provide tax incentives to help them lower their overall costs and facilitate their growth,” Gov. Tim Pawlenty said recently when designating Rochester, St. Paul, and Minneapolis as sub-zones within a zone under the new law.

Osterman accompanied the governor last September on a trade mission to Quebec, a region with one of the highest concentrations of biotechnology research firms in North America.

“We don’t have a collective knowledge base among the legislators on this topic,” Osterman said she realized on the trip. “We’re going to get back home and nobody’s going to push yes” when it comes time to vote on additional bioscience initiatives.

Her wish for a primer for lawmakers resulted in “Biosciences 101...from value-added agriculture to improving human health,” a Feb. 4 symposium held at the Minnesota History Center.

Osterman, who co-hosted the event with Sen. Steve Kelley (DFL-Hopkins), said she hopes legislators gained a working definition of bio-

sciences and an understanding of how industry growth translates to jobs.

“Minnesota has unbelievable potential and it’s up to them to plot the course,” she said.

The public policy arena must support universities and industry in their endeavors, Kelley told attendees. “Consider the event ‘Biosciences Recruitment 101,’” he said. “We need more champions on this subject.”

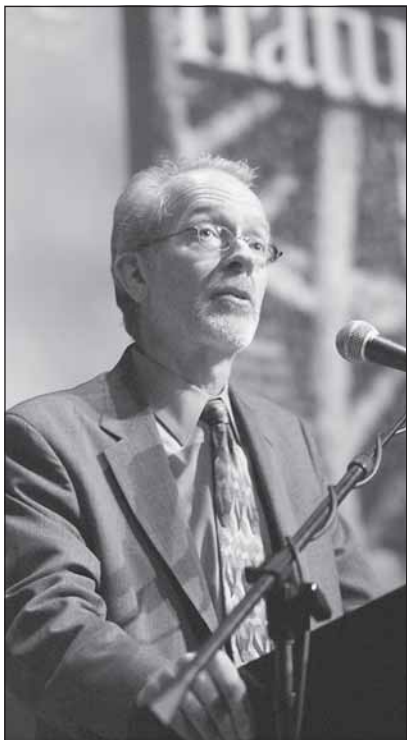


PHOTO BY ANDREW VON BANK

Robert Elde, dean of the University of Minnesota College of Biological Sciences, gives a biosciences primer Feb. 4 as part of a legislative conference on the topic.

Robert Elde, dean of the College of Biological Sciences at the University of Minnesota, elucidated the connection between biology and the economy.

“The economy that’s coming is a molecular and cellular economy,” he said.

The industrial and information revolutions have passed and this revolution in biosciences has developed on the backs of the projects to decode the human genome, Elde explained.

“When we have the entire parts list for every living organism, this type of science becomes engineerable,” he said. Physics and chemistry have gone through this process and now biology has cellular and molecular engineering.

There is no doubt these engineering capabilities raise social and ethical concerns. While state and national leaders will certainly grapple with questions surrounding certain stem cell research, cloning practices, and crop engineering, the biosciences hold more promise, presenters said, including great strides in regenerative medicine, food safety, nutrition, and pharmaceuticals.

Products and commercial opportunities emerge from these engineering advances, Elde said.

A strong bioscience sector takes engaged universities, specialized facilities, access to capital, and supportive tax policies, said Mitchell Horowitz, director of strategy for a Columbus, Ohio biotech advocacy group. “Ultimately it takes leadership, it takes patience, it takes that long-term commitment.”

“It is expensive,” he conceded. “You have to be able to justify to yourself that bioscience is an investment in K-12, infrastructure, and job development.”

Dr. Stephen Oesterle, senior vice president for medicine and technology at Medtronic in Fridley, was perhaps the most candid about the urgency of public investment.

“This is not a catch-up industry,” he warned.

Oesterle participated on the Minnesota Bioscience Council, an advisory group of 25 members from industry, academia, state government, and the community at large that convened in 2003.

He did have one criticism of the governor’s support of biotechnology, saying his bonding recommendations, which included slightly more than \$21 million in the area, didn’t go far enough. Oesterle said investment in university research, which generates the ideas in this arena, is important to developing industry in Minnesota.



Pawlenty's vision

State of the State address calls for revival of death penalty, offers other policy initiatives

By MIRANDA BRYANT

Gov. Tim Pawlenty pushed for the return of the death penalty in Minnesota and lauded the Legislature for standing by his 2003 no-new-taxes pledge in his second State of the State address Feb. 5.

To one of many standing rounds of applause from House and Senate Republicans, the governor asked the Legislature to allow the death penalty issue a spot on the November general election ballot.

"It's time to give the people the chance to speak on the death penalty for those who commit unspeakable crimes, such as the murder of a child," Pawlenty said.

Special guests in attendance included the parents of two Minnesota soldiers killed in Iraq, a teacher who saved students' lives during last year's Cold Spring school shooting, and the son of famed hockey coach Herb Brooks.

While honoring the guests for their "Minnesota Spirit," Pawlenty reminded observers of the problem the state faced a year ago.

Last year Pawlenty called the projected \$4.5 billion state shortfall the "Incredible Hulk" of budget deficits. This year he said he expects a pending budget forecast will reveal that \$4 billion in projected debt was eliminated, and that \$600 million in reserves were gained.

"And we did it without raising taxes," the Republican governor said, to a robust cheer from his party members. Disapproving DFL members remained seated on this issue, as they did on most occasions throughout the speech.

The wide-ranging speech repeated many themes from last year's address and added

topics of homelessness, the environment, farming, timber trades, mining, and gambling.

Acknowledging his previous opposition to expanding gambling in Minnesota, the governor announced a significant change of mind, putting tribal governments on notice that he will be working for a "better deal for Minnesotans."

"We need to recognize times have changed," he said. "The compacts negotiated with the American Indian tribes almost 15 years ago do not reflect current circumstances."

The first matter of business, the governor said, is ensuring that the state never again faces such an immense budget deficit. The other categories in his long "to do" list consisted of education, jobs, health care, and Minnesota's quality of life.

Addressing the rising costs of prescription drugs, Pawlenty noted that the state unveiled a Web site Jan. 30 that allows people to purchase pharmaceuticals from Canada. The governor asked for help in fending off the "powerful forces" against Minnesota Rx Connect Online, the first such program offered by a state in the country.

In coming weeks the governor's office will announce a package designed to reform long-term care for the elderly, he said. The idea is to create a report card enabling consumers to evaluate nursing home care.

"We owe it to our seniors, some of our most vulnerable Minnesotans, to have the best possible care available," Pawlenty said.

One issue members from both sides appear to agree on is longer sentences and civil commitments for high-level sex offenders.

The issue was raised last fall when a



University of North Dakota student was abducted and feared murdered. Charged in the case is a high-risk sex offender from Crookston who was released from prison last May.

Dangerous sex offenders need to be locked up longer, and those who are released should be monitored through Global Positioning System devices, Pawlenty said to a unanimous standing ovation.

In addition, the governor said he is proposing bond financing for the expansion of prisons and the addition of 875 beds.

"In order to maintain 'Minnesota Nice' for everybody, we need to get 'Minnesota Tough' on criminals," he said.

Turning to the topic of education, Pawlenty said Minnesota is no longer on the leading edge, a statement also made in last year's address. He cited a need to reverse the situation and to reform education financing. In 2002 the state took over the full responsibility of funding education, allowing local governments to cut commercial and industrial property taxes.

"The current formula is too complex and that breeds lack of accountability," he said.

Fostering job growth, said Pawlenty, is dependent upon keeping taxes in check.

He called for selling bonds to finance a research partnership between the Mayo Clinic and the University of Minnesota, a collaboration mentioned in the 2003 address, as well. He also stressed the continuation of last year's bioscience tax zone initiative to promote growth in this leading-edge scientific field.

To further save money, a large-scale cargo distribution center in Minnesota would give area businesses access to the global market



PHOTO BY TOM OLMSCHIED

Gov. Tim Pawlenty discussed a number of topics, including education, jobs, health care, and Minnesota's quality of life, during his Feb. 5 State of the State address.



PHOTO BY TOM OLMSCHEID

Gov. Tim Pawlenty, state officers, and legislators gave a standing ovation to Caroline and Larry Erickson and Karen and Arland Panchot, who were seated in the House gallery during the governor's Feb. 5 State of the State address. Their sons, Brian Hellerman and Dale Panchot, were killed during combat in Iraq.

without shipping goods to Chicago, he added.

Habitat and water quality together could be helped, Pawlenty said, through the set-aside of 100,000 acres of marginal farmland. The land could act as a buffer between runoff areas and environmentally sensitive waterways.

Addressing traffic congestion in the Twin Cities metropolitan area, the governor said the state is moving forward with plans to construct special lanes to handle high traffic flows. MnPass would convert high-occupancy vehicle lanes on Interstate 394 into pay-per-use lanes, allowing drivers to speed up their commute.

"If you notice, Minnesotans kind of like the idea," Pawlenty said.

The Northstar Corridor commuter rail line and the high-speed Cedar Avenue bus line would both be funded through bond sales. The former would connect downtown Minneapolis and Big Lake; the latter, Bloomington's Mall of America with Lakeville.

Pawlenty concluded his speech by again praising the "Minnesota spirit."

"It's the spirit that makes us dance in the snow near castles made of ice.

"It's the spirit that raises an army of friends to walk the frozen, snow-covered ditches of Polk County in search of a missing friend. It's the Minnesota spirit.

"It's our legacy. It's our tradition." 🐻



House Minority Leader Matt Entenza shares his thoughts with the media following the governor's State of the State address.

'Recycled' message

The reaction of several DFL House members to Gov. Tim Pawlenty's State of the State address Feb. 5 was mixed, ranging from encouragement on education finance reform to comments that the speech was little more than a rehash of previously announced proposals.

"It was mostly recycled pilot programs," said House Minority Leader Matt Entenza (DFL-St. Paul). "We need jobs during a time of recession."

The governor highlighted a series of K-12 education initiatives in his speech, asking legislators to work with him to change the state's basic education funding formula. A task force the governor appointed last summer will soon bring recommended changes to the Legislature.

"I do feel there is a need for significant reform on education funding," said Rep. Kent Eken (DFL-Twin Valley). "The per pupil basis is not good for rural schools."

Rep. Rebecca Otto (DFL-Marine on St. Croix) said she was interested in learning more details about Pawlenty's education reforms because, "I'm unclear on what he's shooting for."

"I was a teacher," she said. "Our schools are very high performers."

However, she said that health care costs need to be addressed because they're "driving the bottom line of education funding."

Eken said he was "tired of the line" that the state didn't increase taxes in 2003. "Taxes were increased if you look at surcharges (on nursing home residents) and fees (for a number of state services)," he said. "The burden was shifted to local governments and school districts."

The governor included "a few tidbits for rural areas," said Rep. Al Juhnke (DFL-Willmar), citing a proposal for low-interest loans for farm modernization, support of the livestock industry and increased set-asides of marginal farmland under a federally supported conservation program.

"Last year, he didn't even mention agriculture," Juhnke said. "Other than changing his approach to gambling, there wasn't a lot new."

Rep. Connie Bernardy (DFL-Fridley) said she "welcomes (Pawlenty's) strong endorsement of the (proposed) Northstar commuter rail line." She agreed with the governor that public safety is a top priority, but also agreed with half-a-dozen other DFL representatives interviewed that his proposal for a death penalty referendum would not pass the Legislature.

"My priority is that we not let dangerous people out on the street for budget reasons," Bernardy said, in reference to a proposal to keep sex offenders likely to reoffend in custody.—Tom Lonergan



House Majority Leader Erik Paulsen answers questions from reporters after the governor's State of the State address.

'A wonderful message'

Republicans offered frequent applause during Gov. Pawlenty's State of the State speech.

"The governor had a wonderful message based on a spirit of hope," said House Speaker Steve Sviggum (R-Kenyon). "We have managed the budget and can look forward to the challenges ahead."

Most popular with Republicans seemed to be the governor's promise of no new taxes. They gave a standing ovation, while Democrats remained silent.

Sviggum said that lack of enthusiasm surprised him. "A show of applause would have given due and proper credit to the governor's vision," he said. "Their silence was deafening."

"We've done phenomenally well," said House Majority Leader Erik Paulsen (R-Eden Prairie). "We have \$630 million in reserve and are chipping away at the remainder of the deficit."

Pawlenty said he wanted to boost the state's economy and encourage business by being more competitive on things like taxes. Sviggum sees the governor's message as a commitment to businesses that taxes will be no higher in Minnesota than elsewhere.

Pawlenty's willingness to revisit Minnesota gambling prompted some enthusiasm, but many were restrained. "They are clearly waiting to see what happens," Paulsen said.

Sviggum gave Pawlenty credit for his willingness to be open to changes on the issue. "I think the governor said 'times have changed, it's time to take another look at the tribal compacts.'"

Paulsen said he's glad that the governor is also taking a look and offering ways to contain health care costs. "Everywhere I go in the state, people are expressing concern about increasing health care costs," he said, while cautioning, "There is no magic bullet."

Traffic congestion is another top concern of many. His plan to make progress in new and refurbished roads and bridges brought applause from his own party, and applause from both sides of the aisle greeted Pawlenty's announcement that his budget contains funding for the Northstar commuter rail line.

"I believe transit has to be a part of our transportation answer," Sviggum said. "Sure it's controversial, but we need a balanced transportation approach and if commuter rail is part of the answer, I'll support it."

Overall, the Republicans were very pleased with what the governor had to say. "Let's be positive," Sviggum said. "We've done some good things; let's be willing to try some new things; let's not put our feet in cement." —Mary Kay Watson

Thursday, Dec. 11

HF1659—Severson (R)
Judiciary Policy & Finance
Criminal gang strike force grant funding restored, and money appropriated.

HF1660—Kuisle (R)
Transportation Policy
Property owners provided with copies of all appraisals in eminent domain actions.

HF1661—Nelson, C. (R)
Judiciary Policy & Finance
Police misconduct false reporting misdemeanor and gross misdemeanor penalties provided.

HF1662—Mullery (DFL)
Health & Human Services Policy
Collaborative parent-infant services conditions specified for hospital licensure.

HF1663—Kahn (DFL)
Transportation Policy
Seat belt violation primary offense established, seat belt violation fines increased.

HF1664—Lieder (DFL)
Education Policy
Independent School District No. 595, East Grand Forks, authorized to exercise remaining levy authority for disability access projects.

HF1665—Urdahl (R)
Agriculture & Rural
Development Finance
Dairy development and profitability enhancement program funding provided, and money appropriated.

HF1666—Urdahl (R)
Agriculture & Rural
Development Finance
County extension work funding provided, statewide county extension advisory board established, and money appropriated.

HF1667—Urdahl (R)
Jobs & Economic
Development Finance
Dairy equipment modernization grant program established.

HF1668—Urdahl (R)
Taxes
Dairy operation investment individual income and corporate franchise tax credit provided for qualifying investments.

HF1669—Urdahl (R)
Taxes
Dairy producer tax credit provided for operators that achieve superior herd health and high quality milk.

HF1670—Urdahl (R)
Agriculture & Rural
Development Finance
Manure digester loans interest-free status extended.

HF1671—Rukavina (DFL)
Jobs & Economic
Development Finance
Virginia central steam heating system capital repairs funding authorized, bonds issued, and money appropriated.

HF1672—Mullery (DFL)
Environment &
Natural Resources Policy
Federal new source emission rules rejected.

HF1673—Solberg (DFL)
Jobs & Economic
Development Finance
Minnesota Historical Society funding restored, and money appropriated.

HF1674—Juhnke (DFL)
Transportation Finance
Willmar airport extension and railroad bypass funding provided, bonds issued, and money appropriated.

HF1675—Juhnke (DFL)
Environment &
Natural Resources Finance
Glacial Lakes Trail and Lake Koronis Trail improvements funding provided, bonds issued, and money appropriated.

HF1676—McNamara (R)
Jobs & Economic
Development Finance
Hastings river flats interpretive facility funding provided, bonds issued, and money appropriated.

HF1677—Marquart (DFL)
Health & Human Services Policy
Community collaborative childcare provider license included under non-residential childcare programs.

HF1678—Marquart (DFL)
Judiciary Policy & Finance
Assault of a peace officer with feces or bodily fluids felony penalty provided.

HF1679—Dill (DFL)
Environment &
Natural Resources Policy
Off-highway vehicle operation restrictions modified for wetlands areas.

HF1680—Anderson, I. (DFL)
State Government Finance
World War II veterans memorial funding provided, and money appropriated.

HF1681—Bradley (R)
Health & Human Services Policy
Health care malpractice, administrative, and health plan competition reform provided.

HF1682—Strachan (R)
Judiciary Policy & Finance
School safety patrol rules required to allow Sam Browne belts and school safety patrol flags to be certain colors.

HF1683—Strachan (R)
Transportation Policy
Traffic signal-override device sale and possession restricted.

HF1684—Davids (R)
Taxes
Tax increment financing authority to extend districts to offset deficits modified, state grant program established to offset deficits caused by the 2001 property tax reform, and money appropriated.

HF1685—Slawik (DFL)
Governmental Operations &
Veterans Affairs Policy
Absentee balloting by military and overseas voters allowed by facsimile.

Friday, Jan. 9

HF1686—Olson, M. (R)
Transportation Finance
Duluth personal rapid transit demonstration project funding provided, bonds issued, and money appropriated.

HF1687—Olson, M. (R)
Taxes
Personal rapid transit systems exempted from property and income taxes.

HF1688—Olson, M. (R)
Taxes
Motor vehicle sales tax revenue attributable to sale of new vehicles dedicated to public transit purposes, all other motor vehicle sales tax revenue dedicated to highway user tax distribution fund, and constitutional amendment proposed.

HF1689—Powell (R)
Taxes
Ambulance service personnel longevity awards excluded from state income tax.

HF1690—Brod (R)
Governmental Operations &
Veterans Affairs Policy
Department of Veterans Affairs commissioner authorized to access taxpayer identification information to notify veterans of possible health hazards and benefits.

HF1691—Brod (R)
Transportation Policy
Local government road construction and improvement contract provisions modified.

HF1692—Vandever (R)
Regulated Industries
Wireless consumer protections provided.

HF1693—Urdahl (R)
Education Finance
Independent School District No. 2887, McLeod West, fund transfer authorized.

HF1694—Cornish (R)
Environment &
Natural Resources Finance
Blue Earth County Rapidan Dam renovation funding provided, bonds issued, and money appropriated.

HF1695—Cornish (R)
Agriculture & Rural
Development Finance
Farmamerica interpretive center in Waseca repair and remodeling funding provided, bonds issued, and money appropriated.

HF1696—Howes (R)
Transportation Finance
Trunk Highway 64 bridge construction provided, and money appropriated.

HF1697—Howes (R)
Education Finance
Crosslake library design and construction grant provided, bonds issued, and money appropriated.

HF1698—Stang (R)
Education Finance
Independent School District No. 739, Kimball, fund transfer authorized.

HF1699—DeLaForest (R)
Governmental Operations &
Veterans Affairs Policy
Anoka County; public employee pension coverage specified for certain former Anoka County employees.

HF1700—DeLaForest (R)
Governmental Operations & Veterans Affairs Policy
Anoka County; public employee pension coverage specified for certain former Anoka County employees.

HF1701—Larson (DFL)
Health & Human Services Policy
Physician assistant registration requirement exemption provided.

HF1702—Powell (R)
Health & Human Services Policy
Emergency Medical Services Regulatory Board membership, registration, training, and reporting provisions modified.

HF1703—Lipman (R)
Governmental Operations & Veterans Affairs Policy
Voting system; uniform statewide voting system acquisition provided through appropriation of remaining funds in the Help America Vote Act account.

HF1704—Erickson (R)
Education Finance
Maximum effort capital loan tax rate lowered.

HF1705—Dempsey (R)
Judiciary Policy & Finance
Red Wing correctional facility vocational education building construction funding provided, bonds issued, and money appropriated.

HF1706—Knoblach (R)
Higher Education Finance
St. Cloud Technical College capital improvements funding provided, bonds issued, and money appropriated.

HF1707—Knoblach (R)
Higher Education Finance
St. Cloud State University Riverview Hall renovation funding provided, bonds issued, and money appropriated.

HF1708—Knoblach (R)
Higher Education Finance
St. Cloud State University Centennial Hall renovation funding provided, bonds issued, and money appropriated.

HF1709—Knoblach (R)
Higher Education Finance
St. Cloud State University Brown Hall renovation funding provided, bonds issued, and money appropriated.

HF1710—Osterman (R)
Governmental Operations & Veterans Affairs Policy
Minnesota Humanities Commission employees provided state employee insurance and benefits.

HF1711—Dill (DFL)
Environment & Natural Resources Policy
Cook County land exchange authorized.

HF1712—Dill (DFL)
Environment & Natural Resources Policy
Game and fish license social security number requirements eliminated for minors.

HF1713—Dill (DFL)
Environment & Natural Resources Finance
Lake Superior safe harbors funding provided, bonds issued, and money appropriated.

HF1714—Dill (DFL)
Environment & Natural Resources Finance
Gitchi-Gami State Trail development funding provided, bonds issued, and money appropriated.

HF1715—Osterman (R)
Taxes
Capital equipment sales tax exemption made an up-front tax exemption.

HF1716—Hackbarth (R)
Governmental Operations & Veterans Affairs Policy
Casino license authorized; taxation and regulation provided; bonds issued; construction of stadiums for the Twins, University of Minnesota, and Vikings provided; tax rates adjusted; money appropriated; and constitutional amendment provided.

HF1717—Lanning (R)
Local Government & Metropolitan Affairs
Local government contracting flexibility increased, purchasing authority of plan B city managers increased, competitive bidding threshold increased, and use of reverse auction and electronic bidding authorized.

HF1718—Hackbarth (R)
Environment & Natural Resources Policy
Off-highway vehicle operation restrictions modified, grant program provided, decal requirements for off-highway motorcycles modified, ATV provisions modified, fees provided, and report required.

HF1719—Rhodes (R)
Governmental Operations & Veterans Affairs Policy
City election alternative voting methods authorized.

HF1720—Seagren (R)
Education Policy
Perpich Center for Arts Education added to list of eligible charter school sponsors.

HF1721—Strachan (R)
Judiciary Policy & Finance
Collection of criminal booking fees expanded, and procedures modified for return of booking fees.

HF1722—Opatz (DFL)
Higher Education Finance
St. Cloud Technical College capital improvements funding provided, bonds issued, and money appropriated.

HF1723—Opatz (DFL)
Higher Education Finance
St. Cloud State University Centennial Hall improvements funding provided, bonds issued, and money appropriated.

HF1724—Opatz (DFL)
Higher Education Finance
St. Cloud State University Riverview Hall improvements funding provided, bonds issued, and money appropriated.

HF1725—Opatz (DFL)
Higher Education Finance
St. Cloud State University capital improvements funding provided, bonds issued, and money appropriated.

HF1726—Carlson (DFL)
Regulated Industries
Identification information privacy protection provided for consumers of telecommunications, cable, and Internet services.

HF1727—Carlson (DFL)
Education Policy
State board of education established.

HF1728—Nelson, C. (R)
Judiciary Policy & Finance
Crime victim service grant increases and reductions capped at 10 percent per judicial district, and task force established to develop recommendations for a formula for distribution of grants.

HF1729—Nelson, C. (R)
Health & Human Services Policy
Childcare assistance provisions modified relating to military personnel.

HF1730—Nelson, C. (R)
Higher Education Finance
Rioting penalties provided for postsecondary students.

HF1731—Lipman (R)
Governmental Operations & Veterans Affairs Policy
Judicial selection procedure modified, and constitutional amendment proposed.

HF1732—Harder (R)
Agriculture Policy
Exposure of animals to disease intentionally criminal penalty provided, trespass on agricultural land prohibited, civil remedies provided, and criminal penalties imposed.

HF1733—Magnus (R)
Agriculture & Rural Development Finance
Biodiesel fuel processing plant economic impact tool development grant provided, and money appropriated.

HF1734—Harder (R)
Regulated Industries
Small wind energy facilities additional renewable production incentives authorized.

HF1735—Lipman (R)
Governmental Operations & Veterans Affairs Policy
Judicial appointment and reappointment by the governor with advice and consent of the Senate established, recommendation procedure provided, and constitutional amendment provided.

HF1736—Wardlow (R)
Higher Education Finance
Higher education lottery scholarship program established.

HF1737—Lipman (R)
Local Government & Metropolitan Affairs
Lake Elmo long-term comprehensive plan authorized.

HF1738—Greiling (DFL)
Education Policy
Uniform statewide public school grading scale policy advisory task force established.

HF1739—Carlson (DFL)
Education Finance
Voluntary full-day kindergarten funding established, and money appropriated.

HF1740—Anderson, I. (DFL)
Environment & Natural Resources Policy
Natural resources land payments to counties modified.

HF1741—Lenczewski (DFL)
Governmental Operations & Veterans Affairs Policy
Casino; state-operated or state-owned gambling facility prohibited in a city unless approved by public referendum, payment of referendum costs provided, and money appropriated.

Monday, Feb. 2

HF1742—Knoblach (R)
Taxes
Federal tax updates provided to encourage consumer-driven health plans.

HF1743—Westrom (R)
Regulated Industries
Public utility performance-based regulation plan sunset repealed, reporting requirement eliminated, and technical correction provided.

HF1744—Westrom (R)
Transportation Finance
Metro Mobility taxi fare subsidy expenditure required.

HF1745—Westrom (R)
Transportation Policy
Highway rest areas required to have at least one toilet useable by either gender if constructed or remodeled after Aug. 1, 2004.

HF1746—Westrom (R)
Transportation Policy
Driver's license suspension made effective only after proof of delivery of notice, and expired license conviction prohibited if certain conditions are met.

HF1747—Jaros (DFL)
Environment & Natural Resources Finance
Lake Superior Zoo exhibit and improvement funding provided, bonds issued, and money appropriated.

HF1748—Jaros (DFL)
Transportation Finance
Duluth aerial lift bridge restoration funding provided, bonds issued, and money appropriated.

HF1749—Huntley (DFL)
Jobs & Economic Development Finance
Duluth Entertainment and Convention Center grant provided for design of a new arena, bonds issued, and money appropriated.

HF1750—Huntley (DFL)
Environment & Natural Resources Finance
Duluth sanitary sewer overflow storage facilities funding provided, matching requirement provided, bonds issued, and money appropriated.

HF1751—Ozment (R)
Education Policy
Environmental review provisions clarified relating to proposed action on public waters bordering more than one county.

HF1752—Solberg (DFL)
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North Central Research and Outreach Center at Grand Rapids new building construction funding provided, bonds issued, and money appropriated.

HF1753—Bradley (R)
Health & Human Services Finance
Nursing facility private pay resident rates modified.

HF1754—Samuelson (R)
Health & Human Services Policy
Planned nursing facility closures required to be budget neutral.

HF1755—Samuelson (R)
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HF1759—Erhardt (R)
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HF1763—Davids (R)
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HF1764—Davids (R)
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HF1765—Davids (R)
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HF1766—Davids (R)
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HF1770—Strachan (R)
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HF1776—Slawik (DFL)
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HF1777—Slawik (DFL)
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HF1778—Slawik (DFL)
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HF1779—Slawik (DFL)
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HF1780—Slawik (DFL)
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HF1781—Abeler (R)
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HF1782—Solberg (DFL)
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HF1783—Anderson, B. (R)
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Employers prohibited from asking applicants about National Guard or reserve status.

HF1784—Thissen (DFL)
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HF1785—Thissen (DFL)
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Ramsey County authorized to separately state library levies on tax statements and notices of proposed taxes.

HF1787—Greiling (DFL)**Education Policy**

Nonpublic schools subjected to the state's high school graduation requirements, the Pupil Fair Dismissal Act, and criminal background checks if families claim a tax reimbursement for education-related expenses.

HF1788—Greiling (DFL)**Education Policy**

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HF1789—Sykora (R)**Education Policy**

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HF1790—Olsen, S. (R)**Education Finance**

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HF1791—Dempsey (R)**Transportation Finance**

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HF1792—Seagren (R)**Education Finance**

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HF1793—Seagren (R)**Education Finance**

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HF1794—Beard (R)**Transportation Finance**

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HF1795—Swenson (R)**Governmental Operations & Veterans Affairs Policy**

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HF1797—Hackbarth (R)**Jobs & Economic****Development Finance**

Oliver Kelley Farm funding provided, and money appropriated.

HF1798—Kohls (R)**Governmental Operations & Veterans Affairs Policy**

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HF1803—Lipman (R)**Civil Law**

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Thursday, Feb. 5**HF1807—Goodwin (DFL)****Education Policy**

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HF1809—Lieder (DFL)**Jobs & Economic****Development Finance**

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Child care assistance military exception established, and money appropriated.

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Laurentian Energy Authority wood yard construction funding provided, bonds issued, and money appropriated.

HF1812—Howes (R)**Civil Law**

Minnesota Common Interest Ownership Act county review and approval of subdivisions required.

HF1813—Dill (DFL)**Jobs & Economic****Development Finance**

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HF1817—Kohls (R)**Judiciary Policy and Finance**

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HF1818—Hilstrom (DFL)**Education Policy**

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HF1820—Brod (R)**Governmental Operations & Veterans Affairs Policy**

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HF1822—Buesgens (R)**Local Government & Metropolitan Affairs**

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- HF1830—Westrom (R)**
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- HF1831—Demmer (R)**
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- HF1833—Dill (DFL)**
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- HF1839—Juhnke (DFL)**
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- HF1840—Lesch (DFL)**
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- HF1841—Boudreau (R)**
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- HF1843—Kuisle (R)**
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- HF1848—Kuisle (R)**
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- HF1849—Ruth (R)**
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- HF1850—Swenson (R)**
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- HF1853—Howes (R)**
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- HF1854—Howes (R)**
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- HF1855—Cornish (R)**
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- HF1856—Gerlach (R)**
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- HF1857—Meslow (R)**
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- HF1862—Erickson (R)**
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- HF1864—Juhnke (DFL)**
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- HF1865—Lieder (DFL)**
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- HF1866—Jaros (DFL)**
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- HF1867—Ozment (R)**
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- HF1869—Jaros (DFL)**
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- HF1870—Jaros (DFL)**
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- HF1871—Jaros (DFL)**
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HF1872—Opatz (DFL)
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HF1873—Dorn (DFL)
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HF1874—Cornish (R)
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HF1875—Rukavina (DFL)
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HF1876—Vandever (R)
Transportation Finance
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HF1877—Vandever (R)
Transportation Finance
Tolls on highways and bridges prohibited through proposed constitutional amendment.

HF1878—Vandever (R)
Transportation Finance
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HF1879—Wasiluk (DFL)
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HF1880—Lenczewski (DFL)
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HF1881—Sykora (R)
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HF1883—Rukavina (DFL)
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HF1884—Solberg (DFL)
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HF1885—Dorn (DFL)
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HF1886—Dorn (DFL)
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Department of Transportation headquarters building in Mankato construction funding provided, bonds issued, and money appropriated.

HF1887—Solberg (DFL)
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HF1888—Pelowski (DFL)
Taxes
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HF1889—Pelowski (DFL)
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HF1890—Pelowski (DFL)
Jobs & Economic
Development Finance
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HF1891—Pelowski (DFL)
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Minnesota State College, Southeast Technical capital improvements funding provided, bonds issued, and money appropriated.

HF1892—Pelowski (DFL)
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HF1893—Pelowski (DFL)
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HF1894—Pelowski (DFL)
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Winona State University capital improvements funding provided, bonds issued, and money appropriated.

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Environment &
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HF1896—Solberg (DFL)
Health & Human Services Policy
Hospital construction moratorium exemption provided.

HF1897—Osterman (R)
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Ground water consumptive use provided.

HF1898—Erhardt (R)
Transportation Policy
Natural preservation routes on county state-aid highways review by advisory committee requirement repealed.

HF1899—Larson (DFL)
Commerce, Jobs &
Economic Development Policy
Collision repair of motor vehicle airbags and seat belts regulated, and criminal penalty prescribed.

HF1900—Pugh (DFL)
Health & Human Services Policy
Child care providers licensing and background fee dispute fair hearing allowed.

HF1901—Paulsen (R)
Civil Law
Attorney fees awarded to landowner when damage award exceeds original offer by certain percentage, and primary necessity required before property may be taken for public purpose.

HF1902—Anderson, I. (DFL)
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Development Finance
Minnesota Historical Society prohibited from charging fees for tours of the Minnesota State Capitol.

HF1903—Fuller (R)
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Bemidji State University and Bemidji Technical College funding provided, bonds issued, and money appropriated.

HF1904—Goodwin (DFL)
Governmental Operations &
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HF1905—Latz (DFL)
Higher Education Finance
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HF1906—Bernardy (DFL)
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HF1907—Hilstrom (DFL)
Taxes
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HF1908—Hilstrom (DFL)
Judiciary Policy & Finance
Non-vehicular evasive flight from peace officer prohibited and penalties provided.

HF1909—Hilstrom (DFL)
Judiciary Policy & Finance
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HF1910—Wardlow (R)
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Employers prohibited from inquiring about National Guard or military reserve status.

HF1911—Kohls (R)
Commerce, Jobs &
Economic Development Policy
Class actions against insurance entities regulated, and stay required when Commerce Department jurisdiction is involved.

HF1912—Anderson, I. (DFL)
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School district employee recognition programs authorized.

HF1913—Kuisle (R)
Transportation Policy
County board approval of certain preliminary plats and initial plat filings provided.

HF1914—Kuisle (R)
Agriculture Policy
Grain cart operation on public streets and highways restricted, and use restriction required on new grain cart sales.

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MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Session 2004

Number of legislative days in a biennium	120
Number available for this year	61
Legislative days used in the previous bonding year, 2002	56
In 2000	51
Days before constitutional deadline in which members adjourned in 2002	2
Days between adjournment on May 29, 2003, and the first day of the 2004 session	249
Date by which members must have their work complete	May 17
House members that were excused on day one	7
Number of new House members elected since the end of last session	1
House members who are Republican	81
DFL House members	53
Members having announced that this will be their final session	1
Bonding request submitted Jan. 14 by Gov. Tim Pawlenty (in millions)	\$760
Millions proposed in general obligation bonding	\$689
Percentage of bonding request for projects in Greater Minnesota	60
Millions in 2002 bonding bill passed by Legislature	\$979.1
Amount remaining after vetoes by former Gov. Jesse Ventura, in millions	\$626.9
Amount from general obligation bonds, in millions	\$586.6
Total bonding package in 2000, in millions	\$684.3
Millions in 1998 (largest in state history)	\$999
Members in each body that must vote to pass a bonding bill, as percent	60
Percentage of each body needed to override any gubernatorial veto	66.67
Anticipated state general fund shortfall at the end of the 2004-05 biennium, in millions	\$185
House bills introduced during the 2003 regular session	1,658
Senate bills	1,576
House bills introduced in 2002, the last bonding year	1,176
Senate bills	1,075
House bills introduced in the 2003 interim and on the first day of the 2004 session	148

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SESSION Weekly

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FEBRUARY 13, 2004
VOLUME 21, NUMBER 2

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CLASSROOM IMPROVEMENT STRATEGIES, AND MORE

HF1915-HF2104

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 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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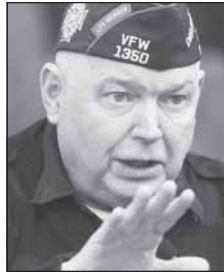
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On the cover: Members of the House Jobs and Economic Development Finance Committee enter the round tower at historic Fort Snelling as part of a legislative bonding tour Feb. 10. The tower is the oldest building in Minnesota, constructed in 1820 and restored in 1966.

— Photo by Andrew VonBank

Remedial lessons

Discussion on classroom improvement addresses access to testing information, school calendar, and teacher retention

By TOM LONERGAN

The test-based, results-oriented emphasis on public education will be wasted if teachers can't obtain better access to test data to improve instruction, say education researchers at the University of Minnesota.

That critique of the stringent test and reporting requirements of the federal No Child Left Behind Act — and of the standardized tests and other reform measures many states have adopted in the past 15 years — topped a Feb. 10 discussion about ways to better support teachers before the House Education Policy Committee. Three University researchers appeared at the hearing to discuss the issue with committee members.

Legislators in both the House and Senate are grappling with issues surrounding the implementation of the federal act, including Education Department efforts to develop new standards to replace the Profile of Learning, repealed in 2003.

Two years after the federal act was signed into law, teachers and school principals don't have access to good test data, said Scott McLeod, an assistant professor and director of the university's School Technology Leadership Initiative.

Committee members also heard from Jennifer York-Barr and Karen Seashore, both professors in educational policy, about teacher professional development, attrition of early career teachers, and conditions that will help

improve instruction.

The state now requires eighth- and 10th-grade public school students to pass reading, math, and writing basic skills tests as a condition of high school graduation. The state also administers comprehensive assessments in reading, math, and writing in grades three, five, seven, 10, and 11.

McLeod said the data from these tests, which have been in place for more than a decade, isn't necessarily helpful to teachers.



PHOTO BY TOM OLMSCHIED

University of Minnesota professors, *from top*, Scott McLeod, Karen Seashore, and Jennifer York-Barr, along with University President Robert Bruininks, *bottom*, discuss issues affecting teachers with the House Education Policy Committee during an informal meeting Feb. 10.

annual reading and math testing of third- through eighth-grade students and one time testing in grades 10 through 12 beginning in the 2005-06 school year. Science tests will be required in the 2006-07 school year.

The No Child Left Behind Act also requires

the state to prepare annual school "report cards," which include test scores to measure a child's annual progress, and make them available to the public. Schools are also required to report test scores for large groups of students by grade and also separately by such categories as race/ethnicity, disability, socioeconomic level, and gender.

McLeod said requiring the test data to be reported in this fashion "assumes that will be the driver of systemic change." However, he said, the data is not currently at a detailed enough level to help teachers and local school officials adapt and respond.

Value-added assessment programs are expected to provide better student performance data for teachers. The House Education Finance Committee considered a bill Feb. 10 to begin a state pilot program for such a system.

HF1792, sponsored by Rep. Alice Seagren (R-Bloomington), would direct the state Education Department to contract with a private provider of a value-added testing model to assist schools in assessing and reporting growth in students' academic achievement. The pilot program would include urban, suburban, and rural school districts that cumulatively represent 25,000 students.

"Growth over time is a fairer way of looking at student achievement," Seagren said. The bill, which was held over for technical revision, would appropriate \$250,000 from the state's general fund for the program.

Patricia Olson, assistant state education commissioner, said value-added assessments would provide "a new way of looking at the achievement of schools."

The assessment method would identify a school's contribution to student achievement, she said, effective instruction practices, and "help in delivering better instruction."

A number of school-based organizations representing districts, administrators, and teachers testified in support of the value-added testing model.

"This is another tool for evaluating new education programs and curriculum," said Grace Schwab, director of government affairs for the Minnesota School Board Association. "The current snapshot (based on the state's existing test results) does not adequately address the need."

Jan Alswager, manager of government relations for Education Minnesota, the state teachers union, said testing expertise in education is underdeveloped. "Not a lot of people know

about testing," she said. "The test should be to educate and improve student performance, not just to audit it."

Access to "good data" is one of several important factors in improving classroom instruction and student performance, said Seashore.

If policymakers at the state and district levels want to support teachers, Seashore suggested, "change teachers' working conditions." More time for professional development, influence in school decision-making, and smaller, less complex schools are among the factors she said will help teachers improve.

Rep. Sondra Erickson (R-Princeton), a retired teacher, asked about changing the traditional September to June school year. Seashore said there are not a lot of year-round schools in the country, but those that have been studied show "enormous effects" on the most disadvantaged students.

Research has shown that the achievement gap between minority and white students in public schools "is almost entirely due to summer learning loss," Seashore said. "We are, in fact, increasing the learning gap (with the three-month summer break), particularly in the high school years."

Rapid attrition of teachers early in their careers continues to be high. Up to 30 percent of public school teachers nationwide leave the profession within the first three years, according to university research. Teachers quit, Seashore said, because of low starting salaries in many states (excluding Minnesota) and working conditions.

York-Barr, who leads a university collaborative on schools and families, said new teachers need help with the "reality shock" of managing a classroom, organizing instruction, and dealing with a variety of student behaviors.

Rep. Randy Demmer (R-Hayfield), a former school board member, said teachers understand the conditions and starting salaries when they decide to enter the profession. He suggested the university give prospective teachers "an expectation of what it's really going to be like in that classroom."

York-Barr said expectations for a new teacher can be the same as those for one with 25 years of experience. "In medicine, doctors wouldn't think of going in green, but we (teachers) work with small children and they don't have clout." 🐼

Correction

A story in the Feb. 6, 2004 issue of *Session Weekly* identified the Crosswinds Arts and Science Middle School in Woodbury, part of the East-Metro Integration District, incorrectly. We regret any inconvenience this may have caused.



Tough on crime

National and state reforms changed law enforcement focus in late 1960s

The volatility of the nation in the late 1960s, following such events as the historic race riots in California and the public murders of Dr. Martin Luther King, Jr. and Robert Kennedy, federal and state officials were feeling compelled to do something about what they perceived as a "challenge of crime in a free society."

In response, Congress passed the Omnibus Crime Control and Safe Streets Act, signed by President Lyndon B. Johnson in 1968, which contained funding for law enforcement efforts, as well as a call for jurisdictions to fundamentally change the concept of law enforcement.

Mobilized to respond was the Governor's Commission on Crime Prevention and Control, appointed in 1968 by Gov. Harold LeVander. In its initial report released the following year, the commission called for more coordinated law enforcement efforts among jurisdictions and a comprehensive planning effort.

"The act is the first major federal aid program for social action placing primary responsibility for allocation of resources on state and local governments," said the report. "The act is a test of their ability to deal with their own problems at the local level. 'How well they accept this responsibility could have significant influence on the future developments in federal grant-in-aid programs.'"

The law established a "block grant" format for distributing law enforcement funds. Initially, the state commission was charged with disbursing those grants and determining criteria for grant awards.

But the federal law went significantly beyond granting money to local jurisdictions. It also noted the following needs:

- a more broad definition of law enforcement to include the court proceedings, corrections, and crime prevention efforts;
- establishing regional planning councils for law enforcement activities throughout the state;
- research and development into the applications of modern technology to law enforcement, including more standard data collection and statistical measures; and

- facilitating better communication and collaboration among law enforcement agencies.

"Traditionally, we have waited for the criminal act and focused our preventive efforts on the events that follow," said LeVander in a special message to the 1969 Legislature. "Too often we have acted only when the need for action has been made glaringly clear – when the crime has been committed. 'We must change this view. ... If we are to successfully prevent crime, we must understand and confront these factors and consequences before they reach fruition.'"

LeVander proposed a new Department of Public Safety, incorporating the Bureau of Criminal Apprehension, the Highway Patrol, and a number of other law enforcement-oversight functions. He also advocated for a



Gov. Harold LeVander

stronger radio communication system between agencies.

In his speech, he suggested updating certain court procedures, particularly in the lower courts, and a review of the process an individual goes through within the justice system, particularly juveniles.

Said LeVander, "Corrections, courts, and police can no longer be viewed as separate entities. ... They are and must be part of a unified comprehensive front against crime. Success in one system means success for the others. Failure in one means greater burdens on the others."

Other groups, including the Citizens League, urged that the governor's commission serve more of a planning role in addition to administering the nearly \$500,000 initially appropriated under the federal act. Specifically, the league suggested the commission should prepare legislative proposals for improving the system and strengthening the planning process for law enforcement in the state.

The modern-day Public Safety Department, created in 1970, grew out of those efforts. Today, the department provides direct services to local law enforcement and coordinates such collaborative efforts as the gang and narcotics strike forces.

(M. KIBIGER)

★ AGRICULTURE

Grief over grain carts

Nicollet County commissioners and highway engineers are struggling with the conflicting priorities of keeping farmers free from potentially burdensome regulations while maintaining the very roads those farmers need to bring their product to market.

Certain oversized vehicles used for transporting grain in the fields have the potential to wreak havoc on county roads, county officials told the House Agriculture Policy Committee Feb. 11.

A bill (HF1914) sponsored by Rep. William Kuisle (R-Rochester) would restrict loaded grain carts from streets and highways unless absolutely necessary during inclement weather. The bill defines a grain cart as a vehicle that is "designed and manufactured exclusively for collection and transportation of grain in the field during harvest operations."

Grain cart manufacturers would be required to affix stickers to the front of the vehicles listing the restrictions, under the bill.

It's a matter of vehicle engineering and weight distribution, said county engineer Mike Wagner. While some farm implements such as tractors and combines have multiple axles to spread weight evenly across the roadway, grain carts distribute too much weight per axle.

Other agricultural states are also examining the issue, he said.

"The vehicles which carry heavy loads on a limited number of axles – one- and two-axle grain carts, grain wagons and liquid manure tanks – are creating significantly more stress on roadways," according to the Iowa Department of Transportation. "As a result, the vehicles carrying heavy loads on a limited number of axles are using up the life of the pavement with significantly fewer passes."

Iowa has begun phasing in farm implement weight restrictions.

Kuisle, who chairs the House Transportation Finance Committee, said he brought the bill before the agriculture committee, rather than introducing it in his own venue, to maximize media exposure in farm publications. He said that as a former farmer he is sensitive to agricultural concerns, and he hopes to see the matter resolved through public education rather than legislation.

The bill was reviewed for informational purposes only and the committee took no action. It has no Senate companion.

★ BUSINESS

Online filing approved

Corporate businesses, nonprofit corporations, and limited liability companies would be required to register online with the office of the secretary of state, according to a bill approved by the House Governmental Operations and Veterans Affairs Policy Committee Feb. 9.

Under HF1798, sponsored by Rep. Paul Kohls (R-Victoria), online filing for certain businesses would be required by law. Currently, such registrations can be done in person, by mail, or online.

The bill, which makes a variety of changes to the business services functions of the office, would also reduce the \$20 fee now required for requesting information from the filing office and initial filing to \$15 for records delivered electronically.

Bert Black, state planning director for the office, said that in the past five weeks the department has had more than 35,000 online filings after sending out postcards encouraging businesses to use online capabilities.

Rep. Carl Jacobson (R-Vadnais Heights) said some small businesses may not have Internet access and asked if there would be a process in place for those without the technology.

Black said those without access could go to a county or local library to use the Internet. The process takes "literally a minute," Black said, and will help the department reduce paper filings.

Other changes proposed in the bill include that:

- employment agency surety bonds and bonds required for a high pressure piping license be filed with the Department of Labor and Industry, instead of the secretary of state's office,
- surety bonds required of invention developers be filed with attorney general's office, instead of the secretary of state's office,
- bonds required for those contracting plumbing

work be filed with the health commissioner, instead of the secretary of state's office, and

- the secretary of state's office perform duties necessary to appoint notaries public on the governor's behalf, instead of the commerce commissioner.

The bill next goes to the House Commerce, Jobs, and Economic Development Policy Committee. A companion bill, SF1836, sponsored by Sen. David Knutson (R-Burnsville), awaits committee action.

★ CRIME

More prison beds proposed

The Faribault state prison would be expanded and a new 150-bed segregation unit would be built at the Stillwater prison, under Gov. Tim Pawlenty's bonding proposal.

Corrections Commissioner Joan Fabian presented the proposal Feb. 11 to the House Judiciary Policy and Finance Committee,

SUITE MUSIC



PHOTO BY TOM OLMSCHEID

Cellist Ashley Montebello and the Robbinsdale Cooper High School Chamber Strings perform "Water Music Suite" Feb. 12 in the Capitol Rotunda.

which will form a recommendation at a later date.

The proposal requests a total of \$105.5 million for four projects:

- \$74.9 million to expand the Faribault prison, and to increase security and operational efficiencies;
- \$19.2 million to create a 150-bed segregation unit at the Stillwater prison, the state's largest maximum-security institution;
- \$11 million to replace and repair walls, windows, and roofs at numerous correctional facilities throughout the state, and
- \$350,000 to expand the minimum-level security Challenge Incarceration Program at Willow River by 24 beds.

Fabian said the prison population is growing due to changes in sentencing, aggressive prosecution, and advances in technology that are leading to convictions. New court admissions have increased 34 percent since 2000, she said.

In total, Minnesota prisons house about 7,600 inmates.

The Faribault prison houses 1,225 men. However, officials estimate that 1,400 additional beds may be needed by 2007. The Corrections Department has proposed constructing new housing units in two phases: 701 beds from 2004-2006 and 359 beds between 2006 and 2008. The governor's proposal addresses the first phase.

Because it originally functioned as a state hospital, the Faribault prison presents special security issues. Cell doors cannot be locked systemwide, said Deputy Commissioner Dennis Benson. Cells are not equipped with toilets and sinks, creating another reason why doors can't be locked overnight.

Fewer employees would be required during nighttime hours if cell doors could be locked, officials said. The expansion may decrease per-prisoner, per-day expenses by \$20, according to department documents.

The proposed Stillwater expansion would create a high-security 150-bed segregation unit for high-risk, violent offenders committing serious offenses while in prison. A current segregation unit housing 110 inmates, described by officials as substandard, would be converted to a living unit.

Officials expect that inmate violations necessitating segregation-unit punishment will increase due to double-bunking of prisoners. Currently, about six Stillwater rooms are being double-bunked due to capacity issues, Benson said.

The project could lower Stillwater per-prisoner, per-day expenses by more than \$6, according to department documents.

A proposed 24-bed addition at the Challenge Incarceration Program in Willow River

would be housed in a prefabricated building. A boot-camp style program for non-violent offenders, it prepares offenders for re-introduction to society and aims to reduce recidivism rates. More than 200 inmates are on its waiting list.

Requests to improve emergency lighting, roofs, windows, brick exterior surfaces, and to remove asbestos, stand at \$11 million. However, needs total \$20.8 million.

Many corrections facilities in Minnesota are between 80 and 100 years old, according to department officials.

Falsely reporting misconduct

Lying to and about police officers would become a crime under a bill presented Feb. 10 to the House Judiciary Policy and Finance Committee.

HF1661, sponsored by Rep. Carla Nelson (R-Rochester), would establish crimes for falsely reporting police misconduct, as well as for providing false information to a police officer.

Under the bill, a person could be charged with reporting police misconduct if the reporting party knew the allegation to be false.

In a separate provision related to crimes by individuals, a person could be charged with false reporting for knowingly providing false information to an on-duty police officer in hopes that the officer would rely on that information. This expands on current law, which makes it illegal to falsely report a crime.

In each case, the crime would be deemed a gross misdemeanor, subject to a maximum penalty of one year in jail and a \$3,000 fine.

The Minnesota Police and Peace Officers Association supports the bill and asked that it be brought forward, according to the group's director.

"It has become a common defense ploy to accuse the accuser and to allege that police officers have been involved in allegations of misconduct, or even criminal actions," wrote William Gillespie, the group's executive director, in a letter to Nelson that she distributed to the committee.

Rep. Keith Ellison (DFL-Mpls) questioned why police officers need protection from false misconduct accusations when other professionals have no such recourse. Ellison also questioned whether the proposed legislation would make people afraid to report police misconduct.

"So, what are we really solving with this bill?" Ellison asked.

Police officers deserve the same fundamental fairness they're trying to provide the community, replied Steve Johnston, Rochester's deputy police chief.

Duluth Police Chief Roger Waller said allegations of police misconduct are expensive to investigate, can destroy an officer's and a department's morale, and can interfere with police-community relations.

Waller said his department received 46 complaints of police misconduct between 2000 and 2002. Forty-one cases were unfounded; five were unsubstantiated, lacking evidence to prove either innocence or guilt.

The bill now moves to the House floor.

A companion bill (SF1727), sponsored by Sen. Mike McGinn (R-Eagan), awaits committee action.

★ EDUCATION

Rewards for success

Public schools where students are showing the highest measures of educational progress would compete for \$50,000 state grants, under a bill heard Feb. 5 by the House Education Finance Committee.

Sponsored by Rep. Stephanie Olsen (R-Brooklyn Park), HF1790 would establish an annual state grant program to recognize and reward public schools that provide excellent language arts and math teaching in grades three to eight.

The committee took no action on the bill.

Olsen said the "school recognition bill" is linked to testing requirements schools must meet under the federal No Child Left Behind law. Beginning with the 2005-06 school year, schools and school districts must annually assess students' performance in reading/language arts and math in grades three to eight. The state currently tests third-, fifth-, and seventh-grade students annually in reading, writing, and math.

Rep. Paul Marquart (DFL-Dilworth), who is sponsoring a bill (HF1295) to create ongoing set-aside funding for schools showing educational excellence, supported Olsen's bill.

"We have to begin creating rewards for the outputs," Marquart said. "The number one goal is student achievement and learning." Marquart's bill was included in the omnibus education finance bill last session, but no money was appropriated to begin a fund.

Olsen said the application criteria for the grants would include improved attendance rates as well as educational progress.

The bill would allow the education commissioner to annually award up to 10 grants of \$50,000 each to schools that are the most successful in improving students' performance and show high or improved attendance rates. Up to \$500,000 would be appropriated from the general fund beginning in fiscal year 2005, under the bill.

Eighty percent of the grant, or \$40,000, would go to the school's teaching staff to spend on classroom and instruction related to required state academic standards. The remaining \$10,000 would go to the school for use in similar areas. Money could not be used to increase teacher salaries.

To qualify for the \$10,000 portion of the grant, schools must raise an equal amount from local, nonpublic sources, which can be in-kind contributions of services valued at that amount.

The bill has no Senate companion.

Proposed academic changes

Public high school students would have a lighter social studies course load under a bill approved Feb. 10 by the House Education Policy Committee.

Sponsored by Rep. Barb Sykora (R-Excelsior), the committee chair, HF1789 would reduce the state graduation requirement from three-and-one-half social studies credits to three for students beginning the ninth grade in the 2004-05 school year.

The bill also covers a number of technical and language update changes in administrative laws governing school districts and the state Department of Education. It was referred to the House Civil Law Committee.

The credit requirement change was recommended by Education Commissioner Cheri Pierson Yecke to allow school districts more flexibility in meeting the state's proposed academic standards in social studies. Officials expect to present the standards to the Legislature for approval this session.

Graduation requirements were included in a 2003 law that repealed the Profile of Learning and directed the commissioner to draft new standards.

The bill would also amend the law to restore a waiver from the academic standards for high achieving secondary school students, such as those taking advanced placement or international baccalaureate classes in high school or college courses under the state's postsecondary enrollment options program. The course work they pursue must meet or exceed the grade-level benchmarks of the state's academic standards.

The waiver was inadvertently removed from law when the profile was repealed, Sykora said.

The bill would also create seven parameters for schools to use in assessing and placing gifted and talented students and would declare test results and other information used to compile school performance report cards "non-public data" until the Education Department posts the information on its Web site. The bill would require that the annual

posting of school performance report cards be no later than Sept. 1.

The public reporting requirement of test scores and other school information, such as safety statistics and teacher qualifications, is part of the federal No Child Left Behind Act.

The bill has no Senate companion.

ELECTIONS



Alternative voting

A bill that would give one city the option of using an alternative voting system in an upcoming election was approved by the House Governmental Operations and Veterans Affairs Policy Committee Feb. 11.

Rep. Jim Rhodes (R-St. Louis Park), the sponsor of HF1719, said that if more than two candidates were to run in an April 20 city council special election, the city of Roseville has requested a one-time sanction to use a different ballot system.

The bill would allow for the city to adopt either cumulative voting, ranked-order voting, or another method of voting that is different from what current Minnesota statutes designate.

The city, under the bill, would be required to report on its experience to the committee and the Senate Elections Committee within 30 days after the opening of the first legislative session following the city's first use of the alternative voting method.

The measure now moves to the House Floor. A Senate companion, SF1613, sponsored by Sen. John Marty (DFL-Roseville), awaits action on the Senate floor.

ENVIRONMENT



Lingering landfills

A state landfill cleanup program, recently named as a semifinalist for a nationwide innovative government award from Harvard University, is seeking \$14 million in bonding funds to keep on track with remedial design and construction work at 11 sites.

The 1994 Legislature created the Closed Landfill Program within the Pollution Control Agency in an attempt to protect groundwater and air quality and reduce liability exposure for landfill owners, operators, and waste generators.

Under the program, the state assumes responsibility for the cleanup process at qualified closed, publicly owned, solid waste landfills.

Cathy Moeger, the agency's chief financial officer, presented to the House Environment and Natural Resources Finance Committee

Feb. 10 the request for the second-to-last installment in the remedial construction stages of the closed landfill program.

Remedial construction work includes designing and building covers, gas release prevention systems, and ground water treatment systems.

Ten years ago, \$90 million in incremental bonding authority was granted to fund the program design and construction work in its entirety, Moeger said. A 2001 law, changing the timeline for bond authorizations, altered this long-term funding plan. Consequently, she said, the agency has returned to the Legislature to request general obligation bond sales in stages, and most recently received approval for \$30.5 million through fiscal year 2004.

If the full amount is approved, agency officials expect to return with a potential \$12.1 million request in 2006, Moeger said, to complete the design phase, and then move onto the operation and maintenance stage of the program.

Without legislative support this year, there is no immediate public health risk because the sites are monitored for gas and water contamination, Moeger later explained, but a delay would extend the goal of completing remedial work beyond 2008.

The proposal will be considered for possible inclusion in the committee's 2004 bonding recommendations.

Bucks for buckthorn

Aliens have invaded the Minnesota landscape, said a nursery owner, municipal horticulturist, and state agency experts in testimony to the House Environment and Natural Resources Policy Committee Feb. 5. And it's difficult and expensive to get rid of them.

These aliens are non-native invasive species, defined by the Minnesota Department of Agriculture as "plants, animals, or diseases that are non-native to the ecosystem, cause or are likely to cause economic or environmental harm, or harm to human health."

The increase in global trade has opened up new pathways for invasive species to enter the state, said Geir Friisoe, department plant protection section manager.

Gypsy moths, emerald ash borers, soybean rust, and invasive plants such as buckthorn, currently pose the biggest threat to the state's ecosystem, according to the department.

The most prolific buckthorn species in Minnesota is Common Buckthorn. It was introduced from Europe in the 1800s as a hardy hedge option but this hardness has become problematic. Between the dense foliage and the natural release of a suppressive natural compound, buckthorn essentially chokes other flora.

Although it has been banned from commercial sale since the 1930s, when it was identified as an oat disease host, buckthorn flourishes in many native woodlands and wetlands.

Mary Maguire Lerman, Minneapolis Park and Recreation Board horticulturist, suggested a state matching grant program to fund buckthorn eradication.

"It's a problem plant and it's not just a metro area issue," she said.

Master and community gardeners are ready and willing to lead buckthorn abatement efforts, Lerman said, but they need financial support from the state.

Lerman suggested seeking donations from a "Buckthorn Box" on tax forms or Legislative Commission on Minnesota Resources grant dollars as possible funding sources.

FAMILY

Protection orders

Domestic violence victims could have another legal means of extending orders for protection against their abusers, under a bill approved Feb. 11 by the House Civil Law Committee.

HF1944, sponsored by Rep. Steve Smith (R-Mound), would allow courts to extend protection orders for victims when their abusers are about to be released from jail or prison or have been recently released.

If approved, the bill would alleviate a Catch-22 situation for victims.

Vanessa Ray of Echo said she thought her order for protection against her abuser was valid for two years. However, two weeks before his release she learned that the order had expired. She was unable to renew it because she had not had contact with her abuser while he was incarcerated.

Ray said she feared he would seek her out and harm her as punishment for his incarceration.

"I'm here to ask you not to put other women through such a hard time," Ray said.

According to attorney Joel Carlson, a volunteer advocate for the bill, protection orders may only be extended for three reasons: violation of a past order, fear of physical harm, or actual acts of harassment or stalking. Orders are valid for a set period of time, which is often one year, and on occasion two years.

However, he said, courts cannot extend orders indefinitely. And they are limited in extending or granting orders when the abuser is released from jail or prison because the victim can't establish that there has been contact necessitating protection.

"Allowing victims of crime the ability to protect themselves through no-contact orders for protection is one means to help," wrote Carlson in a letter to the committee.

Smith said the bill has no known opposition and is supported by the Minnesota Coalition for Battered Women.

The bill now moves to the House floor.

A companion bill (SF1797), sponsored by Sen. Don Betzold (DFL-Fridley), awaits committee action.

Obtaining police reports

Domestic violence victims and their attorneys would be entitled to copies of police reports detailing the domestic violence incidents committed against them, under a bill heard by the House Civil Law Committee Feb. 11.

Rep. Steve Smith (R-Mound) said his bill (HF1945) would amend the Minnesota Data Practices Act to allow such procedures. Victims often need police reports to gain orders for protection against their abusers, he explained.

Attorney Joel Carlson, a volunteer advocate for the bill, said current law allows the release of such police reports, provided written consent is provided by the victim. However, this is not understood by all law enforcement agencies, nor by many victims, he said.

The bill would clarify the matter.

"The legislation will allow victims to defend and protect themselves in our justice system," Carlson wrote in a letter to the committee.

Smith said the bill is supported by the Minnesota Coalition for Battered Women.

The bill will be considered for inclusion in a larger data practices omnibus bill.

A companion bill (SF1785), sponsored by Sen. Don Betzold (DFL-Fridley), awaits committee action.

★ GAME & FISH

Capital for critical habitat

Flood mitigation, critical habitat acquisition, and state parks building repairs are among the capital investment priorities identified by the Department of Natural Resources, and recommended by the governor, this year.

Deputy Commissioner Mark Holsten presented those projects to the House Environment and Natural Resources Finance Committee Feb. 11 and Feb. 12.

In total, the department requested \$101.2 million for 27 projects.

Some of the larger capital outlays in the governor's \$67 million proposal are, as follows:

- \$20 million for state cost-sharing grants to local governments to reduce or eliminate flood damages. The greatest portion, approximately \$16 million, would be earmarked for the cities of Montevideo, Breckenridge, East Grand Forks, and Ada;
- \$12 million to acquire 11,000 acres of new Wildlife Management Area lands, the majority of which are located in southwestern and central Minnesota;

VICTIMS' MEMORIAL



PHOTO BY TOM OLMSCHIED

Regine Prenzel-Guthrie, an advocate for survivors of sexual assault from the Hope Center in Rice County, places a yellow rose on a victims memorial in the Capitol Rotunda that was part of the Feb. 11 event to end violence against women. A rose was placed on the memorial for each woman who was a victim of violence in 2003. The hands traced on the table were made by children and advocates from around the state to raise awareness for the "Hands are not for Hitting and Words are not for Hurting" campaign.

- \$4 million to acquire 4,000 acres of critical fish, wildlife, and native plant habitat under the Reinvest in Minnesota Critical Match Program. The money would match another \$4 million from private donors including conservation groups, corporations, and individuals;
- \$3.5 million to acquire and repair boat access sites, build fishing piers, and improve shore fishing locations across the state, as well as \$2 million for Lake Superior safe harbors and access points at the McQuade Road in St. Louis County, Knife River in Lake County, and Grand Marais in Cook County;
- \$3 million for state parks building rehabilitation;
- \$3 million for reforestation projects on state lands;
- \$2.3 million to repair the Glenwood consolidated field office;
- \$2 million for the acquisition of seven parcels of land within state park boundaries; and
- \$2 million for state trail acquisition and development.

Other capital expenditures would be directed toward native prairie and trout stream restoration, state park road and bridge upgrades, state forest and scientific and natural area land acquisition, and fish hatchery improvements.

The department's request will be considered for possible inclusion in the committee's bonding recommendations.

★ GOVERNMENT

Expenditure reduction plan

The Minnesota Department of Administration has reduced the number of telecommunication devices and is working on eliminating some fleet vehicles as requested by the Legislature last session, the department commissioner testified Feb. 10.

Commissioner Brian Lamb told the House State Government Finance Committee that reductions so far include 7 percent fewer mobile devices, such as cell phones, pagers, and personal digital assistants (PDAs) since March 2003 and an 11 percent overall reduction since fiscal year 2002.

Lamb explained several changes implemented for cell phone usage, such as employees and supervisors signing off on a phone bill before it's paid. Also being considered are new technologies that can combine a cell phone, pager, and digital assistant into one device. The cost for an employee to have all three devices is around \$1,800 per year. Lamb said a "smart phone" would cost \$600 per year.

The agency is also exploring the option of large volume state contracts, instead of individual plans.

Fleet vehicle usage will be examined under a three-year plan, including creating an inventory database, Lamb said. The goal is a 5 percent expenditure reduction by 2006.

Rep. Bill Haas (R-Champlin), the committee chair, said the 5 percent reduction was "conservative" and in "a lot of cases we can reduce the fleet" even more by analyzing where the cars are being used.

Lamb said that once the department has an inventory database in place, assessments can be made on where vehicle reductions are needed. A department report states, "The strategy will ensure agencies and the enterprise are making smarter, more informed business decisions related to vehicles."

The report shows that in 2002 \$29 million was spent on 6,646 light duty vehicles, which include automobiles, vans, sports utility vehicles, and light trucks.

The 2003 state government finance omnibus law required the commissioner to identify all telecommunication devices and vehicle usage that are not cost-efficient and to implement policies to reduce usage found to be inefficient.

★ HEALTH

Empowering consumers

Health care costs are rising five times faster than the rate of inflation, according to the Minnesota Medical Association, but a bill aims to put the brakes on these soaring costs.

The House Health and Human Services Finance Committee heard testimony Feb. 5 on the potential benefits of two measures in HF1681, sponsored by Rep. Fran Bradley (R-Rochester): best practices and health savings accounts. The committee took no action.

A best practices benchmark is a standard of health care based on scientific research and medical experience. Advocates say use of standards would encourage high performance by allowing consumers to make comparisons of clinics and hospitals based on the level of care they provide and their rate of success.

The bill would require all clinics and physicians' offices to report adverse events, a requirement currently imposed only on hospitals. This reporting is critical for gathering data.

"We want to eliminate the waste that occurs when technology is used inappropriately or ineffectively," said Dr. Richard Migliori, chief executive officer of United Resource Networks. "When you have visibility of performance in

the eyes of patients, it is an incentive to do better."

Physicians face two challenges, he said — keeping up with expanding knowledge and translating that knowledge into practice. He believes the use of best practices standards would aid physicians in both areas.

Minnesotans want to make their own health care decisions, according to a report released Feb. 6 by Gov. Tim Pawlenty's panel on health care. Health savings accounts, which allow individuals to set aside money for various qualifying health care expenses, are another tool to help people do that.

When used in combination with catastrophic medical insurance, the accounts will confer substantial tax advantages on individuals and businesses, under a federal law that took effect this year.

The new law allows annual account deposits to equal the deductible in a health insurance plan. Individuals will continue to own their accounts regardless of changes in employment. The account balances earn interest and can grow tax-free.

According to Jim Priebe, executive vice president of Sheffield, Olson, and McQueen, Inc., such accounts change the "use it or lose it" of traditional health insurance to "use it or keep it."

EMPOWERMENT ZONES



PHOTO BY TOM OLMSCHIED

Speaking Feb. 11 before the House Jobs and Economic Development Finance Committee, Minneapolis City Councilor Natalie Johnson Lee, right, and Darrell Washington discuss the a plan for a Minneapolis Empowerment Zone to develop the Heritage Park project.

Reason for hope

A drug treatment trial study conducted at the University of Minnesota shows promise in helping people who suffer from impulse-control disorders, such as problem gambling, alcoholism, and kleptomania.

Four men who have struggled with these disorders spoke anonymously before the House Health and Human Services Policy Committee Feb. 11 about their cravings, their efforts to stop their destructive behaviors, and their experiences as participants in the study.

The treatment interests legislators not only because it has shown impressive results, but also because it costs far less than traditional treatments.

All four men had experienced serious consequences to their addictions: loss of significant relationships, loss of employment, arrests, and/or jail. None of them found help through other treatment programs.

"I was driven daily by this huge urge that took over my life," said one witness who suffered from kleptomania. He told the committee he had seen up to 10 different doctors and therapists. "One would think you could get help with all those resources," he said. "Unfortunately, there was no help."

He said he found the help he needed by enrolling in the clinical trial conducted by Dr. S. W. Kim, associate professor of psychiatry at the university. The others concurred.

"I have my life back," a second witness said. "I might not be sitting here today if I hadn't met Dr. Kim and gotten on this wonderful medicine."

While addictions may differ, Kim said, scientists have learned the brain can't tell the difference between a drug addiction and a behavior addiction. The brain rewards the satisfaction of either with pleasure, regardless of how the urge is satisfied.

Kim said his research has found that opiate antagonists, such as naltrexone, are highly effective in controlling cravings triggered by a potential reward, shopping, for example, or winning at a casino.

He said people who drink because they are lonely might be better served by group treatment, but those who drink because they crave alcohol do very well when treated with opiate antagonists.

The Food and Drug Administration approved the use of naltrexone in 1995, however, the approved dosage is too low to be effective, said Kim. The next step in gaining administration approval for the university regimen would be a large-scale study. However, the patent on naltrexone has expired, so pharmaceutical companies have no incentive to test that particular drug.

HIGHER EDUCATION



Bonding recommendation rationale

Higher education bonding occupies a lower percentage of Gov. Tim Pawlenty's overall bonding package than in previous years because the governor has placed a higher priority on other, more compelling interests, said a senior policy advisor.

Speaking Feb. 9 before the House Higher Education Finance Committee, Susan Heegaard said the governor's bonding package calls for \$165.2 million for the Minnesota State Colleges and Universities (MnSCU) system and the University of Minnesota. The institutions are requesting a combined \$430.4 million.

The committee took no action, but will use the information in crafting its bonding bill.

MnSCU officials seek \$274.9 million; Pawlenty is recommending \$88.6 million.

Under that proposal, \$100 million would be designated for infrastructure repair and revitalization across MnSCU's 53 campuses. The governor is recommending \$49 million.

"This amount puts us further behind in the maintenance of our buildings," said Linda Baer, MnSCU senior vice chancellor for academic and student affairs.

The remainder is comprised of 31 capital improvement projects across its campuses. Among the projects recommended by Pawlenty is science building renovations at Winona State University (\$10.2 million) and Minnesota State, Moorhead (\$9.6 million), \$4.5 million for a technology center renovation at Century College in White Bear Lake, and \$2.9 million for a Centennial Hall renovation at St. Cloud State University.

Presidents from three colleges spoke about projects that MnSCU leaders deemed especially important but were omitted by the governor: an academic and student services addition at Lake Superior College, a classroom addition and workforce center renovation at St. Cloud Technical College, and a student services renovation and addition at Inver Hills Community College.

In each case, school leaders said attendance is rising dramatically and the upgrades are necessary to help meet that demand.

University officials also reiterated their concerns about the \$76.6 million the governor is proposing for their institution, including \$38 million for asset preservation. They wanted a total of \$155.5 million.

HUMAN SERVICES



Housing sex offenders

The House Health and Human Services Finance Committee heard details Feb. 10 on bonding requests totaling \$14.2 million from the Department of Human Services. The committee will consider the requests among those it recommends for the larger bonding bill.

The top priority from the department is \$3 million for new facilities for the sex offender program at the Minnesota Security Hospital, a maximum-security psychiatric hospital located in St. Peter. The program provides treatment to people who are committed by the court as sexual psychopaths or sexually dangerous.

Human Services Commissioner Kevin Goodno said the department is very concerned with public safety, in light of events of the past several months, which includes the disappearance of University of North Dakota college student Dru Sjodin. A recently released sex offender from Minnesota is accused of kidnapping Sjodin. He was not considered for civil commitment prior to release.

This event "has changed our ideas of who should be civilly committed," said Rep. Fran Bradley (R-Rochester), the committee chair.

"It appears that in the future there will be far more people who will be civilly committed," Goodno said. His department estimates that if the law were changed, the increase in civil commitments for sexual offenders would reach 300 by March 2006 and 500 by October 2011. Previously, officials anticipated this population would grow by 15 to 18 offenders per year.

A 2000 bonding appropriation to add secure facilities at St. Peter for sex offenders is no longer deemed adequate by the department to complete the necessary improvements.

In addition to the \$3 million requested in 2004, the department plans to seek almost \$40 million in 2006 for new facilities, including a 150-bed capacity on the St. Peter campus.

LAW



Jail booking fee changes

All people booked into Minnesota jails could be charged a \$10 fee, regardless of whether they are subsequently held, under a bill approved Feb. 10.

HF1721 was presented by its sponsor, Rep. Steve Strachan (R-Farmington), to the House Judiciary Policy and Finance Committee.

Under current law, a county may charge a booking fee to any person booked and held in jail. The county sheriff must return the fee, however, if the person is not charged, is

acquitted, or the charges are dropped.

In allowing counties to charge the fee of all people booked, the bill would initially have required a written request from those seeking to gain back their money. However, Rep. Keith Ellison (DFL-Mpls) said people who are arrested without cause only to have the charges dismissed may be unaware of the system and incapable of writing a letter. Many people who are arrested, he said, are impoverished and could use their \$10.

As such, the committee amended the bill to state that the person must be informed in writing at the time of their release that they may receive their \$10 if they are not charged, acquitted, or if charges are dismissed.

Olmsted County Sheriff Steve Borchardt testified in support of the bill. The \$10 fee does not cover the expense of booking individuals, but, he said, it is a symbolic fee sending a message that criminal justice is not free.

"Most folks have at least \$10 in their pocket," Borchardt said.

The bill now moves to the House floor.

A companion bill (SF1809), sponsored by Sen. Leo Foley (DFL-Coon Rapids), awaits committee action.

★ LOCAL GOVERNMENT

Liquor license overview

A 2003 law scales back, though does not eliminate, state purview over municipal on-sale liquor licenses.

That may be the last change for some time. On Feb. 10, the Liquor Subcommittee of the House Regulated Industries Committee examined the effects of the new law on public safety and public sentiment regarding the changes.

After hearing from a legislative analyst and state liquor enforcement officials, the subcommittee determined it's premature to recommend further legislative action.

State law restricts the number of on-sale licenses municipalities may grant based on population and type of establishment; however, the limits no longer apply to hotels, restaurants, and bowling centers.

Historically, most special liquor bills were generated by cities seeking licenses beyond their statutorily allotted number to accommodate for new hotels and restaurants.

Though local governments have always been exempt from limits if voters approved more licenses, many found it was easier and cheaper to go to the Legislature than hold referenda, according to nonpartisan House research staff.

Over the years, the number of requests has grown, prompting debate over the appropriate role of the Legislature in these matters.

The 2003 law does not eliminate the need for special liquor bills altogether. Still under



Frank Ball, director of the Alcohol and Gambling Enforcement Division of the Department of Public Safety, testifies Feb. 10 before the Liquor Subcommittee of the House Regulated Industries Committee.

state control are the types of establishments eligible for licenses, limits on temporary licenses, and eligibility criteria such as the proximity to state university campuses.

"Is it kind of archaic?" asked Rep. Dan Larson (DFL-Bloomington) of legislative involvement in certain local license particulars, echoing sentiments that spurred this debate last year. "I just wonder if those decisions aren't better made at the local level."

Public safety officials defended state regulation, citing a direct link between local liquor decisions and criminal activity, car crashes, underage exposure to alcohol, and health problems, in general. The Public Safety Department would like to see hard data that reflects statistical changes in these areas, said Marlene Kjelsberg, alcohol enforcement division supervisor, and she suggested the Legislature could order a study.

Contracting and purchasing changes

Municipalities could use the Internet to seek vendor bids, as well as purchase equipment, materials, and supplies under a bill approved

Feb. 10 by the House Local Government and Metropolitan Affairs Committee.

Sponsored by Rep. Morrie Lanning (R-Moorhead), HF1717 would also allow city managers in council-manager local governments to make purchases or permit contracts unilaterally if the amount were \$25,000 or less. State law currently limits a city manager to purchases not exceeding \$15,000.

The bill, which now moves to the House floor, would also remove a lower threshold for bids that applies to local governments with populations of less than 2,500. They are now required to seek bids on purchases of more than \$35,000. The bill would set a uniform bid threshold for all municipalities at \$50,000.

Lanning said the bill would help local units of government "become more efficient and save money." The bill was supported by a number of local government associations, including the League of Minnesota Cities.

Former Roseville Mayor John Kysylczyn opposed increasing the limit of city managers' purchasing authority. "This would benefit the managers at the expense of elected officials and citizens of Plan B cities," he said.

Plan B cities are defined in state law as any statutory city with more than 1,000 population which provides for a council-manager form of government. The bill would allow city councils to set a lower purchasing limit for city managers.

Linda Camp, manager of contract services for St. Paul, said allowing electronic bidding "will give us more flexibility." It will enhance cities' options, she said, because not all businesses will choose to bid electronically.

Allowing local governments to use online reverse auctions — where vendors see each other's pricing and may bid down — will not work for services, said Chuck Gonderinger, president-elect of the Minnesota branch of the American Council of Engineering Companies.

"It's a bad idea to buy the cheapest brain power you can get," Gonderinger said.

Lanning said he would oppose amendments that would add services for purchase through reverse auctions.

The state Department of Administration has used reverse auctions on some state contracts since 2000 and the Minnesota Department of Transportation offers two-way electronic bidding for construction contracts.

A companion bill (SF1790), sponsored by Sen. D. Scott Dibble (DFL-Mpls), awaits committee action.

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

Recovering costs of litigation

Landowners whose land is taken by a local government to make way for a public project could be awarded attorney fees if the matter reaches court, under a bill approved by the House Civil Law Committee Feb. 11.

HF1901, sponsored by House Majority Leader Erik Paulsen (R-Eden Prairie), would allow attorney fees to be awarded in eminent domain proceedings if the final judgment exceeds the original compensation offer by 20 percent.

Eminent domain proceedings can occur, for example, when a city needs to extend a stormwater sewer pipe, create a walking trail, or build a road. The local government entity has the right to condemn the property for public projects, but fair market value must be paid to the owner. Major court cases have resulted on occasion, such as when the Minnesota Department of Transportation has condemned land for major highway expansions.

Paulsen said questions have arisen about the proper use of eminent domain powers. He distributed a recent *StarTribune* story stating that all of Minnesota's neighboring states make it easier for property owners to negotiate a price with the state.

Private appraiser John Schmick said the government knows how expensive it is to contest the offering price and uses this knowledge "as a weapon."

"Right now the law is broken and people

are getting hurt financially," Schmick said.

Several groups supported the measure, including the National Federation of Independent Businesses of Minnesota, the Business Owners Group, and the Minnesota Auto Dealers Association.

The latter noted that land near the Interstates 494 and 35W intersection in Richfield occupied by two automobile dealerships was condemned for Best Buy's corporate headquarters. It is unfair for the government to favor one private business over another, said the group's lobbyist, Alyssa Schlender.

However, League of Minnesota Cities attorney Roger Knudson said most cases involve less than \$1,000. The bill would encourage property owners to seek an appraiser that will declare a higher property value, he said.

"It changes the playing field in an unfair way for the government," Knudson added.

Opposition also came from the Anoka County Attorney's Office, the Minnesota County Engineers Association, and the St. Cloud Housing and Redevelopment Authority.

The bill moves to the House Transportation Finance Committee. It has no Senate companion.

MILITARY

Disclosing status

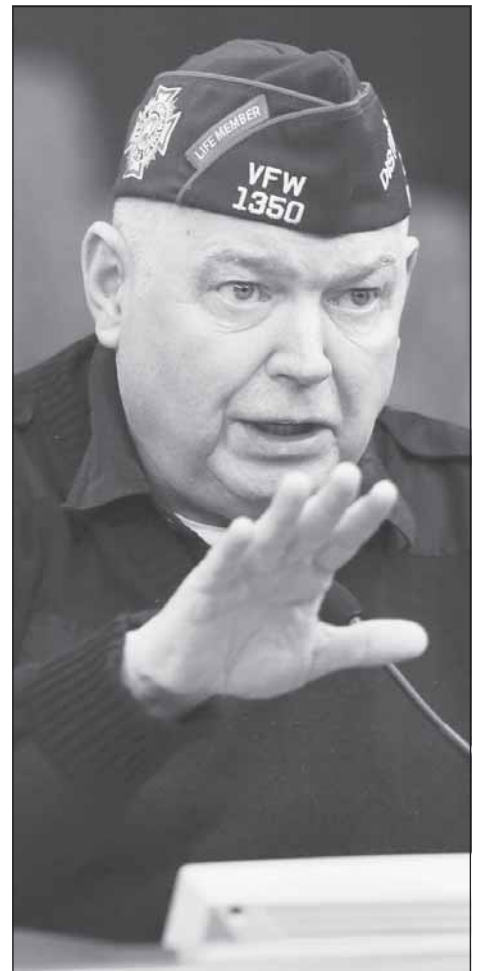
At its Feb. 10 meeting, the House Committee on Commerce, Jobs, and Economic Development approved a bill (HF1783), sponsored by Rep. Bruce Anderson (R-Buffalo Township), that would prohibit employers from inquiring about the military status of a prospective employee.

Peggy and Dave Peterson of White Bear Lake told the committee their son was turned down several times when he told employers he was in the Reserves. Finally, he ignored a question on an application asking about his military status and was hired.

When the time came for their son to go for training, the Petersons said his employer told him, "If we'd known you were in the Reserve, we wouldn't have hired you."

With the federal government relying more on reservists and the National Guard for deployments to Iraq and other places around the globe, more people are affected by this often-subtle discrimination in hiring, the committee was told. However, no statistics are available as to the extent of the problem.

"It's more critical for these young people who are being called up today," said Mike Kodluboy, legislative officer for the Minnesota Veterans of Foreign Wars' fourth district. Employers don't want to put up with the absences



Mike Kodluboy, Minnesota VFW district 4 legislative officer, testifies in support of a bill that would prohibit employers from asking job applicants if they are members of the National Guard or Reserve. His testimony came during a Feb. 10 hearing of the House Commerce, Jobs, and Economic Development Policy Committee.

required for training, he said.

"We would hope this law would not have to be passed," said Gen. Denny Schulstad, state chair of the National Committee for Employer Support of the Guard and Reserve. "Unfortunately, there are a few employers who would choose not to employ young men and women in the Guard or Reserves."

The idea behind the bill is to make sure employers adhere to federal law, said Schulstad, who is retired from the U.S. Air Force. "We're looking for compliance, not punishment."

Rep. Tony Sertich (DFL-Chisholm) said he found it "bizarre" that employers would not want employees with the kind of work ethic instilled in the armed services.

The bill now goes to the House Governmental Operations and Veterans Affairs Policy Committee.

A companion bill, SF1609, sponsored by Sen. Mady Reiter (R-Shoreview), awaits committee action.



John Schmick, a commercial real estate appraiser for the Minneapolis area, testifies in front of the House Civil Law Committee Feb. 11 in support of a bill that would award attorney's fees to landowners under certain circumstances when eminent domain is used.

★ RECREATION

Expanding snowmobiling

Two-way snowmobiling could be allowed along major state highways under a bill approved by the House Transportation Policy Committee Feb. 10.

Rep. Larry Howes (R-Walker), the sponsor of HF532, said the bill was approved by the committee last year but was stripped from a larger omnibus bill. The bill now heads to the House floor.

Current law restricts snowmobile travel along highways and roads to the same direction as road traffic.

Doug Franzen, lobbying on behalf of the Minnesota United Snowmobilers Association, said that generally two-way snowmobiling is not a good idea. However, he said, it can enhance public safety in select cases, particularly when poor lighting is the concern.

Under the bill, two-way snowmobiling would not be allowed along major state highways without approval from the Minnesota Department of Transportation commissioner. The safety of motorists and snowmobilers would be considered.

Howes said that law enforcement agencies are not opposed to the bill, nor is the transportation commissioner. Last year, the Department of Natural Resources said it would not protest the proposed legislation.

A companion bill (SF522), sponsored by Sen. Steve Murphy (DFL-Red Wing), awaits committee action.

Trail inventory

Among the many all-terrain vehicle management provisions approved by the 2003 Legislature is a requirement for the Department of Natural Resources (DNR) to complete an inventory of state forest roads and access routes, including designated off-highway vehicle routes and all motorized and non-motorized trails.

The House Environment and Natural Resources Policy Committee received an update Feb. 10 on department efforts to complete this trail inventory and the accompanying state forest motorized use classification. Testimony was followed by comments and criticisms from frequent trail users and organizations concerned with any potential trail damage.

The department has logged 25,000 hours by 16 employees during the first six months of work on the project, said Laurie Martinson, trails and waterways division director. They hope to complete the trail inventory by October in order to meet the Jan. 15, 2005, deadline, she said.

Plans for six state forests currently are open to public review, including Chengwatana near Hinckley, Foot Hills west of Pine River, General C.C. Andrews near Willow River, Nemadji in Pine County along the Wisconsin border, Pillsbury west of Brainerd, and St. Croix just south of the Nemadji forest.

Though most commended the DNR on its hard work, both sides expressed concerns with agency procedures thus far.

The designation process does not take into account the administrative capacity of the department to manage the enforcement component, said Matt Norton, forestry and wildlife advocate for the Minnesota Center for Environmental Advocacy.

The department should set a realistic “eye-balls to acres” ratio for conservation officers, Norton said. “Good trails without proper enforcement and maintenance can go bad really, really quickly.”

Some off-road aficionados said they feel snubbed altogether by the process.

Lois Campbell and Mike Sullivan of the Minnesota Four-Wheel Drive Association said they are frustrated that zero miles have been reserved for four-wheel drive vehicles in the six forests completed under the inventory.

“What have we done to get this kind of treatment?” Sullivan said, pointing out that there are three trail user groups: motorcycles, all-terrain vehicles, and trucks.

The committee took no action on the preliminary update at the hearing.

Outlay for open spaces

Parks and open spaces are the Twin Cities metropolitan area’s most attractive features, according to a recent Metropolitan Council survey, and the regional parks system is requesting \$7 million from the state to keep them that way.

Arne Stefferud, Metropolitan Council parks planning analyst, presented the Metropolitan Regional Parks System bonding request to the House Environment and Natural Resources Finance Committee Feb. 10.

In accordance with the governor’s recommendations, the plan would set aside \$4.6 million for parks and trail rehabilitation, \$1.5 million for land acquisition, and \$894,000 for parks and trail development.

The parks are owned, operated, and maintained by Anoka, Carver, Dakota, Ramsey, and Washington counties; the Three Rivers Park District of Hennepin and Scott counties; the cities of Bloomington and St. Paul; and the Minneapolis Park and Recreation Board.

The system consists of 51,785 acres, including 46 regional parks and park reserves, and

22 regional trails. It serves an estimated 30 million annual visitors, Stefferud said.

The capital request to improve and expand the parks system assumes a 60 percent-40 percent funding split between the state and the Metropolitan Council.

Stefferud said \$1 of state investment leverages \$1.54 in Metropolitan Council bonds and federal grants.

The request will be considered for possible inclusion in the committee’s bonding recommendations.

★ SAFETY

Fostering greater road safety

There are more traffic jams in the Twin Cities metropolitan area, but most fatal traffic accidents in Minnesota occur in rural locations. A group of county engineers has a plan to diminish the number of such accidents on rural roads.

The Minnesota County Engineers Association is seeking \$50 million in bond proceeds to create the rural road safety account. Members made their case before the House Transportation Finance Committee Feb. 10 and Feb. 11.

“While true most accidents are due to driver error, most deaths are due to out-of-date rural road designs,” said Sue Miller, Freeborn County engineer.

Cited were narrow roads that get narrower with each maintenance resurfacing, limited shoulders, and steep ditch in-slopes. Power poles are often located close to rural roads, creating high-impact collision risks.

Don Theisen, Washington County engineer, said three young people were killed in separate accidents in a two-week period in his county. “All these kids did wrong was go off the road,” he said.

According to the association, 184 of the 231 people killed in vehicle accidents in 2002 in Minnesota died on rural roadways.

The safety program would provide road improvement grants to counties to reduce accidents, injuries, and death. Half of the money would be for county state-aid highways in the seven metropolitan counties and Chisago County, the rest to the remaining 79 counties.

The request is part of HF1850, sponsored by Rep. Howard Swenson (R-Nicollet). The bill would authorize \$125 million in state general obligation bonds for a larger local road improvement program. Created in 2002, the program is designed to provide funds for local roads unqualified for other government funds. However, former Gov. Jesse Ventura vetoed project funding.

The bill would give \$50 million each to the

proposed rural road safety account and the local road account for "routes of regional significance," as well as \$25 million to the trunk highway corridor account.

The bill will be considered for inclusion in a possible omnibus bill. It lacks a Senate companion.

★ TRANSPORTATION

Bridge support

Regional corridors and state highways have been the focus of state funding appropriations in past years, but now counties are seeking attention for their failing bridges.

About a dozen people testified Feb. 11 before the House Transportation Finance Committee in support of HF1849, sponsored by Rep. Connie Ruth (R-Owatonna). The bill would provide \$83.5 million in general obligation bond proceeds for grants to local governments for bridge replacements and repairs.

Ruth said 17 percent of the 15,000 bridges in Minnesota's 87 counties are deemed deficient.

Nearly 400 bridges are on a funding waiting list with a total construction cost of \$161.5 million. Gov. Tim Pawlenty recommended \$28 million in his 2004 bonding proposal for local bridge replacement. In addition, \$40 million in federal bridge replacement funds, state-aid funds, and local funds would be available, according to budget documents.



Waseca County Engineer Jeff Blue, *right*, and Lake County Engineer Al Goodman testified for local bridge replacement, rehabilitation, and repair funding during a Feb. 11 hearing of the House Transportation Finance Committee.

In all, 98 local government entities in 84 counties are requesting state bond proceeds, said Jeff Blue, Waseca County engineer.

With the average life of a bridge at 50 years, it is expected that an additional 550 bridges will become deficient in the next 10 years, he

added. About \$50 million is required in the next 20 years to address such problems.

"The window of time we have to address these long-term unmet needs is shrinking," said Jim Waffler, president of the Highway Construction Industry Council.

Many county and township bridges were built in the 1920s and are insufficient for today's farm equipment and grain-hauling trucks, said Richard Sanders, Polk County engineer.

Of special note in the bill is a \$13.5 million appropriation for a Sauk Rapids bridge connecting Stearns County State-Aid Highway 1 with First Street South. It is the only bridge mentioned directly, with other appropriations left to the discretion of the state transportation commissioner.

Mitch Anderson, Stearns County engineer, said the county has spent six years planning the project and will solicit bids in March 2005. The bridge crosses one of the more dangerous railroad crossings in the state, he added.

Rep. William Kuisle (R-Rochester), the committee chair, said no bridge has been specified in a bill previously. The bill could be addressed, he said, without delineating the Sauk Rapids bridge. However, he added, the matter will be addressed at a later date.

The bill will be considered for possible inclusion in the committee's bonding recommendations.

The bill has no Senate companion.



Education for all

University plans to pick up the tab for low-income students

In the heart of Tobacco Road, a public university recently decided to forgo the costs of education for one group of students.

Officials at the University of North Carolina announced a plan Oct. 1, 2003 that will cover the tuition costs for students from low-income families, thereby eliminating the need for student loans.

"College should be accessible for everyone who can make the grade, regardless of family income," said James Moeser, chancellor at UNC-Chapel Hill, the nation's first state university. "With the (so-called) Carolina Covenant, we are telling students that, despite what you may see in the news, college is affordable, no matter how much money your family makes."

Added Matt Tepper, student body president: "This is the best news college students have heard in a long time."

Beginning with the freshman class of 2004, students at or below 150 percent of the federal poverty level – about \$28,000 for a family of four – are eligible for the program that allows them to graduate debt-free provided they work on campus for 10-12 hours weekly in a federal work-study job throughout their four years.

According to university officials, funding for the remainder of college costs will come from a modest reallocation of funds in the Office of Scholarship and Student Aid and the pledging of private gifts dedicated to low-income students. When fully

implemented with the freshman class of 2007, the program is expected to cost \$1.38 million annually.

Of students in the 2003 freshman class at UNC-Chapel Hill, 8 percent came from low-income families. Of those, 89 percent were state residents and more than half were minorities. Overall, it is estimated that one in four North Carolina children live in poverty.

The university is believed to be the first public university to offer such a program, although, according to *The New York Times*, Princeton University "offers full financial aid to needy students without recourse to student loans."

(M. Cook)

Tribal relations

Minnesota 1 of 6 states with no revenue sharing and expiration date for gaming compacts, renegotiation requires all sides

By PATTY JANOVEC

Of the 28 states that allow American Indian gaming, six states, including Minnesota, have gaming compacts with American Indian tribes in the state that provide no revenue sharing and contain no specific expiration date, according to information presented at a House committee.

The House Governmental Operations and Veterans Affairs Policy Committee began initial discussions about Minnesota's tribal-state gaming compacts with informational hearings Feb. 10 and Feb. 11 about the history of the state's gaming compacts. The hearings came just days after Gov. Tim Pawlenty indicated in his State of the State speech that he would consider revisiting the compacts, if necessary.

Only the governor or the affected tribes may request that the tribal-state gaming compacts be renegotiated. The state may not compel tribal leaders to the negotiation table, and neither party may unilaterally terminate a compact, under Minnesota law.

Though some officials have indicated the tribes may not be interested in renegotiation, other states have successfully done so by finding mutual benefit for all parties involved.

For example, Wisconsin recently negotiated a new agreement with tribes, where the tribes agreed to increase payments to the state, but they are permitted to expand their gaming options.

Others also suggest that Minnesota's compacts have worked more effectively than agreements in other states.

Tribal gaming in Minnesota

According to information provided by nonpartisan House researchers, Minnesota has 17 tribal casinos, and there are 22 tribal-state compacts with 11 tribes across the state. Each tribe signed identical compacts allowing for two types of gambling: blackjack and slot machines.

The compacts allow for the Department of Public Safety to inspect and approve the machines, perform background checks and license casino employees, and regulate blackjack play. For this, the department annually receives

\$150,000 collectively from the tribes.

Other state rules that tribes must follow, under the compacts, include providing between 83 percent and 98 percent payout on games, such as video poker, where the result somewhat depends on player skill. For non-skill games the payout rate must be between 80 percent and 95 percent.

Gambling on American Indian lands began in Minnesota in 1982 with bingo parlors. Congress passed the Indian Gaming Regulatory Act six years later to allow additional gaming for tribes across the country. Nationally, there are 281 tribal gaming facilities operated by 184 tribes.

The federal legislation allowed for American Indian tribes to conduct any form of gambling on reservation land, if that form already existed in the state. Bingo and some poker games would be regulated by tribal ordinance,

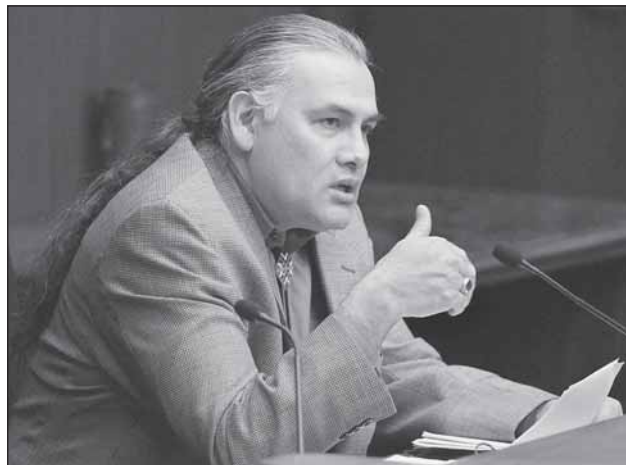


PHOTO BY ANDREW VONBANK

Attorney Henry Buffalo testifies before the House Governmental Operations and Veterans Affairs Policy Committee Feb. 11 as part of an informational presentation on American Indian gaming compacts.

and compacts between tribes and state government would determine casino gambling.

Minnesota gaming vs. other states

Two points of interest to some legislators were how Minnesota's compacts have no expiration date and that tribes are not required to share revenues with the state.

Currently 10 states have compacts without

expiration dates, and 15 states have compacts containing no revenue sharing.

Five states (Colorado, Kansas, Mississippi, Nebraska, and Nevada) are like Minnesota with neither expiration dates nor revenue sharing, said John McCarthy, executive director of the Minnesota Indian Gaming Association.

In addition, several states participate in revenue sharing between tribes and either state or local governments, ranging in contributions from 1 percent to 8 percent of gaming revenue. They are Arizona, Idaho, Michigan, Oregon, and Wisconsin.

McCarthy said comparing Minnesota's compact's conditions to other states is like comparing "apples and oranges." While other states, such as Wisconsin, are constantly in lawsuits over gambling, McCarthy noted that Minnesota is a model to other states in how smoothly the process has continued over its 15-year history. The state has also not experienced problems with organized crime related to legal gambling.

"Don't be fooled by those who say that Minnesota got a bad deal with these compacts," McCarthy said, referring to criticism that Minnesota does not benefit as much as other states via revenue. He listed advantages the state has received: 14,000 jobs that the state didn't have to pay to create, \$2.8 billion in direct payroll to Minnesotans, and \$1.9 billion for state vendors.


McCarthy said the compacts were "well-guided and well-executed" when they were created in 1989, and are still a "good deal."

Revenue stream

Tribes are not required to report their gross revenues to the state, but the Ninth District Federal Reserve Board estimates that proceeds ranged from \$800 million to \$900 million in 2000. In 2004 the number is expected to increase to \$1.3 billion.

Federal law prohibits states from taxing proceeds of American Indian gaming but does allow for agreements when an economic benefit is given voluntarily

in return, such as the payments Minnesota tribes make to the state to fund enforcement and regulation. Some states give tribes exclusivity for particular types of gambling, and they return a portion of revenue to the state. Such an agreement must receive Department of Interior approval.

No proposals for adjusting the compacts were considered by the committee. 

Minnesota House of Representatives

2003-04 Standing Committee Schedule

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
8:15 to 10 a.m.		Education Policy Environment & Natural Resources Finance Health & Human Services Finance Jobs & Economic Development Finance Transportation Finance 200 5 10 B 500S	Environment & Natural Resources Finance Health & Human Services Policy Jobs & Economic Development Finance Transportation Finance 5 10 B 200	Education Policy Environment & Natural Resources Finance Health & Human Services Finance Jobs & Economic Development Finance 200 5 10 B	
10:15 a.m. to 12 noon		Education Finance Environment & Natural Resources Policy Judiciary Policy & Finance Taxes 10 5 B 200	Education Finance Judiciary Policy & Finance Taxes 10 B 200	Education Finance Environment & Natural Resources Policy Judiciary Policy & Finance Taxes 10 5 B 200	No regular meetings are scheduled on Fridays.
12:30 to 2:15 p.m.	Education Finance Governmental Operations & Veterans Affairs Policy Health & Human Services Policy Higher Education Finance Taxes 5 B 10 300S 200	Agriculture & Rural Development Finance Commerce Policy Governmental Operations & Veterans Affairs Policy Transportation Policy 5 10 B 200	Agriculture Policy Commerce Policy Governmental Operations & Veterans Affairs Policy Higher Education Finance Transportation Policy 5 10 B 300S 200	Agriculture & Rural Development Finance Commerce Policy Higher Education Finance Ways and Means 5 10 300S 200	
2:30 to 4:15 p.m.	HOUSE IN SESSION (3 p.m.)	Capital Investment Civil Law Local Government & Metropolitan Affairs Regulated Industries State Government Finance B 10 200 5 500S	Capital Investment Civil Law Local Government & Metropolitan Affairs Regulated Industries State Government Finance B 10 200 5 500S	HOUSE IN SESSION (3 p.m.)	

Rules & Legislative Administration and Ethics meet at the call of the chair.

1/17/03

B - Basement Hearing Room
All rooms in State Office Building

2004 Minnesota House of Representatives Members

District/Member/Party	Room*	Phone (651) 296-	District/Member/Party	Room*	Phone (651) 296-
48B Abeler, Jim (R)	369	1729	44B Latz, Ron (DFL)	225	7026
43B Abrams, Ron (R)	585	9934	40B Lenczewski, Ann (DFL)	237	4218
42A Adolphson, Peter (R)	597	3964	66A Lesch, John (DFL)	223	4224
19A Anderson, Bruce (R)	437	5063	1B Lieder, Bernie (DFL)	323	5091
3A Anderson, Irv (DFL)	321	4936	2B Lindgren, Doug (R)	523	4265
27B Anderson, Jeff (R)	583	4193	32A Lindner, Arlon (R)	417	7806
39B Atkins, Joe (DFL)	221	4192	56A Lipman, Eric (R)	567	4244
35A Beard, Michael (R)	451	8872	22A Magnus, Doug (R)	515	5505
51B Bernardy, Connie (DFL)	337	5510	67A Mahoney, Tim (DFL)	289	4277
59A Biernat, Len (DFL)	303	4219	65B Mariani, Carlos (DFL)	203	9714
12B Blaine, Greg (R)	387	4247	9B Marquart, Paul (DFL)	311	6829
19B Borrell, Dick (R)	545	4336	57B McNamara, Denny (R)	577	3135
26B Boudreau, Lynda (R)	559	8237	53B Meslow, Doug (R)	377	5363
29B Bradley, Fran (R)	563	9249	58A Mullery, Joe (DFL)	209	4262
25A Brod, Laura (R)	581	4229	6B Murphy, Mary (DFL)	343	2676
35B Buesgens, Mark (R)	445	5185	30A Nelson, Carla (R)	571	0573
45B Carlson, Lyndon (DFL)	283	4255	46A Nelson, Michael (DFL)	231	3751
61A Clark, Karen (DFL)	307	0294	17B Nelson, Peter (R)	433	5377
24B Cornish, Tony (R)	487	4240	18A Newman, Scott (R)	367	1534
25B Cox, Ray (R)	413	7065	10A Nornes, Bud (R)	471	4946
31B Davids, Gregory (R)	379	9278	47B Olsen, Stephanie (R)	531	4280
62A Davnie, Jim (DFL)	241	0173	16B Olson, Mark (R)	501	4237
49A DeLaForest, Chris (R)	503	4231	15B Opatz, Joe (DFL)	277	6612
29A Demmer, Randy (R)	371	9236	45A Osterman, Lynne (R)	431	4176
28A Dempsey, Jerry (R)	575	8635	11B Otremba, Mary Ellen (DFL)	247	3201
6A Dill, David (DFL)	315	2190	52B Otto, Rebecca (DFL)	393	3018
27A Dorman, Dan (R)	579	8216	37B Ozment, Dennis (R)	479	4306
23B Dorn, John (DFL)	201	3248	42B Paulsen, Erik (R)	459	7449
17A Eastlund, Rob (R)	449	5364	64B Paymar, Michael (DFL)	253	4199
2A Eken, Kent (DFL)	329	9918	31A Pelowski, Gene (DFL)	295	8637
58B Ellison, Keith (DFL)	229	8659	1A Penas, Maxine (R)	553	9635
64A Entenza, Matt (DFL)	267	8799	20A Peterson, Aaron (DFL)	313	4228
41A Erhardt, Ron (R)	591	4363	40A Powell, Duke (R)	411	4212
16A Erickson, Sondra (R)	407	6746	39A Pugh, Thomas (DFL)	273	6828
21B Finstad, Brad (R)	353	9303	44A Rhodes, Jim (R)	443	9889
4A Fuller, Doug (R)	525	5516	5A Rukavina, Tom (DFL)	279	0170
37A Gerlach, Chris (R)	533	5506	26A Ruth, Connie (R)	415	5368
50A Goodwin, Barbara (DFL)	331	4331	50B Samuelson, Char (R)	423	0141
54A Greiling, Mindy (DFL)	259	5387	41B Seagren, Alice (R)	477	7803
24A Gunther, Bob (R)	485	3240	21A Seifert, Marty (R)	357	5374
47A Haas, Bill (R)	569	5513	5B Sertich, Anthony (DFL)	233	0172
48A Hackbarth, Tom (R)	409	2439	14A Severson, Dan (R)	389	7808
22B Harder, Elaine (R)	509	5373	57A Sieben, Katie (DFL)	211	4342
66B Hausman, Alice (DFL)	245	3824	10B Simpson, Dean (R)	473	4293
13A Heidgerken, Bud (R)	359	4317	55B Slawik, Nora (DFL)	317	7807
46B Hilstrom, Debra (DFL)	239	3709	33A Smith, Steve (R)	543	9188
8A Hilty, Bill (DFL)	207	4308	8B Soderstrom, Judy (R)	439	0518
36A Holberg, Mary Liz (R)	349	6926	3B Solberg, Loren (DFL)	309	2365
34B Hoppe, Joe (R)	537	5066	14B Stang, Doug (R)	375	4373
60B Hornstein, Frank (DFL)	227	9281	36B Strachan, Steve (R)	345	1069
4B Howes, Larry (R)	351	2451	28B Sviggum, Steve (R)	463	2273
7A Huntley, Thomas (DFL)	335	2228	23A Swenson, Howard (R)	517	8634
54B Jacobson, Carl (R)	429	7153	33B Sykora, Barb (R)	403	4315
7B Jaros, Mike (DFL)	291	4246	65A Thao, Cy (DFL)	215	5158
43A Johnson, Jeff (R)	401	5511	63A Thissen, Paul (DFL)	301	5375
67B Johnson, Sheldon (DFL)	243	4201	49B Tingelstad, Kathy (R)	507	5369
13B Juhnke, Al (DFL)	281	6206	18B Urdahl, Dean (R)	521	4344
59B Kahn, Phyllis (DFL)	255	4257	52A Vandever, Ray (R)	529	4124
60A Kelliher, Margaret Anderson (DFL)	261	0171	62B Wagenius, Jean (DFL)	251	4200
56B Klinzing, Karen (R)	539	1147	61B Walker, Neva (DFL)	213	7152
15A Knoblach, Jim (R)	453	6316	12A Walz, Dale (R)	527	4333
20B Koenen, Lyle (DFL)	327	4346	38B Wardlow, Lynn (R)	491	4128
34A Kohls, Paul (R)	421	4282	55A Wasiluk, Scott (DFL)	217	1188
53A Krinkie, Philip (R)	365	2907	51A Westerberg, Andrew (R)	549	4226
30B Kuisle, William (R)	565	4378	11A Westrom, Torrey (R)	381	4929
9A Lanning, Morrie (R)	593	5515	38A Wilkin, Tim (R)	551	3533
63B Larson, Dan (DFL)	287	7158	32B Zellers, Kurt (R)	557	5502

2004 Minnesota Senate Members

District/Member/Party	Room*	Phone (651) 296-	District/Member/Party	Room*	Phone (651) 296-
66 Anderson, Ellen (DFL)	120 Cap.	5537	54 Marty, John (DFL)	323 Cap.	5645
52 Bachmann, Michele (R)	141 SOB	4351	38 McGinn, Mike (R)	G-19 SOB	7-8073
6 Bakk, Thomas (DFL)	301 Cap.	8881	39 Metzen, James (DFL)	322 Cap.	4370
40 Belanger, William (R)	113 SOB	5975	41 Michel, Geoff (R)	151 SOB	6238
61 Berglin, Linda (DFL)	309 Cap.	4261	67 Moua, Mee (DFL)	235 Cap.	5285
51 Betzold, Don (DFL)	111 Cap.	2556	28 Murphy, Steve (DFL)	306 Cap.	4264
50 Chaudhary, Satveer (DFL)	317 Cap.	4334	25 Neuville, Thomas (R)	123 SOB	1279
64 Cohen, Richard (DFL)	121 Cap.	5931	17 Nienow, Sean (R)	105 SOB	5419
26 Day, Dick (R)	147 SOB	9457	33 Olson, Gen (R)	119 SOB	1282
60 Dibble, D. Scott (DFL)	111 Cap.	4191	34 Ortman, Julianne (R)	G-21 SOB	4837
18 Dille, Steve (R)	103 SOB	4131	19 Ourada, Mark (R)	145 SOB	5981
14 Fischbach, Michelle (R)	129 SOB	2084	65 Pappas, Sandra (DFL)	120 Cap.	1802
47 Foley, Leo (DFL)	G-24 Cap.	4154	36 Pariseau, Pat (R)	117 SOB	5252
21 Frederickson, Dennis (R)	139 SOB	8138	59 Pogemiller, Lawrence (DFL)	235 Cap.	7809
43 Gaither, David (R)	107 SOB	4314	63 Ranum, Jane (DFL)	120 Cap.	7-8061
42 Hann, David (R)	G-27 SOB	1749	53 Reiter, Mady (R)	132D SOB	1253
58 Higgins, Linda (DFL)	328 Cap.	9246	45 Rest, Ann (DFL)	205 Cap.	2889
23 Hottinger, John (DFL)	317 Cap.	6153	35 Robling, Claire (R)	143 SOB	4123
13 Johnson, Dean (DFL)	208 Cap.	3826	24 Rosen, Julie (R)	G-23 SOB	5713
49 Johnson, Debbie (R)	135 SOB	3219	4 Ruud, Carrie (R)	109 SOB	4913
48 Jungbauer, Michael (R)	115 SOB	3733	11 Sams, Dallas (DFL)	328 Cap.	7-8063
44 Kelley, Steve (DFL)	205 Cap.	7-8065	3 Saxhaug, Tom (DFL)	124 Cap.	4136
31 Kierlin, Bob (R)	127 SOB	5649	46 Scheid, Linda (DFL)	303 Cap.	8869
30 Kiscaden, Sheila (IP)	G-15 SOB	4848	29 Senjem, David (R)	G-17 SOB	3903
15 Kleis, Dave (R)	G-25 SOB	6455	2 Skoe, Rod (DFL)	124 Cap.	4196
37 Knutson, David (R)	133 SOB	4120	62 Skoglund, Wesley (DFL)	124 Cap.	4274
12 Koering, Paul (R)	131 SOB	4875	7 Solon, Yvonne Prettnier (DFL)	303 Cap.	4188
20 Kubly, Gary (DFL)	306 Cap.	5094	27 Sparks, Dan (DFL)	G-24 Cap.	9248
9 Langseth, Keith (DFL)	122 Cap.	3205	1 Stumpf, LeRoy (DFL)	G-24 Cap.	8660
10 Larson, Cal (R)	153 SOB	5655	5 Tomassoni, David (DFL)	321 Cap.	8017
56 LeClair, Brian (R)	149 SOB	4166	22 Vickerman, Jim (DFL)	226 Cap.	5650
32 Limmer, Warren (R)	121 SOB	2159	16 Wergin, Betsy (R)	125 SOB	8075
8 Lourey, Becky (DFL)	G-24 Cap.	0293	55 Wiger, Charles (DFL)	226 Cap.	6820
57 Marko, Sharon (DFL)	G-24 Cap.	7-8060			

*Capitol or State Office Building, St. Paul, MN 55155
For phone numbers, contact Senate Information at 651-296-0504

Minnesota House and Senate Membership

1 A Rep. Maxine Penas-(R) B Rep. Bernie Lieder-(DFL) Sen. LeRoy A. Stumpf-(DFL)	15 A Rep. Jim Knoblach-(R) B Rep. Joe Opatz-(DFL) Sen. Dave Kleis-(R)	29 A Rep. Randy Demmer-(R) B Rep. Fran Bradley-(R) Sen. David H. Senjem-(R)	43 A Rep. Jeff Johnson-(R) B Rep. Ron Abrams-(R) Sen. David Gaither-(R)	57 A Rep. Katie Sieben-(DFL) B Rep. Denny McNamara-(R) Sen. Sharon Marko-(DFL)
2 A Rep. Kent Eken-(DFL) B Rep. Doug Lindgren-(R) Sen. Rod Skoe-(DFL)	16 A Rep. Sondra Erickson-(R) B Rep. Mark Olson-(R) Sen. Betsy L. Wergin-(R)	30 A Rep. Carla Nelson-(R) B Rep. William Kuisle-(R) Sen. Sheila M. Kiscaden-(IP)	44 A Rep. Jim Rhodes-(R) B Rep. Ron Latz-(DFL) Sen. Steve Kelley-(DFL)	58 A Rep. Joe Mullery-(DFL) B Rep. Keith Ellison-(DFL) Sen. Linda Higgins-(DFL)
3 A Rep. Irv Anderson-(DFL) B Rep. Loren A. Solberg-(DFL) Sen. Tom Saxhaug-(DFL)	17 A Rep. Rob Eastlund-(R) B Rep. Peter (Pete) Nelson-(R) Sen. Sean R. Nienow-(R)	31 A Rep. Gene Pelowski Jr.-(DFL) B Rep. Gregory M. Davids-(R) Sen. Bob Kierlin-(R)	45 A Rep. Lynne Osterman-(R) B Rep. Lyndon R. Carlson-(DFL) Sen. Ann H. Rest-(DFL)	59 A Rep. Len Biernat-(DFL) B Rep. Phyllis Kahn-(DFL) Sen. Lawrence J. Pogemiller-(DFL)
4 A Rep. Doug Fuller-(R) B Rep. Larry Howes-(R) Sen. Carrie L. Ruud-(R)	18 A Rep. Scott Newman-(R) B Rep. Dean Urdahl-(R) Sen. Steve Dille-(R)	32 A Rep. Arlon Lindner-(R) B Rep. Kurt Zellers-(R) Sen. Warren Limmer-(R)	46 A Rep. Michael Nelson-(DFL) B Rep. Debra Hilstrom-(DFL) Sen. Linda Scheid-(DFL)	60 A Rep. Margaret Anderson Kelliher-(DFL) B Rep. Frank Hornstein-(DFL) Sen. D. Scott Dibble-(DFL)
5 A Rep. Tom Rukavina-(DFL) B Rep. Anthony (Tony) Seritch-(DFL) Sen. David J. Tomassoni-(DFL)	19 A Rep. Bruce Anderson-(R) B Rep. Dick Borrell-(R) Sen. Mark Ourada-(R)	33 A Rep. Steve Smith-(R) B Rep. Barb Sykora-(R) Sen. Gen Olson-(R)	47 A Rep. Bill Haas-(R) B Rep. Stephanie Olsen-(R) Sen. Leo Foley-(DFL)	61 A Rep. Karen Clark-(DFL) B Rep. Neva Walker-(DFL) Sen. Linda Berglin-(DFL)
6 A Rep. David Dill-(DFL) B Rep. Mary Murphy-(DFL) Sen. Thomas M. Bakk-(DFL)	20 A Rep. Aaron Peterson-(DFL) B Rep. Lyle Koenen-(DFL) Sen. Gary Kubly-(DFL)	34 A Rep. Paul Kohls-(R) B Rep. Joe Hoppe-(R) Sen. Julianne E. Ortman-(R)	48 A Rep. Tom Hackbarth-(R) B Rep. Jim Abeler-(R) Sen. Michael J. Jungbauer-(R)	62 A Rep. Jim Davnie-(DFL) B Rep. Jean Wagenius-(DFL) Sen. Wesley J. Skoglund-(DFL)
7 A Rep. Thomas Huntley-(DFL) B Rep. Mike Jaros-(DFL) Sen. Yvonne Prettnier Solon-(DFL)	21 A Rep. Marty Seifert-(R) B Rep. Brad Finstad-(R) Sen. Dennis R. Frederickson-(R)	35 A Rep. Michael Beard-(R) B Rep. Mark Buesgens-(R) Sen. Claire A. Robling-(R)	49 A Rep. Chris DeLaForest-(R) B Rep. Kathy Tingelstad-(R) Sen. Debbie J. Johnson-(R)	63 A Rep. Paul Thissen-(DFL) B Rep. Dan Larson-(DFL) Sen. Jane B. Ranum-(DFL)
8 A Rep. Bill Hilty-(DFL) B Rep. Judy Soderstrom-(R) Sen. Becky Lourey-(DFL)	22 A Rep. Doug Magnus-(R) B Rep. Elaine Harder-(R) Sen. Jim Vickerman-(DFL)	36 A Rep. Mary Liz Holberg-(R) B Rep. Steve Strachan-(R) Sen. Pat Pariseau-(R)	50 A Rep. Barbara Goodwin-(DFL) B Rep. Char Samuelson-(R) Sen. Satveer Chaudhary-(DFL)	64 A Rep. Matt Entenza-(DFL) B Rep. Michael Paymar-(DFL) Sen. Richard J. Cohen-(DFL)
9 A Rep. Morrie Lanning-(R) B Rep. Paul Marquart-(DFL) Sen. Keith Langseth-(DFL)	23 A Rep. Howard Swenson-(R) B Rep. John Dorn-(DFL) Sen. John C. Hottinger-(DFL)	37 A Rep. Chris Gerlach-(R) B Rep. Dennis Ozment-(R) Sen. David L. Knutson-(R)	51 A Rep. Andrew Westerberg-(R) B Rep. Connie Bernardy-(DFL) Sen. Don Betzold-(DFL)	65 A Rep. Cy Thao-(DFL) B Rep. Carlos Mariani-(DFL) Sen. Sandra L. Pappas-(DFL)
10 A Rep. Bud Nornes-(R) B Rep. Dean Simpson-(R) Sen. Cal Larson-(R)	24 A Rep. Bob Gunther-(R) B Rep. Tony Cornish-(R) Sen. Julie Rosen-(R)	38 A Rep. Tim Wilkin-(R) B Rep. Lynn Wardlow-(R) Sen. Mike McGinn-(R)	52 A Rep. Ray Vandever-(R) B Rep. Rebecca Otto-(DFL) Sen. Michele Bachmann-(R)	66 A Rep. John Lesch-(DFL) B Rep. Alice Hausman-(DFL) Sen. Ellen R. Anderson-(DFL)
11 A Rep. Torrey Westrom-(R) B Rep. Mary Ellen Otremba-(DFL) Sen. Dallas S. Sams-(DFL)	25 A Rep. Laura Brod-(R) B Rep. Raymond Cox-(R) Sen. Thomas M. Neuville-(R)	39 A Rep. Thomas W. Pugh-(DFL) B Rep. Joseph Atkins-(DFL) Sen. James P. Metzen-(DFL)	53 A Rep. Philip Krinkie-(R) B Rep. Doug Meslow-(R) Sen. Mady Reiter-(R)	67 A Rep. Tim Mahoney-(DFL) B Rep. Sheldon Johnson-(DFL) Sen. Mee Moua-(DFL)
12 A Rep. Dale Walz-(R) B Rep. Greg Blaine-(R) Sen. Paul E. Koering-(R)	26 A Rep. Connie Ruth-(R) B Rep. Lynda Boudreau-(R) Sen. Dick Day-(R)	40 A Rep. Duke Powell-(R) B Rep. Ann Lenczewski-(DFL) Sen. William V. Belanger Jr.-(R)	54 A Rep. Mindy Greiling-(DFL) B Rep. Carl Jacobson-(R) Sen. John Marty-(DFL)	
13 A Rep. Bud Heidgerken-(R) B Rep. Al Juhnke-(DFL) Sen. Dean E. Johnson-(DFL)	27 A Rep. Dan Dorman-(R) B Rep. Jeff Anderson-(R) Sen. Dan Sparks-(DFL)	41 A Rep. Ron Erhardt-(R) B Rep. Alice Seagren-(R) Sen. Geoff Michel-(R)	55 A Rep. Scott Wasiluk-(DFL) B Rep. Nora Slavik-(DFL) Sen. Charles (Chuck) W. Wiger-(DFL)	
14 A Rep. Daniel Severson-(R) B Rep. Doug Stang-(R) Sen. Michelle L. Fischbach-(R)	28 A Rep. Jerry Dempsey-(R) B Rep. Steve Sviggum-(R) Sen. Steve Murphy-(DFL)	42 A Rep. Peter Adolphson-(R) B Rep. Erik Paulsen-(R) Sen. David Hann-(R)	56 A Rep. Eric Lipman-(R) B Rep. Karen Klinzing-(R) Sen. Brian LeClair-(R)	

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Monday, Feb. 9

HF1915—Klinzing (R)

Education Policy

Epinephrine; students allowed to carry non-syringe injectors of epinephrine.

HF1916—Klinzing (R)

Education Policy

Secondary students authorized to carry and use nonprescription pain relief.

HF1917—Greiling (DFL)

Education Policy

No Child Left Behind Act; resolution memorializing Congress to amend the No Child Left Behind Act to provide more flexibility and to include waivers for states that have increased achievement through their own standards and reforms.

HF1918—Carlson (DFL)

Local Government & Metropolitan Affairs

Municipalities authorized to use reverse auction and electronic bidding.

HF1919—Abeler (R)

Health & Human Services Policy

Physician assistant registration provisions modified, and physician assistants authorized to perform radiography to administer anesthetic agents in emergency situations.

HF1920—Abeler (R)

Health & Human Services Policy

Essential community provider application authorized.

HF1921—Klinzing (R)

Education Finance

Charter school board of directors modified, charter school student participation in school district extracurricular activities provided, eligible sponsors increased, and charter school calendar submitted to the Department of Education.

HF1922—Demmer (R)

Environment & Natural Resources Finance

Olmsted County municipal solid waste combustor upgrade and expansion grant provided, bonds issued, and money appropriated.

HF1923—Abeler (R)

Health & Human Services Finance

Children with mental retardation service cost parental contribution modified.

HF1924—Paymar (DFL)

Education Finance

Early childhood education program funding restored, and money appropriated.

HF1925—Kahn (DFL)

Governmental Operations & Veterans Affairs Policy

Minnesota Twins community ownership process provided.

HF1926—Seifert (R)

Governmental Operations & Veterans Affairs Policy

Presidential electors designated, and duties specified to include proportional selection.

HF1927—Seifert (R)

Commerce, Jobs & Economic Development Policy

Workers' compensation special compensation fund assessments periodic payments provided.

HF1928—Howes (R)

Education Finance

Regional public library system increased staff hours funding requirements specified.

HF1929—Kohls (R)

Civil Law

Mental health center data disclosure provided to law enforcement under specified circumstances.

HF1930—Kohls (R)

Civil Law

Mental health center data disclosure provided to Criminal Mental Health Courts under specified circumstances.

HF1931—Bernardy (DFL)

Education Policy

Health and physical education required as an academic standard.

HF1932—Anderson, J. (R)

Education Policy

Children under the age of seven required to complete kindergarten prior to being admitted to the first grade, and waivers provided.

HF1933—Rhodes (R)

Environment & Natural Resources Finance

St. Louis Park flood hazard mitigation grant authorized, bonds issued, and money appropriated.

HF1934—Rhodes (R)

Environment & Natural Resources Finance

St. Louis Park pedestrian and trail crossing funding provided, bonds issued, and money appropriated.

HF1935—Hornstein (DFL)

Local Government & Metropolitan Affairs

Storm and sanitary sewer authorization provisions modified.

HF1936—Finstad (R)

Health & Human Services Policy

Assisted living facility term designated in statute as a formal means of referring to registered housing with services establishments.

HF1937—Seagren (R)

State Government Finance

Bloomington ski jump funding provided, bonds issued, and money appropriated.

HF1938—Abeler (R)

Health & Human Services Policy

Speech-language pathology assistant certification established, and speech-language pathology and audiology provisions modified.

HF1939—Paulsen (R)

Environment & Natural Resources Finance

Wildlife management area land acquisition funding provided, bonds issued, and money appropriated.

HF1940—Kelliher (DFL)

Jobs & Economic Development Finance

J. D. Rivers Urban Agricultural Awareness Center funding provided, bonds issued, and money appropriated.

HF1941—DeLaForest (R)

Local Government & Metropolitan Affairs

Anoka County Personnel Board of Appeals authorized.

HF1942—Nornes (R)

Taxes

Cruelty to animals prevention funding limits increased for cities and counties, and property tax levy to fund the appropriation exempted from levy limits.

HF1943—Johnson, S. (DFL)

Commerce, Jobs & Economic Development Policy

Health care provider kickbacks and conflicts of interests prohibited, and civil and criminal penalties provided.

HF1944—Smith (R)

Judiciary Policy & Finance

Domestic abuse orders for protection grounds expanded to include imminent or recent release from incarceration.

HF1945—Smith (R)

Judiciary Policy & Finance

Domestic abuse police reports released upon request to victims and their attorneys.

HF1946—Haas (R)

State Government Finance

State employees required to reimburse employer for personal use of state vehicles.

HF1947—Buesgens (R)

Education Finance

Online learning funding provided at same rate for specified students.

HF1948—Greiling (DFL)

Education Finance

Open enrollment student referendum aid adjustment modified, and statewide property tax altered.

HF1949—Opatz (DFL)

Civil Law

Plaintiffs in civil actions required to provide security to pay judgments against them.

HF1950—Kahn (DFL)

Environment & Natural Resources Policy

Great Lakes; International Joint Commission urged by resolution to maintain its vigilance in opposing diversion of Great Lakes waters and to support the prompt resolution of all issues related to finalization of Annex 2001.

HF1951—Anderson, I. (DFL)

Taxes

Education reserve account established, and state property tax portion dedicated to the account.

HF1952—Nornes (R)

Higher Education Finance

Fergus Falls campus of Minnesota State Community and Technical College funding provided, bonds issued, and money appropriated.

HF1953—Opatz (DFL)

Civil Law

Prevailing party in summary judgment actions awarded costs.

HF1954—Wasiluk (DFL)

Environment & Natural Resources Policy

Smoke detectors containing radioactive material prohibited from being placed in mixed municipal solid waste.

HF1955—Wasiluk (DFL)

Agriculture Policy

Animal protections required for transport in specified vehicles.

HF1956—Cox (R)

Environment & Natural Resources Finance

Mill Towns State Trail segment funding provided, bonds issued, and money appropriated.

HF1957—DeLaForest (R)

Judiciary Policy & Finance

Interfering with ambulance service personnel who are providing emergency care established as a crime.

HF1958—Johnson, S. (DFL)

Environment & Natural Resources Finance

Mississippi River metropolitan land acquisition funding provided, bonds issued, and money appropriated.

HF1959—Johnson, S. (DFL)

Agriculture Policy

Forest protection municipal grants program established, and money appropriated.

HF1960—Atkins (DFL)

Environment & Natural Resources Finance

Inver Grove Heights flood hazard mitigation grant provided, bonds issued, and money appropriated.

HF1961—Meslow (R)

Judiciary Policy & Finance

Child abuse causing death murder in the first-degree crime expanded.

HF1962—Meslow (R)

Transportation Finance

Lake Links Trail development and roadway rehabilitation funding provided for Ramsey and Washington counties, and money appropriated.

HF1963—Meslow (R)

Higher Education Finance

Century College capital improvements funding provided, bonds issued, and money appropriated.

HF1964—Simpson (R)

Higher Education Finance

Central Lakes College, Staples campus, capital improvements funding provided, bonds issued, and money appropriated.

HF1965—Knoblach (R)

Health & Human Services Policy

Service cooperatives authorized to provide group health coverage to private employers.

HF1966—Powell (R)

Jobs & Economic Development Finance

Burnsville water treatment facility funding provided, bonds issued, and money appropriated.

HF1967—Anderson, J. (R)

Environment & Natural Resources Finance

Shooting Star Trail segment construction funding provided, bonds issued, and money appropriated.

HF1968—Kohls (R)

Taxes

Long-term care insurance credit adjusted.

HF1969—Krinkie (R)

Education Policy

Summer school required for students not passing basic skills test required for high school graduation.

HF1970—Knoblach (R)

Ways & Means

Net unrestricted budgetary general fund balance priorities expanded.

HF1971—Knoblach (R)

Ways & Means

State budget process technical and clarifying changes provided.

HF1972—Pugh (DFL)

Transportation Policy

Removal and disposal of unauthorized vehicles provided on private, nonresidential property used for servicing vehicles.

HF1973—Pelowski (DFL)

Transportation Policy

Supervision required for children under age nine left in a passenger vehicle, and petty misdemeanor penalty imposed for leaving a child unattended under age nine.

HF1974—Knoblach (R)

Transportation Policy

Public safety radio communication system products and services sales tax exemption expanded and made permanent, system revenue bond uses expanded, and money appropriated.

HF1975—Dempsey (R)

Governmental Operations &

Veterans Affairs Policy

Public employee retirement plan for police and firefighter members continued service authorized.

HF1976—Wilkin (R)

Taxes

Medicare Prescription Drug, Improvement, and Modernization Act of 2003 partial conformity provided.

HF1977—Brod (R)

Governmental Operations &

Veterans Affairs Policy

Compulsive gambling prevention and education funding provided, and money appropriated.

HF1978—Beard (R)

Transportation Policy

Truck driver hours law; technical corrections provided to conform to amended federal regulations.

HF1979—Beard (R)

Transportation Policy

Trailers with lifetime registration required to display license plate and sticker.

HF1980—Beard (R)

Local Government & Metropolitan Affairs

Watershed district officers conflict of interest clarified.

HF1981—Otto (DFL)

Health & Human Services Finance

Drug rebate program interest on rebates collection authorized.

Thursday, Feb. 12

HF1982—Sykora (R)

Education Finance

Basic community education program funding restored, and money appropriated.

HF1983—Pugh (DFL)

Commerce, Jobs &

Economic Development Policy

Uniform Commercial Code revisions enacted.

HF1984—Gunther (R)

Jobs & Economic Development Finance

University of Minnesota funding provided for purchase of a medical research facility in Rochester, bonds issued, and money appropriated.

HF1985—Meslow (R)

Judiciary Policy & Finance

Audiovisual recording devices prohibited in motion picture theaters.

HF1986—Johnson, J. (R)

Education Policy

Minors under 18 required to attend school as a requirement to possessing a driver's permit or license.

HF1987—Mariani (DFL)

Higher Education Finance

St. Paul Community and Technical College capital improvements funding provided, bonds issued, and money appropriated.

<p>HF1988—Abeler (R) Health & Human Services Policy Podiatric medicine license requirements and definitions clarified.</p>	<p>HF2001—Beard (R) Taxes Electric generation facility property tax exemption provided.</p>	<p>HF2015—Smith (R) Judiciary Policy & Finance Bullet resistant vests for peace officers increased reimbursement provided.</p>
<p>HF1989—Fuller (R) Judiciary Policy & Finance Methamphetamine precursor drug sale regulated, reporting of transactions authorized, education program for retailers required, criminal penalties expanded and increased, methamphetamine lab cleanup fund established, and money appropriated.</p>	<p>HF2002—Knoblach (R) Civil Law Attorney fee award amount determination factor provided.</p>	<p>HF2016—Holberg (R) Transportation Policy Bus driver duty of care to passengers specified.</p>
<p>HF1990—Clark (DFL) Jobs & Economic Development Finance Minneapolis; East Phillips cultural and community center funding provided, bonds issued, and money appropriated.</p>	<p>HF2003—Erickson (R) Education Policy School districts authorized to teach full range of scientific views.</p>	<p>HF2017—Brod (R) Commerce, Jobs & Economic Development Policy Joint Underwriting Association regulated and coverage modified.</p>
<p>HF1991—Latz (DFL) Education Finance Perpich Center for Arts Education funding provided for capital improvements, bonds issued, and money appropriated.</p>	<p>HF2004—Buesgens (R) Regulated Industries Elko Speedway on-sale license specifications provided.</p>	<p>HF2018—Anderson, B. (R) Transportation Finance Personal rapid transit demonstration project bonds authorized and money appropriated.</p>
<p>HF1992—Juhnke (DFL) Governmental Operations & Veterans Affairs Policy State agencies required to use E85 fuel in flexible-fuel vehicles, and periodic reports required.</p>	<p>HF2005—McNamara (R) Environment & Natural Resources Policy Phosphorous use in fertilizers restriction extended.</p>	<p>HF2019—Erickson (R) Education Finance Independent School District No. 51, Foley, fund transfer authorized.</p>
<p>HF1993—Kuisle (R) Taxes Biomass or mixed municipal solid waste energy resource recovery facilities materials and supplies sales tax exemption provided.</p>	<p>HF2006—Fuller (R) Higher Education Finance Bemidji State University hockey arena bonds authorized and money appropriated.</p>	<p>HF2020—Walker (DFL) Civil Law Relative search pertaining to child protection services requirements modified.</p>
<p>HF1994—Larson (DFL) Health & Human Services Policy Physician assistant registration requirements exemption provided.</p>	<p>HF2007—Nelson, C. (R) Education Policy Reading record reflecting student strengths and weaknesses in reading provided.</p>	<p>HF2021—Buesgens (R) Local Government & Metropolitan Affairs Municipal interim zoning ordinance limitations provided.</p>
<p>HF1995—Knoblach (R) Local Government & Metropolitan Affairs Municipalities authorized to require direct deposit of all employee payroll.</p>	<p>HF2008—Mullery (DFL) Jobs & Economic Development Finance Nontraditional careers for women encouragement funding provided, and money appropriated.</p>	<p>HF2022—Lanning (R) Jobs & Economic Development Finance Moorhead Heritage Hjemkomst Interpretive Center bonds authorized and money appropriated.</p>
<p>HF1996—Pugh (DFL) Environment & Natural Resources Finance South St. Paul; landfill reclamation and conversion to parkland funding provided, bonds issued, and money appropriated.</p>	<p>HF2009—Mullery (DFL) Taxes Electronic filing requirements for income taxation modified.</p>	<p>HF2023—Lanning (R) Judiciary Policy & Finance Drug paraphernalia violation penalties increased.</p>
<p>HF1997—Clark (DFL) Jobs & Economic Development Finance Emergency assistance and transitional housing funding provided, and money appropriated.</p>	<p>HF2010—Buesgens (R) Governmental Operations & Veterans Affairs Policy Gambling activities at a Class A licensed racetrack facility provided.</p>	<p>HF2024—Beard (R) Transportation Policy Certificate of title provisions affecting motor vehicle dealers modified.</p>
<p>HF1998—Rukavina (DFL) Health & Human Services Policy Prescription drug bulk purchasing provided.</p>	<p>HF2011—Buesgens (R) Governmental Operations & Veterans Affairs Policy Card club maximum table requirement eliminated.</p>	<p>HF2025—Kahn (DFL) Jobs & Economic Development Finance Minneapolis; University Research Park capital improvements funding provided, bonds issued, and money appropriated.</p>
<p>HF1999—Cornish (R) Education Finance School innovation and cooperative planning grants provided, and money appropriated.</p>	<p>HF2012—Fuller (R) Environment & Natural Resources Finance Paul Bunyan State Trail rehabilitation bonds authorized and money appropriated.</p>	<p>HF2026—Wilkin (R) Health & Human Services Finance Human embryo and stem cell research funding restrictions provided.</p>
<p>HF2000—Tingelstad (R) Environment & Natural Resources Policy Water table level analysis clarified for purposes of individual sewage treatment system design.</p>	<p>HF2013—Swenson (R) Education Finance Gaylord multicultural and lifelong learning center construction bonds authorized and money appropriated.</p>	<p>HF2027—Anderson, J. (R) Health & Human Services Policy Nursing home construction moratorium exemption provided, and money appropriated.</p>
	<p>HF2014—Anderson, J. (R) Higher Education Finance Riverland Community College bonds authorized and money appropriated.</p>	<p>HF2028—Smith (R) Judiciary Policy & Finance Predatory offender screening committee established to make recommendations regarding referral of sex offenders to civil commitment proceedings, and data access provided to make determinations.</p>

HF2029—Anderson, J. (R)
Judiciary Policy & Finance
Manufacture of controlled substances in the presence of a child defined as a crime of child endangerment.

HF2030—Smith (R)
Governmental Operations &
Veterans Affairs Policy
Minneapolis Firefighters Relief Association authority to set executive secretary salary revised.

HF2031—Dempsey (R)
Education Finance
Independent School District No. 256, Red Wing, levy authorized for construction deficit for building the community ice arena.

HF2032—Anderson, I. (DFL)
Judiciary Policy & Finance
International Falls chemical assessment team funding provided, and money appropriated.

HF2033—Solberg (DFL)
Local Government & Metropolitan Affairs
Townships authorized to make payments and accept payments by electronic transfer.

HF2034—Haas (R)
Governmental Operations &
Veterans Affairs Policy
State contract labor agreements and compensation plans ratified.

HF2035—Sertich (DFL)
Commerce, Jobs &
Economic Development Policy
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HF2036—Smith (R)
Governmental Operations &
Veterans Affairs Policy
Correctional state employees retirement plan membership provisions revised.

HF2037—Fuller (R)
Education Finance
Health and safety revenue expanded to cover the costs of replacing certain school buses.

HF2038—Bradley (R)
Civil Law
Medical malpractice liability reforms provided.

HF2039—Ozment (R)
Environment & Natural Resources Policy
Fishing; special seasons authorized for persons with a physical disability to take fish by angling.

HF2040—Olson, M. (R)
Environment & Natural Resources Policy
Wastewater treatment technology certification program created, and money appropriated.

HF2041—Holberg (R)
Civil Law
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HF2042—Olson, M. (R)
Education Policy
No Child Left Behind Act of 2001 implemented only upon enacting legislation specifically affirming the implementation.

HF2043—Gunther (R)
Jobs & Economic Development Finance
Broadband infrastructure grant program established, bonds issued, and money appropriated.

HF2044—Davids (R)
Commerce, Jobs &
Economic Development Policy
Tourism functions transferred from the Department of Employment and Economic Development to Explore Minnesota Tourism, and money appropriated.

HF2045—Newman (R)
Education Finance
Independent School District No. 2859, Glencoe-Silver Lake, levy authorized.

HF2046—McNamara (R)
Higher Education Finance
Inver Hills Community College capital improvements funding provided, bonds issued, and money appropriated.

HF2047—Mahoney (DFL)
Jobs & Economic Development Finance
St. Paul; grant provided to acquire land for right-of-way and to complete contamination remediation on Phalen Boulevard, bonds issued, and money appropriated.

HF2048—Paulsen (R)
Taxes
Organ donation expenses income tax deduction provided.

HF2049—Kahn (DFL)
Health & Human Services Policy
Stem cell research state policy established and criminal penalties provided.

HF2050—Finstad (R)
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Foreign medical school graduates required to use a credentials verification service.

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HF2052—Abeler (R)
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Supportive housing and managed care pilot project sunset date extended.

HF2053—Kelliher (DFL)
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Minneapolis; Lake of the Isles flood mitigation funding provided, bonds issued, and money appropriated.

HF2054—Penas (R)
Environment & Natural Resources Policy
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HF2055—Severson (R)
Environment & Natural Resources Policy
Deer carcass importation by prearrangement with state taxidermists or meat processors permitted.

HF2056—Walz (R)
Environment & Natural Resources Finance
Paul Bunyan Trail extension bonds authorized and money appropriated.

HF2057—Abrams (R)
Local Government & Metropolitan Affairs
Continuance of certain nonconforming zoning uses or occupancies provided.

HF2058—Meslow (R)
Governmental Operations &
Veterans Affairs Policy
Campaign Finance and Public Disclosure Board membership and staff expanded, administrative remedy for violations of fair campaign practices created, investigation mandate repealed, and money appropriated.

HF2059—Ellison (DFL)
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HF2060—Hilstrom (DFL)
Local Government & Metropolitan Affairs
911 emergency telephone service fee increased; Metropolitan Radio Board sunset repealed, and membership and jurisdiction expanded; bonds issued; and money appropriated.

HF2061—Hilstrom (DFL)
Judiciary Policy & Finance
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HF2062—Bradley (R)
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HF2063—Hilty (DFL)
Health & Human Services Policy
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HF2064—Hilty (DFL)
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HF2065—Seifert (R)
Environment & Natural Resources Policy
Redwood County surplus state land conveyance authorized.

HF2066—Fuller (R)
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Minnesota State Colleges and Universities internal funds allocation specified.

HF2067—Jacobson (R)
Taxes
Flea markets and similar selling events sales tax exemptions provided.

HF2068—Greiling (DFL)
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HF2072—Nelson, C. (R)
Taxes
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HF2073—Cox (R)
Health & Human Services Finance
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HF2074—Knoblach (R)
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HF2075—Opatz (DFL)
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Minnesota State Colleges and Universities doctoral degree provisions modified.

HF2076—Nelson, C. (R)
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HF2077—Nelson, C. (R)
Higher Education Finance
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HF2079—Lindgren (R)
Agriculture Policy
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HF2080—Lindgren (R)
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Big Bog State Recreation Area development bonds authorized, and money appropriated.

HF2081—Ozment (R)
Environment & Natural Resources Finance
Minnesota Zoological Garden capital improvements funding provided, bonds issued, and money appropriated.

HF2082—Diill (DFL)
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Trapping non-resident license fees specified, and snares required to be tended every three days.

HF2083—Diill (DFL)
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HF2084—Paymar (DFL)
Environment & Natural Resources Policy
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HF2085—Severson (R)
Health & Human Services Policy
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HF2086—Paymar (DFL)
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HF2087—Borrell (R)
Civil Law
Service cooperative claims data, inactive investigative data maintained by the Office of Health Facility and Complaints, and appraisal data classified as private and nonpublic.

HF2088—Finstad (R)
Agriculture Policy
Board of Water and Soil Resources executive director appointed by the governor.

HF2089—Bradley (R)
Judiciary Policy & Finance
Rochester Regional Public Safety Training Center funding provided for a live burn training simulator, bonds issued, and money appropriated.

HF2090—Boudreau (R)
Judiciary Policy & Finance
Faribault state correctional facility expansion funding provided, Rice County jail construction funding provided, bonds issued, and money appropriated.

HF2091—Meslow (R)
Judiciary Policy & Finance
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HF2092—Carlson (DFL)
Higher Education Finance
Minnesota State Colleges and Universities demonstration project expanded to provide college readiness information to high school students, and report to legislature by P-16 partnership required.

HF2093—Holberg (R)
Civil Law
Public bodies authorized to close a meeting to negotiate the purchase or sale of real or personal property.

HF2094—Nornes (R)
Health & Human Services Finance
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HF2095—Thao (DFL)
Civil Law
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HF2096—Thissen (DFL)
Governmental Operations &
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HF2097—Thissen (DFL)
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HF2098—Lanning (R)
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HF2099—Nornes (R)
Education Finance
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HF2101—Seifert (R)
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HF2103—Nelson, C. (R)
Local Government & Metropolitan Affairs
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HF2104—Strachan (R)
Judiciary Policy & Finance
Predatory offenders without a primary address required to register, and community notification law information disclosure clarified.

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MINNESOTA INDEX

Young smokers

Minnesotans ages 18 to 24 surveyed between November 2002 and June 2003 that smoked cigarettes in the previous 30 days, as percent	39
National percentage in 2002	31
Percent of young Minnesota smokers that smoke every day	65
Percent smoking up to five days of the previous 30 days	19
Percent of Minnesota adults in 2003 that smoked cigarettes	18
In 2002	21.7
University of Minnesota students who smoked during one 30-day period in 2001, as percent	29.3
Of smokers aged 18-24, percent enrolled in college	37
Percent that is female	45
Percent living in the 11-county Twin Cities metropolitan area	58
Percent of young smokers that did not try their first cigarette until they were at least 18	8
Estimated number of Minnesota children exposed to secondhand smoke at home	280,000
Money spent by the six largest cigarette manufacturers for advertising and promotion in 2001, in billions	\$11.2
Money spent in 2000, in billions	\$9.6
In Minnesota for 2001, in millions	\$196
Percent of young smokers reporting their health was "excellent" or "very good"	55
Non-smokers, as percent	76
Young smokers saying their mental and emotional health was "not good" on at least three of 30 days prior to the survey, as percent	50
Percent of non-smokers	26
Young smokers, as percent, who stopped smoking at least one day in previous year because they were trying to quit	60
Those that tried to quit at least once in the past year, as percent	63
Of those, percent using medication to assist them	16
Young Minnesotans health officials predict will die prematurely from cigarette smoking	47,000
Approximate number of Minnesota deaths each year attributed to smoking	5,600
Percent of all state deaths	14.3
Estimated cost of smoking in lost productivity in Minnesota each year, in millions	\$996

Sources: *Patterns of Smoking Among Minnesota's Young Adults and Quitting Smoking, 1999-2003; Nicotine Addiction in Minnesota*, both by Blue Cross and Blue Shield of Minnesota, Minnesota Department of Health, Minnesota Partnership for Action Against Tobacco, and University of Minnesota, January 2004; *Results from the 2001 Student Health Assessment Survey*, University of Minnesota Boynton Health Service; Centers for Disease Control and Prevention Behavior Risk Factor Surveillance System; Federal Trade Commission.

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

FEBRUARY 20, 2004

VOLUME 21, NUMBER 3

In this issue:

HEALTH CARE COSTS, HOMEOWNERS RIGHTS

EMERGING TELECOMMUNICATIONS ISSUES, AND MORE

HF2105-HF2308

Session Weekly

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On the cover: A pigeon rests in the shadows under an arch of the Capitol building on Feb. 18, as darkness descends over St. Paul.

— Photo by Lisa Marie Sanders

Containing costs

Legislators grapple to develop a workable solution for rising, sometimes prohibitive, health care costs

By MARY KAY WATSON

As a way to reduce health care costs and improve patient care, the House Health and Human Services Policy Committee approved a streamlined version of a health care cost containment bill Feb. 16 that would provide for changes in laws relating to insurance, tort reform, and taxes.

Health care spending in the United States increased by 9.3 percent in 2002, the largest increase in 11 years, according to the U.S. Department of Health and Human Services. During the next decade, the growth in health spending is expected to outpace economic growth.

Everyone is affected by these rapidly rising costs, and according to a recent Kaiser Foundation poll, most Americans think government ought to address the problem.

"We may differ on solutions," said Rep. Fran Bradley (R-Rochester), sponsor of HF1681, "but I think we all agree on the importance of acting on this issue."

The bill moves next to the House Commerce, Jobs, and Economic Development Policy Committee.

A Senate version (SF1915), sponsored by Sen. Michelle Fischbach (R-Paynesville), awaits committee action.

Best practices

A key part of the bill addresses the importance of identifying and encouraging the use of best practice guidelines to improve the quality and cost-effectiveness of health care.

The commissioner of health, in consultation with health experts, would be responsible for identifying these guidelines based on the current best evidence about such factors as prevention, diagnosis, therapy, and cost-effectiveness. A one-year pilot project

would be implemented in 2005.

"This is the best part of the bill," said Rep. Thomas Huntley (DFL-Duluth). He cited examples of situations, such as prescribing a cheaper but more effective drug, when adherence to best practice guidelines would save substantially and provide better health care.

The bill as originally written would have required reporting of adverse health events from outpatient surgical centers, doctors' offices, and clinics, in addition to hospitals, which were given



PHOTO BY ANDREW VONBANK

After more than 11 hours worth of hearings, the House Health and Human Services Policy Committee approved a streamlined version of a health care cost containment bill Feb. 16.

that requirement in 2003. Offering to "back off a bit," Bradley successfully offered an amendment to remove doctors' offices and clinics from the list. The committee also adopted an amendment from Rep. Jim Abeler (R-Anoka) that would encourage health-related boards, such as the boards of pharmacy and optometry, to evaluate and approve best practice guidelines and make them available to practitioners of those specialties through their respective Web sites.

Malpractice reform

The bill would make adherence to these best practice guidelines an "absolute defense" in a medical malpractice lawsuit. Rep. Brad Finstad (R-New Ulm) successfully offered an amend-

ment that would make an exception if the best practice recommends denial of treatment based on a patient's expected length or quality of life.

In the case of a successful malpractice suit, the bill would establish limits on damages and attorney fees, including a cap of \$250,000 on damages for non-economic losses, such as pain and suffering. There would be no limit on economic damages, such as medical expenses and loss of wages, under the bill.

Punitive damages would also be capped at \$250,000; they would be paid to the Minnesota Comprehensive Health Association to reduce its need to assess its members. Attorney fees in excess of an approved percentage of the damages would be prohibited.

Labeling this provision as "grossly unfair," Rep. Michael Paymar (DFL-St. Paul) unsuccessfully offered an amendment to delete the article containing the malpractice damage restrictions from the bill.

"I think it's incumbent upon the Legislature to ensure that a jury has the opportunity to award what's proper," Paymar said. "It's not up to this Legislature to set caps, especially considering it does nothing to lower costs."

There is a difference of opinion among members as to whether such caps reduce medical malpractice costs. Bradley said states with caps have, on average, malpractice costs that are 17.1 percent

lower than states without caps. Huntley said U.S. General Accounting Office figures showed malpractice costs constitute less than 2 percent of overall health costs.

The committee approved an author's amendment that would excuse private non-profit hospitals from any liability for non-economic damages.

Health plan competition

The bill would change state law to permit for-profit health maintenance organizations (HMOs) to operate in Minnesota. More states are allowing for-profit HMOs, in part because the federal government encourages them.

Those who support for-profit HMOs argue

that allowing them to operate in the state will lead to a more efficient delivery system. Those opposed say the profit motive could compromise quality health care, especially for the poor and disadvantaged.

Huntley said statistics show the quality of care is lower and the cost is higher with for-profit HMOs. He said he was not concerned that out of state insurance companies would bring HMOs into Minnesota but worries that some of Minnesota's non-profit HMOs would convert to for-profit.

Consumer empowerment

This year the federal government made health savings accounts an attractive option for people under age 65. Minnesota law would be amended, under the bill, to conform to the change in federal law.

Touted as a way to give people more control over their own health care, the accounts, when used in combination with catastrophic medical insurance, could confer substantial tax advantages on individuals and businesses.

The new federal law allows annual account deposits to equal the deductible in a health insurance plan. People will continue to own their accounts regardless of changes in employment. Account balances earn interest and can grow tax-free.

Huntley successfully offered an amendment that would give people access to discounted provider fees whether or not they had satisfied the deductible for their high deductible health plan.

Additional stipulations

Other provisions of the bill include:

- a reduction in government mandates, including a three-year moratorium on new health benefit mandates;
- administrative reforms, such as evaluating the costs of health care reporting and allowing the Board of Medical Practices to conduct final applicant interviews by teleconference;
- a requirement that fiscal notes provide estimates of the cost of state health care program cost-shifting; and
- a requirement that the Department of Human Services study and make recommendations to the Legislature on state health care cost-shifting.

Huntley, the DFL lead on the committee, said that while he supports many measures in the bill, he cannot support the bill as a whole because of the provisions for medical malpractice caps and for-profit HMOs. 🐾



Feat of strength

13th governor overcame runaway horses en route to inauguration festivities

In the latter part of the 19th century, Minnesotans knew David M. Clough for his physical strength as a lumberman, his political skill gained through years of public service, and his iron will, which many people attempted unsuccessfully to sway.

But when Clough was set to assume the role of governor on Jan. 31, 1895, few expected that he would need to perform a feat of strength to avert disaster on his way from his Minneapolis home to the State Capitol.

Clough, then 48, lived on the east side of St. Anthony Falls, where he had established a lumber business with his brother in 1872. Having served on the Minneapolis City Council and in the Minnesota Senate, Clough was elected to serve as lieutenant governor under Gov. Knute Nelson in 1892. After their re-election in 1894, Nelson was chosen to represent Minnesota in the U.S. Senate, back in the days when state Legislatures actually chose members of the Senate.

That left the governor's slot open for Clough. On inauguration day, Clough headed to the Capitol in a sleigh, accompanied by his wife, and a former aide and his wife.

A vivid account was presented of the event in the next day's *St. Paul Pioneer Press*. The account described the act as, "one of the pluckiest deeds recorded for some time." It further elaborated on how the act reflected on Clough's abilities to be governor. "If he is of a superstitious turn of mind, he could certainly not have asked for a better opportunity, nor have secured better results, to convince him that while he holds the reins of the state, he will drive with a sure and steady hand."

According to the report, the sleigh's driver encountered an "interurban car," a sort of trolley running on tracks, loaded with well-wishers and spectators headed from Minneapolis to the Capitol for inaugural events. The car spooked the "beautiful and spirited animals," which took off at a fast, uncontrolled pace, due in part, said the account, to the driver's inability to regain control,

having been numbed by the cold of the winter day.

Spectators reported that when Clough rose from his seated position in the sleigh, they suspected he might jump, but he surprised them by carefully climbing into the driver's seat, catching the lines, and regaining control of the horses. They ultimately settled down and after a few moments pause, Clough returned to his seat and the driver resumed the group's journey to the Capitol.

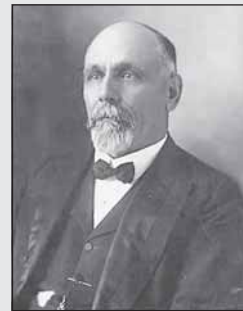
"There was an innate force of character that lifted him above his fellow lumberman," wrote James Baker, Minnesota Secretary of State from 1860 to 1862. "He had earnest ways of his own, and when things went wrong, it moved the fountains of his indignation and awakened the energies of his invective."

While governor, Clough's mettle would be tested, particularly when the nation became engaged in the Spanish-American War and Clough committed Minnesota regiments, despite strong dissent from Archbishop John Ireland. Said historian Theodore Blegen of the commitment, "It is a melancholy commentary on a war that, although only four Minnesotans were killed in action, 80 died of disease and many more suffered from its debilitating effects."

At the end of his second term, Clough called on his political affiliations to orchestrate the defeat of Republican gubernatorial candidate William H. Eustis of Minneapolis. Clough publicly supported John Lind, a Democrat and his opponent for governor in 1896, who ultimately won the 1898 election.

After leaving office, Clough returned to lumbering, relocating to Everett, Wash. where he began several large companies. Other notable, turn-of-the-century barons James J. Hill and Frederick Weyerhaeuser had blazed the trail west from St. Paul for him and were themselves invested in the industry. Within a few years time, Clough's businesses dominated the red cedar shingle industry.

(M. KIBIGER)



Gov. David M. Clough

Photo courtesy of the Minnesota Historical Society

★ AGRICULTURE

Disease testing results

Targeted cattle testing for mad cow disease, import controls, and an animal feed ban should maintain an "extremely low" human health risk from the fatal animal neurological disorder, Minnesota Department of Agriculture officials told the House Agriculture and Rural Development Finance Committee Feb. 12.

The first positive case of Bovine Spongiform Encephalopathy (BSE), also known as mad cow disease, in the United States was found in a Washington state dairy cow in December 2003. The cow had originated in Canada, where an Angus beef cow from Northern Alberta tested positive for the disease in May 2003.

"Is this the tip of the iceberg?" asked Rep. Elaine Harder (R-Jackson), the committee chair.

Citing a review of the case by a World Health Organization subcommittee, Dr. William Hartmann, executive director of the Minnesota Board of Animal Health, said officials expect additional cases to be found because the "subcommittee believes that cattle in the (United States) have been indigenously infected with BSE."

Because of the integration of feed and cattle across national borders, "this is a North American problem, not a (United States) or a Canadian problem," he said.

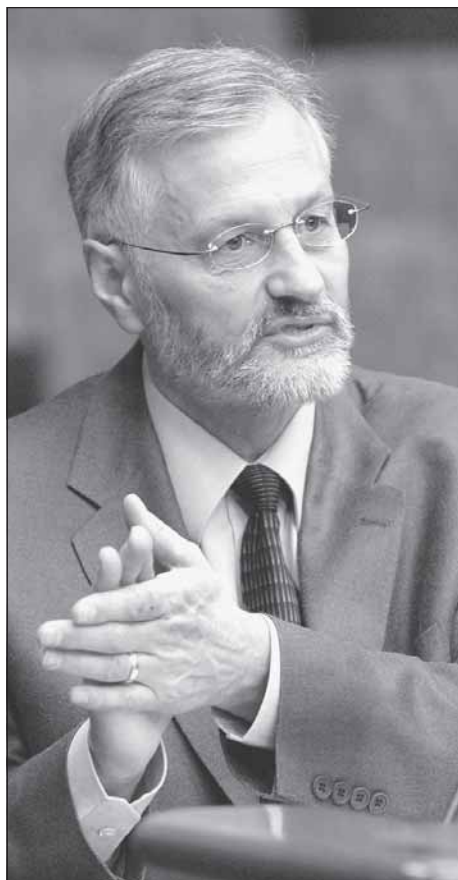
"The United Kingdom poses the most risk for the (United States)," Hartmann said. Because Canada trades more agricultural products with the United Kingdom, there is a potential for spread of the disease through contaminated animal feeds — the only way the disease is transmitted between animals.

In 1989, the federal government banned the importation of cattle and other ruminant meat, from BSE-positive countries, most notably Britain and other European nations.

Department officials added that discovery of the disease through targeted surveillance, in place since an epidemic struck Great Britain more than a decade ago, showed that detection safeguards are working.

Since 1997, the federal Food and Drug Administration has banned feeding mammalian proteins to cows and other ruminants, or cud-chewing animals with multiple-chambered stomachs.

Doug Lueders, commercial feed supervisor for the department, said the state was 99 percent in compliance with federal feed ban regulations in 2003.



Dr. William Hartmann, executive director of the Minnesota Board of Animal Health, discusses Bovine Spongiform Encephalopathy, also known as mad cow disease, with the House Agriculture and Rural Development Finance Committee Feb. 12.

Approximately 10 percent of the targeted cattle inspections in this country for the disease during 2003 took place in Minnesota.

More than 2,000 beef and dairy cattle in Minnesota were among the 20,526 tested nationwide between Oct. 1, 2002 and Sept. 30, 2003. State testing of targeted cattle is well above the national average, Hartmann said.

Financial aid for farmers

Loan assistance for beginning and established farmers and continued water management research constitute the \$18.6 million bonding request outlined by the state Agriculture Department Feb. 17 before the House Agriculture and Rural Development Finance Committee.

Five loan programs for state farmers administered by the Rural Finance Authority would be funded by \$18 million of state bond sale proceeds. Land drainage research projects at four sites would be supported by \$570,000 of the request.

Both programs are included in Gov. Tim Pawlenty's bonding proposal. The committee took no action on the request but will compile recommendations for the larger bonding bill this session.

Since 1987, the Rural Finance Authority has assisted 1,889 farmers through loan financing of \$105.3 million. The amount represents the authority's 45 percent share of loan principal up to \$250,000, depending on the loan type. Private lenders finance the remaining 55 percent. Fixed interest rates on authority-financed loans range between 4 percent and 6 percent over 10 years.

In 2003, 116 farmers received \$9.1 million in loans through the program.

Committee members questioned why participation among state farmers has remained low.

"Why aren't we getting (more) people applying for these?" asked Rep. Randy Demmer (R-Hayfield). "They're good deals."

"I can't shed a lot of light on it," replied Wayne Marzolf, director of the department's finance division.

Three of the authority's loan programs are designated for beginning and small farmers with a maximum net worth of \$269,000, indexed for inflation.

"Very wealthy farmers are not eligible," Marzolf said. Loans for debt restructuring and livestock expansion are allowed for borrowers with a net worth of up to \$439,000.

John Apitz, representing Farm Credit Services, testified in support of the program. He recommended that legislators consider increasing the authority's share of loan principal amounts and increasing the net worth limitations of potential borrowers.

"This is a very good program," Apitz said. "We'd like to see more people being able to participate in it."

The smaller portion of the bonding request would support a department research project with the University of Minnesota that is testing drainage system designs and water management practices in four locations: Crookston, Morris, Lamberton, and Waseca.

★ BONDING

Minneapolis, St. Paul, Duluth request

Representatives from three of Minnesota's largest cities came before the House Capital Investment Committee Feb. 18 to present their funding requests, which total \$146.7 million.

Mayor R. T. Rybak said the city's largest

request is \$24 million to help construct a new planetarium. Two years ago funding was approved by the Legislature but vetoed by former Gov. Jesse Ventura. "We believe this is the time to get this done," Rybak said.

Other requests from the City of Lakes are:

- \$10 million for the Minnesota Shubert Performing Arts and Education Center,
- \$9.6 million for public infrastructure improvements for the Heritage Park Redevelopment Project,
- \$9 million for land acquisition, design, and construction of roadways for the Southeast Minneapolis Industrial and University Research Park Project, and
- \$5 million to expand the Health Careers Institute.

Across the Mississippi River, St. Paul Mayor Randy Kelly told the committee that the city was attempting to be as strategic and creative as possible. "We want to maximize and leverage our resources," he said.

St. Paul's bonding requests are:

- \$20 million for infrastructure and land acquisition for the St. Paul Bioscience Corridor,
- \$15 million for a downtown Health Care Learning Center,
- \$15 million for the Minnesota Institute for Regenerative Medicine in the Midway area,
- \$10 million to renovate the Ordway Center for the Performing Arts,
- \$6 million for the Holman Field Flood Protection Project,
- \$4 million for design and construction of the final phase of Phalen Boulevard, and
- \$388,000 to create a riverbank picnic area by the Meeker Island Lock site and restore the Old Wagon Road.

As for Duluth, City Administrator Mark Winson said its top priority is \$5 million to construct the sanitary sewer overflow storage facilities.

Other significant projects include:

- \$8 million for Skyweb Express, a personal rapid transit certification project;
- \$3.3 million for the design of a new arena for the Duluth Entertainment and Convention Center;
- \$2 million to complete rehabilitation of the aerial lift bridge; and
- \$400,000 to design and develop two new exhibits and an interpretive trail at the Lake Superior Zoo.

House finance committees will consider bills for the projects and forward recommendations to the committee, according to Rep. Philip Krinkie (R-Shoreview), the committee chair. Gov. Tim Pawlenty did not recommend funding for any of the above-mentioned projects.

Managing the state's debt

The Minnesota Department of Finance is scheduled to release an updated financial forecast Feb. 26. Following that, Gov. Tim Pawlenty will announce his supplemental budget recommendations.

Meanwhile, the House Capital Investment Committee is preparing to hear requests from state agencies for bonding funds for capital projects. In preparation for their decision-making, committee members received a lesson in debt management from the Finance Department Feb. 17.

"Debt management guidelines are an important part of the state's fiscal picture," said Finance Commissioner Peggy Ingison.

The state's policy guidelines include:

- a 3 percent limit on the general fund debt service ratio (meaning debt service on general obligation bonds cannot exceed 3 percent of the anticipated general fund revenues),
- a 2.5 percent limit on debt to personal income,
- a 3.5 percent limit on state agency debt to personal income, and
- a 5 percent limit on all state debt to personal income.

In addition, 40 percent of debt must be retired within five years and 70 percent within 10 years. Currently, the state has \$3.2 billion in bonds that must be paid over the next 20 years, according to Peter Sausen, assistant commissioner of finance.

For years, Minnesota has had a bond rating of Aaa, the highest possible. However, in June 2003, Moody's Investors Service, one of three ratings agencies, downgraded the state one level to Aa1. One of the goals of the state's debt management policy is to maintain or regain the Aaa rating.

Sausen said a state's bond rating is determined by four factors: financial management, economic vitality, state tax burden, and state debt burden. Of those, he said, the first two are the most significant.

According to the state constitution, a project must meet four tests to receive bonding dollars: it must be publicly owned, it must be a capital expenditure, it must be for a public purpose, and the purpose must be clearly stated. According to statute, it must also have statewide significance. Bonds are sold by legislative authorization, not by project.

"People who penned this would probably be appalled by what the Legislature does with bonding," said Rep. Philip Krinkie (R-Shoreview), chair of the committee. He cited the approval of \$25 million in bonding for the new Guthrie Theater in Minneapolis as an example of legislative contortions to meet the bonding tests.

★ CONSUMERS

Insurance company lawsuits

A bill that would require courts to stay class action lawsuits against insurance companies failed on an initial vote of the House Civil Law Committee Feb. 17, only to be reconsidered later and approved.

HF1911, sponsored by Rep. Paul Kohls (R-Victoria), failed on a 6-6 bipartisan vote. However, the committee later voted to forward the bill to the House Commerce, Jobs, and Economic Development Policy Committee without recommendation.

Under the bill, insurance class action lawsuits would be stayed by a court and forwarded to the state Department of Commerce for review. This would apply only to lawsuits where the court determines that the department may order all or part of the relief being sought. The department regulates the Minnesota insurance industry.

Further conditions for the stay are that a lawsuit must seek recovery for a class of people and that at least one person is accusing a violation of an insurance rule or statute.

The stay must encompass six months under the bill. However, courts may extend that time period.

Kohls said the National Conference of Insurance Legislators, an organization of state legislators whose public policy focus is insurance legislation and regulation, envisioned the bill.

James Lenoghan, a representative of the Metropolitan Life Insurance Company, said the bill would allow courts to know whether policy violations occurred. He added that a court could rule whether discovery should be allowed and no statute of limitations issue would arise.

Bob Johnson, executive vice president of the Insurance Federation of Minnesota, said the bill is narrow, modest, and important. It would bolster Minnesota's aggressive and comprehensive consumer protection laws, he added.

Conversely, Joel Carlson, a lobbyist representing the Minnesota Trial Lawyers Association, said the bill would grant unprecedented protection to Minnesota insurance entities. The bill is problematic because the Commerce Department is not allowed to settle questions of fact, he said.

"Class actions claims against insurance companies have brought about better practices, proper car repairs, payments to victims of massacre, ... shareholders claims, and many more," wrote Carlson in a letter to the committee.

The bill lacks a Senate companion.

★ CRIME

Murder involving child abuse

The definition of first-degree murder involving child abuse would be expanded to account for child abuse patterns, under a bill approved Feb. 17 by the House Judiciary Policy and Finance Committee.

HF1961, sponsored by Rep. Doug Meslow (R-White Bear Lake), involves the change of one word in state statute. Under current law, a person can be charged with first-degree murder after abusing a child and causing the child's death, provided that a pattern of abusing that particular child can be proven. Under the bill, the charge could be levied under the same circumstances if a pattern of abuse against any child — not just the child who died — can be established.

Under the bill, the penalty for the crime would be life imprisonment with the possibility of parole after 30 years.

Currently, most offenders committing such crimes are convicted of intentional second-degree murder or manslaughter, according to information presented to the committee.

The impetus for the bill stems from a 2001 incident in which a Minneapolis man killed his 7-month-old son after abusing him. The man was previously released on probation

after being charged with first-degree assault for burning his daughter with a blow dryer.

In a letter to the committee, Hennepin County Attorney Amy Klobuchar wrote, "By enacting this proposal, children will be given greater protection and repeat child abusers will be held accountable."

Hilary Caligiuri, representing the Hennepin County Attorney's Office, said the pattern of child abuse under the bill could be established through incidents not leading to convictions.

"It's the pattern that has to be proved beyond a reasonable doubt, not the incident," Caligiuri said.

The committee approved the bill in 2003, but it was negotiated out during a conference committee, Meslow said. Per his request, the bill now goes to the House floor.

"I don't want anything to slip through the cracks because we've waited too long," he said.

A companion bill (SF1864), sponsored by Sen. Leo Foley (DFL-Coon Rapids), awaits committee action.

Regional jail funding

Six bills with financial requests totaling \$137 million to build new law enforcement facilities throughout the state were presented to the House Judiciary Policy and Finance Committee Feb. 18.

A key aspect of discussion surrounded efforts to keep Minnesota jails from privatizing. The committee chair, Rep. Steve Smith (R-Mound), successfully offered amendments that, in the case of three regional jails, would appropriate money only to publicly owned and operated facilities.

On Feb. 11 executives of three private prison providers told a House committee that they could build and maintain the state's prisons at a cost savings between 5 percent and 20 percent.

Among the jail-bonding bills, the largest single funding request came in HF2909, sponsored by Rep. Lynda Boudreau (R-Faribault). It would provide \$74.3 million for an expansion at the Faribault prison.

The same bill would appropriate \$10.6 million for a new 300-bed Rice County jail adjacent to the Faribault expansion. The state would be allowed to use up to 200 beds.

HF1765, sponsored by Rep. Greg Davids (R-Preston), would allow \$40 million in grant money for the construction of new regional adult detention facilities.

Fillmore, Houston, Winona, and Wabasha county officials said they hope the grant money will provide partial construction costs for a shared jail to house their longer-term inmates.

HF1826, sponsored by Rep. Larry Howes (R-Walker), would delineate \$6 million to build a regional and county jail in Cass County.

Neighboring counties and the state could use the facility.

Planning for a regional jail has been ongoing for six years, Howes said. "We are going to be persistent, and we're not going to quit until we get this."

Rep. Jerry Dempsey (R-Red Wing) is sponsoring HF1705 that would provide \$5.3 million for a new vocational education building at the state's Red Wing facility for male juvenile offenders.

In addition, two smaller requests were heard by the committee. HF2106, sponsored by Rep. Bob Gunther (R-Fairmont), would provide \$642,000 for a police and fire station in Blue Earth. HF2089, sponsored by Rep. Fran Bradley (R-Rochester), would allocate \$627,000 for the first phase of a regional public safety training center in Rochester.

The bills will be considered for bonding recommendations at a later date.

HF1765 and HF1705 lack Senate companions. Senate companions for the remaining bills await committee action.



Hilary Caligiuri, representing the Hennepin County Attorney's Office, testifies before the House Judiciary Policy and Finance Committee Feb. 17 in support of a bill that would expand the definition of first-degree murder involving child abuse.

First new law of 2004 signed Feb. 17

Signed
by
the
governor
★ ★ ★

Sex offenders imprisoned in Minnesota will be charged a co-payment for their treatment, under a new law signed by Gov. Tim Pawlenty Feb. 17.

Effective Aug. 1, 2004, the sex offender treatment fee will be based on a schedule approved by the Department of Corrections commissioner. Revenues are to be provided to the treatment provider to pay for the cost of treatment.

"This fee would be based on the offender's ability to pay," said Rep. Judy Soderstrom (R-Mora) before the House passed the bill, with an amendment, last May. She and Sen. Wes Skoglund (DFL-Mpls) sponsored the law.

The amendment prohibits those civilly committed as sexual psychopathic personalities or sexually dangerous persons from receiving or possessing pornographic material while receiving treatment in a state-operated facility.

Rep. Rob Eastlund (R-Isanti), who offered the amendment, said alcoholics don't keep alcohol around during treatment and sex offenders shouldn't have access to such images while getting help. He also said that pornography is prohibited in state prisons.

The Senate did not pass the amended bill before adjourning last session, but did so Feb. 9.

HF921/SF906*/ CH134

★ DEVELOPMENT

St. Paul redevelopment funding

A state funding request to acquire land for right-of-way for Phalen Boulevard in St. Paul and complete the remediation of contaminated lands was heard by the House Jobs and Economic Development Finance Committee Feb. 18.

The project has been before legislators the past couple of years said Rep. Tim Mahoney (DFL-St. Paul), the sponsor of HF2047, but the requested amount was cut from the bonding bill toward the end of the last legislative session.

The \$4 million requested grant to the city of St. Paul would finish construction of the road from Interstate 35E to Johnson Parkway, said Mahoney. A portion of the 2.6-mile road has already been completed.

According to the city Web site, "Building Phalen Boulevard will provide access to about 100 acres of underutilized industrial (brownfield) redevelopment sites, creating up to 2,000 livable wage jobs and helping retain over 4,000 jobs in the corridor area."

Development of the project began nearly a decade ago, with a goal to revitalize the neighborhood. In addition to brownfield remediation, other improvements include: industrial redevelopment, workforce development, housing, and wetland restoration. Among the already completed projects are:

- construction of the Williams Hill Business Center and a bus transit facility, which have combined to create more than 800 jobs;
- Ames Lake wetland restoration; and
- the opening of a YMCA connected to an elementary school.

The development of 700 units of sustainable housing is underway, and a 59-unit senior living facility is in the final stages of construction.

Improvements are helping immigrants who populate the area, a fact which Project Director Curt Milburn says is ironic because it was established by immigrants.

The bill was laid over for possible inclusion in the committee's bonding recommendations. Gov. Tim Pawlenty did not recommend funding for the project.

The bill has no Senate companion.

Job zones program discussed

Two months have passed since the Department of Employment and Economic Development designated 10 Job Opportunity Building Zones throughout Greater Minnesota. The zones, authorized by the 2003 Legislature, provide certain tax exemptions in an effort to draw businesses and redevelopment to economically



Matt Kramer, commissioner of the Department of Employment and Economic Development, gives an update on the Job Opportunity Building Zones in Greater Minnesota during a Feb. 18 hearing of the House Taxes Committee.

distressed areas of the state.

Since that time, Commissioner Matt Kramer told the House Taxes Committee Feb. 18, the department has been working to draw business activity to Minnesota by marketing the advantages of the state: its workforce, its infrastructure, and its high quality of life.

And there is no doubt that some businesses planning to move to the state or expand existing businesses would not be doing so without the program, Kramer said.

The program allows for infinite numbers of sub-zones to be designated within the larger zones. Kramer said they expect the boundaries of zones and sub-zones will be modified periodically, subject to the needs of the local communities. He said some have already changed since initial designation.

"We expect that over time, zones will be modified," Kramer said. "The key is that it's locally driven."

Zone administrators are not state employees; rather, they are typically someone representing a local or regional authority.

In addition, the program provides local and state tax exemptions for up to 12 years. Rep. Katie Sieben (DFL-Newport) asked whether the department is concerned that the lost revenue will have an impact on the infrastructure in local communities.

Kramer said that the program is targeting

industrial expansion in areas currently not being used, such as facilities that businesses have abandoned. He said those buildings now render no tax revenue for local governments, so down the road it will actually improve the situation.

Rep. Ron Abrams (R-Minnetonka), the committee chair, cautioned Kramer to carefully evaluate the kinds of jobs the program is creating. He also pointed out that other programs around the country have turned into significant tax exemptions for large, successful companies. He said he hopes the department is providing strict oversight of the program and the communities involved with encouraging the development.

"We're not interested in companies going from a location outside a job zone and relocating in the job zone just to take advantage of the tax benefits," Abrams said.

Kramer agreed. "We will be very accommodating, but we will also be very thorough," he said of oversight procedures. "The intent ... is that we're looking for long-term, livable wage jobs, not retail growth."

★ EDUCATION

Updated standards plan

A third draft of the state's proposed social studies academic standards presented Feb. 17 to the House Education Policy Committee hasn't softened criticism of the potential workload for students and teachers, appropriateness for certain grades, or political slant on American history.

State Education Commissioner Cheri Pierson Yecke led committee members through a page-by-page review of the draft that, she said, included changes suggested at a Jan. 27 hearing, as well as revisions by two outside consultants working with the department.

The proposed standards for K-12 public school students are to replace social studies standards in the Profile of Learning graduation requirements, which the 2003 Legislature repealed. Unlike English, language arts, math, and science, students won't have to take a state-mandated test in social studies.

Rep. Barb Sykora (R-Excelsior), the committee chair, said the document — which includes standards and recommended benchmarks to measure a student's knowledge of U.S. history, world history, government and citizenship, geography, and economics — will return to the committee "with a motion for approval." No timeline was given.

Representatives of two parent organizations said the Legislature should not pass the pro-



Holly Dunsmore, a fifth-grade teacher at Phalen Lake Elementary in St. Paul and a member of the writing and social studies academic standards committees, testifies Feb. 17 before the House Education Policy Committee in support of the latest draft of social studies standards.

posed standards as written.

Mary Cecconi, of Twin Cities-based Parents United, said the social studies standards needed “a professional revision” and should be held back for one year.

“There seems to be a race to place them into law,” she said.

Cecconi objected to the standards containing “statements of personal doctrine and prescribed behavior.” She cited a proposed government and citizenship benchmark for first grade that reads: “Students will define what it means to be a citizen in terms of loyalty, membership, and self-government.”

The standards should not “measure values, attitudes, or beliefs,” she said.

Julie Quist, vice-president of EdWatch, which advocated for a repeal of the Profile of Learning, said that in a number of history areas, the latest draft of the standards “weakens the principles of the Declaration of Independence.”

Words like “know” and “understand” in proposed benchmarks were changed to “analyze” and “predict,” which Quist said changed the standards from knowledge-based to process-based.

“The old Profile standards were process-based,” Quist said. “Isn’t that what was voted out last year?”

The language used in the standards may become an issue as House members continue their review.

Rep. Mindy Greiling (DFL-Roseville) objected to the term, “statesmen” in a third grade government and citizenship benchmark.

“It’s sexist language,” she said, asking that the word be changed to “statesperson or any gender neutral term.”

“There’s no such word as statesperson,” Sykora said.

Healthy schools

A bill that would help schools better prevent mold accumulation in classroom buildings was heard Feb. 18 by the House Education Finance Committee.

Rep. Kathy Tingelstad (R-Andover), sponsor of HF1771, said the bill would amend state law to allow school districts to receive health and safety revenue for replacing interior walls and floor coverings that were removed to abate a mold problem.

“We need to fix the source of the problem,” Tingelstad said, “rather than just the results of the problem.”

The bill, which the committee may consider for inclusion in its omnibus bill, would place the words “walls and flooring” back in the state statute governing school district uses of health and safety revenue. The two categories were removed during the 2003 Legislative session so the law’s language would match the rules of the state Department of Education.

The bill would also add “building repairs performed to fix an identified mold abatement problem,” to the health and safety revenue statute.

Philip Allmon, health and safety coordinator for the department, said school districts must provide a third party validation of severe mold problems which require major building alterations or repairs.

“Most cases involve massive amounts of molding,” he said.

A companion bill (SF1807), sponsored by Sen. Chuck Wiger (DFL-North St. Paul) awaits committee action.

Personnel assignments

A bill that would provide school district superintendents with unilateral authority in assigning teachers and principals was approved Feb. 12 by the House Education Policy Committee.

Sponsored by Rep. Randy Demmer (R-Hayfield), HF1831, which now moves to the House Education Finance Committee, would also prohibit local school boards from negotiating agreements with a teachers’ union

that limited a superintendent’s ability to assign and reassign teachers to schools.

The bill, which is among Gov. Tim Pawlenty’s education initiatives for the 2004 Legislative session, would “allow the superintendent more flexibility to assign teachers,” Demmer said.

Because of seniority and other contractual rights, “experienced teachers leave the undesirable classrooms,” Demmer said. Those classrooms are subsequently filled by less experienced, often younger teachers.

The bill would affect the state’s largest urban districts in Minneapolis and St. Paul, some larger suburban districts, and some districts in southern Minnesota, said Charles Kyte, executive director of the Minnesota Association of School Administrators, which supports the bill. It’s less likely to affect smaller districts, where teacher mobility is not as common.

Demmer agreed to an amendment proposed by Rep. Jim Davnie (DFL-Mpls) to include administrators in the bill. Principals moving from school to school is “as damaging (to students) as teachers moving,” Davnie said.

Roger Aronson, counsel for the Minnesota Elementary and Secondary Principals Association, also expressed support for the bill at the hearing.

“This is one of the more significant reforms we could pass this session,” Aronson said. Teacher seniority-based bidding on building assignments and other individual rights in contracts “limits principals from doing what they need to do,” he said.

Testifying in opposition, Jan Alswager, manager of government relations for Education Minnesota, the statewide teachers’ union, said the bill “would have unintended consequences.”

“You’re taking state control over something that was bargained locally,” she said.

The state should consider providing planning, staff development, and mentoring time for teachers in “challenging school sites,” Alswager said. “That’s more valuable than telling a teacher, ‘You are going here.’”

Rep. Lyndon Carlson (DFL-Robbinsdale) said the bill represented “a major change” because it would affect collective bargaining that’s governed by the state’s Public Employee Relations Act.

A Senate companion (SF2069), sponsored by Sen. Cal Larson (R-Fergus Falls), awaits committee action.

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Charter school governance

Expanding charter school sponsorship to non-profit organizations solely established for that purpose is part of a bill heard Feb. 18 by the House Education Finance Committee.

Sponsored by Rep. Karen Klinzing (R-Woodbury), HF1921 proposes a number of changes to state law governing charter schools. Action on the bill, which is one of Gov. Tim Pawlenty's education initiatives this session, was deferred for further testimony and discussion.

The bill would also make the state Department of Education eligible to directly sponsor charter schools, remove a state requirement that teachers comprise a majority of a school's board of directors during its first three years, and allow charter school students to participate in extracurricular activities at a traditional public school within the school district where the charter students reside.

So-called "single-purpose sponsors" of new charter schools would apply directly to the state Education Department for approval and annually report on schools sponsored and student achievement, as well as provide other required information.

The bill would allow the education commissioner to approve up to five qualified non-profit charitable organizations as charter school sponsors. A group's application would have to include financing sources but would not require \$2 million in assets as current law does of existing non-profit sponsors.

Jon Schroeder, coordinator of Education Evolving, a group formed by the Center for Policy Studies at Hamline University, testified in support of the bill.

"Unlike other charter authorizers," Schroeder said, "these new sponsors would have no other mission or purpose than granting and overseeing chartered schools."

He said the sponsors would also specialize in education areas of need, such as early literacy or helping high school dropouts complete their education.

Current sponsoring organizations of the 88 charter schools in the state include school districts, higher education institutions, and non-profits.

Rep. Carlos Mariani (DFL-St. Paul) said the bill should specifically include directing new charter school sponsors to address "priority needs," such as the achievement gap affecting public school students of color. "It shouldn't be a free for all for anyone who has a neat idea," he said.

The bill has no Senate companion.

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

Meeting staffing standards

School districts and the state Department of Education would have to consider nationally recommended staff-to-student ratios for health, counseling, and other school support services, under a bill heard Feb. 12 by the House Education Finance Committee.

Rep. Doug Meslow (R-White Bear Lake), the sponsor of HF1227, said it would help a student's physical, emotional, and social well-being by providing access to licensed student support services.

The licensed services would include those provided by a school nurse, counselor, psychologist, or social worker.

This provision did not become law last year, unlike other parts of the bill, which were included in the committee omnibus bill. The provision will be considered for possible inclusion in this year's committee bill.

Ralph Maves, a retired school social worker representing the Student Services Coalition for Effective Education, testified in support of the bill. He cited a 1999 U.S. Surgeon General's report on mental health that estimated 21 percent of children ages 9-17 nationwide have a diagnosable mental or addictive disorder.

"Yet approximately 70 percent of children and adolescents in need of treatment do not receive mental health services," he said. "School reform plans often overlook pupil services as critical supplements to instructional reform efforts."

Grace Schwab, director of government affairs for the Minnesota School Boards Association, objected to the defined ratios included in the bill.

"It raises the bar by putting the numbers in," Schwab said. "Meeting these ratios will be difficult."

The bill calls for one licensed school nurse per 750 students, one social worker per 500, one psychologist per 1,000, one school counselor for every 250 secondary school students, and one counselor for every 400 elementary students. It would allow chemical health counseling services to be provided by a nurse or other licensed professional assigned to the school.

The bill has no Senate companion.

ELECTIONS



Campaign concerns

Complaints filed regarding violations of the state's Fair Campaign Practices Act and of campaign finance reporting requirements in local elections may be handled by a different entity.

HF2058, sponsored by Rep. Doug Meslow

(R-White Bear Lake), would repeal the mandate that county attorneys investigate every complaint filed, instead turning over duties to the Minnesota Campaign Finance Public and Public Disclosure Board.

The House Governmental Operations and Veterans Affairs Policy Committee approved the bill Feb. 18. It now goes to the House State Government Finance Committee.

Meslow said the effort is bipartisan with support from both House Speaker Steve Sviggum (R-Kenyon), and House Minority Leader Matt Entenza (DFL-St. Paul).

Susan Gaertner, Ramsey County attorney, said the bill does three things:

- provides a quick resolution because the board must respond within one business day once a complaint is received,
- protects candidates from frivolous complaints, and
- preserves criminal justice resources.

Because county attorneys must investigate every complaint, Gaertner said there is less time for them to respond to more urgent concerns. Additionally, she said constituents have voiced concerns over how long it takes the county to deal with a complaint from both those "complaining parties and those complained against."

Rep. Eric Lipman (R-Lake Elmo) unsuccessfully offered an amendment that would require all parties involved in a complaint to be present before any action can be taken at an initial hearing.

Rep. Paul Thissen (DFL-Mpls), a bill co-sponsor, said he would be concerned about people trying to get to the hearing within two days, thereby distracting from the speedy process the bill requires.

The board may ultimately dismiss a complaint, ask for further investigation, issue a reprimand, find that a false statement made in a paid advertisement or campaign material violated state law, impose a civil penalty of up to \$3,000, or refer a complaint to the appropriate county attorney for prosecution.

A Senate companion (SF1907), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits action in the Senate Elections Committee.

ENVIRONMENT



Acquiring wildlife management areas

The governor's 2004 bonding recommendations for the Department of Natural Resources include \$12 million to acquire 11,000 acres of new wildlife management area lands, the majority of which are located in southwestern and central Minnesota.

A bill (HF1939), sponsored by House

Majority Leader Erik Paulsen (R-Eden Prairie), would up the ante to \$20 million for wildlife management area acquisition.

The House Environment and Natural Resources Finance Committee reviewed the request Feb. 18.

Between increased development pressures and escalating land costs, opportunities to acquire acreage in priority areas, such as the southeast bluffs, are dwindling, Paulsen said.

The bill advances the goal of a citizens' advisory committee on wildlife management areas to initiate an accelerated acquisition plan of 210,000 acres over the next 10 years, said Lance Ness, advisory committee chair and Fish and Wildlife Legislative Alliance president.

After relaying fond memories of playing along Minnehaha Creek as a youngster, Joe Duggan, Pheasants Forever vice president of corporate relations and marketing, emphasized the importance of public access to natural areas.

"Those types of places are still out in rural Minnesota," he said. "If we don't do something now they won't be there."

We really want to avoid a situation similar to areas in South Dakota where you either have to pay somebody or have rural connections to access land, said Tom Landwehr, assistant state director for The Nature Conservancy.

The bill will be considered for possible inclusion in the committee's bonding proposal. A companion bill (SF1724), sponsored by Sen. Dallas Sams (DFL-Staples), has been referred to the Senate Finance Committee.

Paying for impaired waters

Minnesotans could find a new water protection fee on their sewer bills, under a proposal by a polluted waters study group that aims to find a fair, innovative way to fund state cleanup of impaired waters.

The federal Clean Water Act requires states to identify surface waters that don't meet certain water quality standards, compile a report that determines the pollution sources and the amount of cleanup needed to restore the waters, and then make reasonable progress toward restoration.

Noncompliance with the impaired waters provisions poses a triple threat of environmental degradation, litigation, and increased federal regulation, and lawmakers have been challenged to find a permanent source of money for the program.

The 2003 Legislature ordered the Pollution Control Agency to meet with so-called impaired waters stakeholders during the interim and report back with financing ideas.

The House Environment and Natural Resources Finance and Policy committees held a joint hearing to review the stakeholder group's recommendations Feb. 17. The committees took no action on the matter.

The stakeholder group's diverse membership consists of conservation organizations; local, state, federal, and tribal officials; farmers; business owners; builders; developers; and others.

The most critical element to the proposal is the funding mechanism to meet the federal mandates, said Mike Robertson, who represents the Minnesota Chamber of Commerce on the group.

After weighing dozens of options, Robertson said, the group is recommending that the Legislature establish a Water Protection Fee on all service connections to sanitary sewer systems. The proposed fees are \$36 per year on residential units and \$150 per year on non-residential service connections.

The goal, Robertson said, is to place approximately \$75 million per year in a Water Protection Account and use those funds for grants and loans to public agencies for impaired waters identification and restoration activities. Under the plan, public facilities authorities could also access the account for improving wastewater treatment plants.

The group envisions that water protection account disbursements be divided as follows:

- 76 percent restoration,
- 12 percent pollution source and restoration reports,
- 11 percent monitoring, and
- 1 percent fee administration.

They also recommend the creation of an impaired waters coordinating council to oversee program activities and foster cooperation between the stakeholders that developed while compiling the report.

FAMILY



Determining legal paternity

The definition of paternity would be narrowed, under a bill approved by the House Civil Law Committee Feb. 18.

Under one provision of current law, a man is presumed to be the biological father if he openly declares the child to be his biological child and lets the child live with him while the child is a minor.

HF1857, sponsored by Rep. Doug Meslow (R-White Bear Lake), proposes that the definition instead be that the child and the man must have lived in the same household for the first two years of the child's life.

Donald Enockson, representing the family

law section of the Minnesota State Bar Association, said he did not oppose defining a cohabitation period. But, he said, the two-year period is too high a threshold for fathers who may have lived with their children for one year or 18 months.

"This rule is too far out," Enockson said, adding that it's unfair to unmarried fathers.

Meslow said he had in mind a generic man who is not the child's biological father, but allowed the child to call him "dad" and had the child stay with him on weekends.

Rep. Len Biernat (DFL-Mpls) said he was thinking in the other direction — about men who had established good relationships with a child but couldn't qualify to contest paternity due to not having met the proposed two-year cohabitation standard.

Meslow said the two-year period was in keeping with the federal Uniform Parentage Act, portions of which have been adopted by the Minnesota Legislature. However, he said, he was not opposed to a shorter time period.

The committee went on to amend the language, stating that the child must live with the man for at least 12 months during the child's first two years.

The bill also would change blood and genetic tests for paternity from a presumption to an evidentiary presumption.

It now moves to the House floor. Its Senate companion (SF1758), sponsored by Sen. Don Betzold (DFL-Fridley), awaits committee action.

GAME & FISH



Mourning dove hunting

Mourning doves could be back in the crosshairs, under two bills advancing to the House floor.

The House Environment and Natural Resources Policy Committee approved both measures Feb. 12.

The first bill (HF530), sponsored by Rep. Tom Hackbarth (R-Cedar), would authorize the Department of Natural Resources (DNR) to prescribe a mourning dove hunting season and require dove hunters to first acquire a small game license.

The open season has been prohibited in the state since 1947.

HF530 also calls for a report from the department on the impact of the hunting season on the state's mourning dove population.

Under a similar measure, sponsored by Rep. Joe Hoppe (R-Chaska), mourning doves would be added to the statutory list of game birds and a hunting season would be authorized.

The omnibus game and fish legislation (HF789) also allows an earlier start time for

duck hunters on opening day and attempts to get tougher on scofflaws who fail to show up in court or pay court-ordered fines for game and fish violations. Under the bill, those transgressions could result in the three-year revocation of game and fish license privileges.

A couple of provisions aimed at young hunters would allow turkey hunters under the age of 16 to be accompanied by unlicensed, unarmed adults and clarify that \$5.50 youth deer licenses without tags are available for archery as well as firearm hunting.

And, under the bill, the DNR could authorize bear hunters to use hounds for tracking, a practice that has not been allowed since the 1970s.

The Senate companions to these bills — SF698, sponsored by Sen. Pat Pariseau (R-Farmington), and SF887, sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), respectively — await action in the Senate Environment and Natural Resources Committee.

★ GOVERNMENT

Legislature size change

The size of the Legislature could be reduced to fit within congressional district boundaries, under a bill approved Feb. 18 by the House Governmental Operations and Veterans Affairs Policy Committee.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville), HF1065 would, beginning in 2013, require the number of Senate districts to be evenly divisible by the number of representatives in the U.S. House of Representatives apportioned to the state. The bill also states that no congressional boundaries may be crossed in creating a Senate district. There are currently eight congressional districts in the state.

The effective year, 2013, will be the first session following redistricting based on the 2010 census.

The bill now moves to the House floor.

Under the proposal, the number of senators would decrease from 67 to either 63 or 64 and the state House of Representatives would decrease from 134, to between 126 and 128 members.

Holberg said the change would allow for symmetry and the clear drawing of district lines.

The process would also “improve efficiency in many organizations,” said former Rep. Walter Klaus, who testified in favor of the proposal. He said that many times legislators prepare literature drops for campaigning, and coordinate pamphlets according to each congressional district.

Rep. Marty Seifert (R-Marshall) said he would oppose the bill because rural districts

could possibly lose legislators under the plan.

A Senate companion (SF303), sponsored by Sen. Pat Pariseau (R-Farmington), awaits action in the Senate Elections Committee.

★ HEALTH

Prescribed savings

With prescription drugs gobbling up more of Americans' incomes, legislators are determined to provide some relief.

The House Health and Human Services Policy and Finance committees heard updates on two new programs Feb. 17 and Feb. 18: the Medicare prescription drug program and Minnesota's Rx Connect program.

The federal government will begin phasing in Medicare prescription drug coverage for lower income people in June 2004. In 2006 the benefits will extend to everyone eligible for Medicare.

After detailing the complexities of the Medicare drug benefit program, Mary Kennedy, who administers Minnesota's Medicaid benefits, told the finance committee it will probably “not be the best deal for Minnesota as a state.”

“There has to be a better way,” said Rep. Fran Bradley (R-Rochester), chair of the finance committee. “It seems like if we put our heads together we could solve this.”

The governor proposed one solution in 2003 when he created Minnesota RxConnect to provide information and assistance to Minnesota residents who have a tough time paying for prescription medicines.

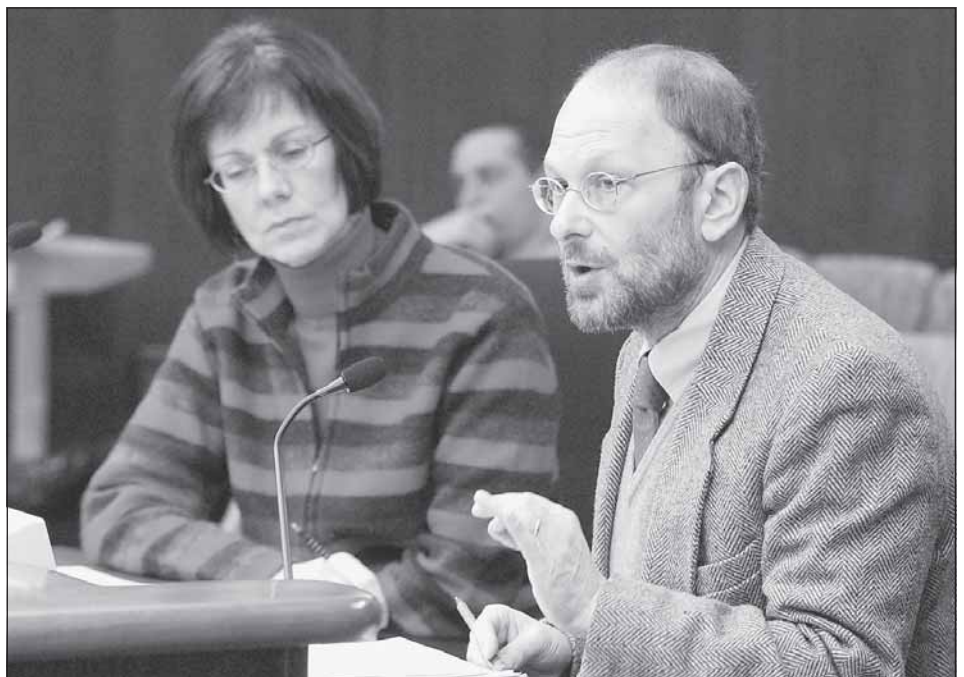
The program has already exceeded its goal of serving 10,300 people by June 30, 2004, according to Krista Boston, program administrator with the Minnesota Board on Aging, which administers the program.

Boston said the program has encountered some problems in the startup phase. Especially troublesome, she said, are inconsistencies among pharmaceutical companies. Most have been denying drugs to nearly all applicants enrolled in Minnesota's Prescription Drug Program. They are also requesting “burdensome” paperwork from applicants.

In addition to the phone service, MinnesotaRxConnect unveiled a Web site Jan. 1 to help people order less-expensive prescription drugs from Canada. According to Jim Chase, director of health care purchasing for the department, the site had 33,000 hits in the first six weeks and requests for 850 order forms.

Chase said the state-funded prescription drug program, established in 1999 to provide drug coverage for Medicare enrollees, now faces new challenges. For one, it must be adapted to work better with the Medicare program. There is some uncertainty, he said, as to whether the state program will even be necessary once the Medicare drug program is in effect.

Overall, legislators seemed pleased with the board's work with RxConnect. Rep. Lynda Boudreau (R-Faribault), chair of the policy committee, said the committee is committed to keeping the program viable. “I think this program has such great potential,” she said.



Estelle Brouwer, *left*, director of the Health Department Office of Rural Health and Primary Care, and Mark Schoenbaum, *right*, the office's manager of financial assistance programs, discuss the new Medicare bill and its impact on rural providers during the Feb. 17 meeting of the House Health and Human Services Finance Committee.

★ HIGHER EDUCATION

Revamping reciprocity agreements

A number of Minnesota college students pay more in tuition at Minnesota institutions than students from a neighboring state. A bill heard by the House Higher Education Finance Committee Feb. 16 addresses tuition reciprocity issues such as this.

Sponsored by Rep. Joe Opatz (DFL-St. Cloud), HF1782 would make a number of changes to the tuition reciprocity program. The committee deferred action to consider the bill for inclusion in a committee omnibus bill.

Tuition reciprocity allows students to attend a public college or university outside their home state without having to pay the standard nonresident tuition rate. State taxpayers pay the remaining instructional costs after subtracting tuition paid by reciprocity students. If reciprocity students from one state impose a larger burden on the other state's taxpayers, the first state makes a reimbursement payment. For example, Wisconsin paid Minnesota \$300,000 in 2002.

Minnesota has full agreements with North Dakota, South Dakota, and Wisconsin, and limited agreements with Iowa and Manitoba.

A September 2003 report by the legislative auditor shows that Wisconsin students pay significantly less than their Minnesota classmates.

That is because Wisconsin residents attending school in Minnesota pay their home in-state tuition rate, which is lower than Minnesota's rate. Minnesotans paid 28 percent more to attend the University of Minnesota-Twin Cities and 49 percent more to attend the University of Minnesota-Duluth than did Wisconsin residents in 2002-03, according to the report.

The agreement with North Dakota and South Dakota calls for the student to pay the higher in-state rate. In 2002 Minnesota paid \$434,225 to North Dakota.

However, South Dakota is violating its state law by not paying Minnesota money that it should under an initial agreement. There have been no interstate payments since 1988.

Officials estimate that Minnesota should have received \$350,000 from South Dakota for the 2001-02 year.

"A couple hundred thousand could be well put to Minnesota colleges," said Rep. Gene Pelowski (DFL-Winona).

Under the bill, officials must submit a regular tuition reciprocity program evaluation to the Legislature. It would also provide for equal tuition surcharges at all four University of Minnesota campuses, and require that the Legislature reauthorize the program every five years.

Wisconsin residents at the Twin Cities campus now pay a surcharge of 25 percent of the difference

between resident tuition at the University of Wisconsin-Madison and tuition at the Twin Cities campus. No surcharge exists at the Crookston, Duluth, and Morris campuses.

A companion bill (SF1825), sponsored by Sen. Ann Rest (DFL-New Hope), awaits committee action.

★ HUMANITIES

Library grants

A state grant program that helps local libraries improve accessibility to buildings for handicapped patrons would be expanded to include new library construction and renovation projects, under a bill heard Feb. 12 by the House Education Finance Committee.

Sponsored by Rep. Sondra Erickson (R-Princeton), HF1858 would appropriate \$10 million from the sale of state bonds to the Department of Education for library capital improvement grants.

Grants totaling the lesser of up to \$1 million or 50 percent of approved costs could be used to renovate or expand an existing building for use as a library or go toward construction of a new library. Maximum grant amounts for accessibility improvements are \$150,000 under existing law.

Joan Willshire, executive director of the Minnesota State Council on Disability, said the bill would change the intent of the grant program created by the 1994 Legislature for public library accessibility projects. She suggested the bill be amended to ensure "removing architectural barriers and improving access" remained a program priority.

Erickson agreed with Rep. Alice Seagren (R-Bloomington), the committee chair, that the bill's language should be reviewed before it's considered for inclusion in the committee's bonding recommendations.

Since 1994, the Legislature has appropriated \$5.5 million for the accessibility grant program. Former Gov. Jesse Ventura vetoed \$1 million in 2002. More than 90 library buildings across the state have added access improvements during the last 10 years, Willshire said.

Major renovations or new buildings are needed for many public libraries in the state, said Elaine Keefe, representing the Minnesota Library Association. She said 58 percent of the state's public library buildings are at least 35 years old and are not equipped to house new information technology and other library services added in recent decades.

"Libraries serve people well beyond local borders," she said. "A local library card allows the user to borrow from anywhere in the state."

A Senate companion (SF1608), sponsored

by Sen. Dan Sparks (DFL-Austin) awaits committee action.

★ LOCAL GOVERNMENT

Shooting ranges return

A measure that attempts to protect shooting ranges from local zoning restrictions and encroaching developments is headed back to the House floor, after stalling there in 2003.

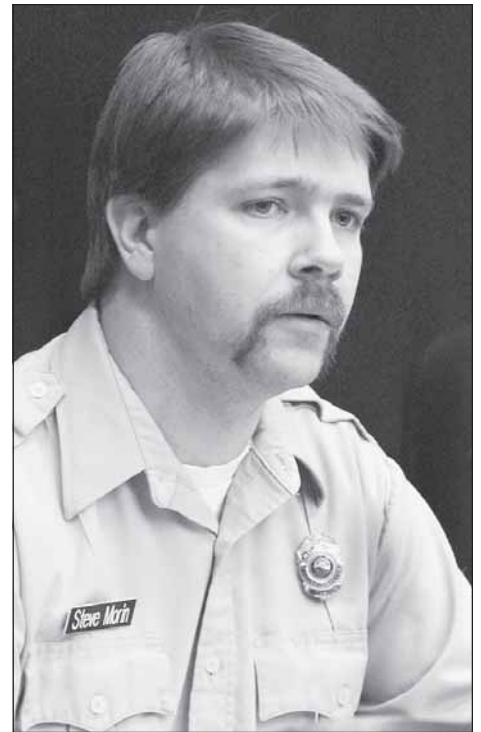
The House Environment and Natural Resources Policy Committee approved the bill (HF327) Feb. 12.

Sponsored by Rep. Tom Hackbarth (R-Cedar), the bill would direct the Department of Natural Resources to develop generally accepted operation practices for shooting ranges and protect those ranges that comply with the guidelines from nuisance lawsuits.

The measure also would require local governments to pay for noise buffering when development approaches within one mile of an established shooting range.

Another provision would set procedural and reimbursement guidelines for how and when a local government could force a range to close or relocate.

Associations representing cities, towns, and counties testified against the bill because, they said, it would unnecessarily restrict local planning and zoning authorities.



Steve Morin, vice-president of the Minnesota Firearms Safety Instructors, testifies before the House Environment and Natural Resources Policy Committee Feb. 12 in support of a bill that would protect shooting ranges.

"We support a fair and balanced approach to shooting ranges – something that puts the onus on both sides," said Dave Weirens, environment and natural resources policy analyst for the Association of Minnesota Counties.

The one-mile buffer provision may even prompt additional objections from local governments during shooting range siting negotiations, said Craig Johnson, legislative liaison for the League of Minnesota Cities.

Proponents cited the positive economic impact of hunting and the need for the state to foster firearm safety.

Hunters need practice and youth hunters need training, said Steve Morin, vice-president of the Minnesota Firearms Safety Instructors, a volunteer group of hunting educators. "Shooting safety is a perishable skill."

A Senate companion bill, SF462 sponsored by Sen. Jim Vickerman (DFL-Tracy), awaits action in the Senate Judiciary Committee.

Ordinance limitations

The House Local Government and Metropolitan Affairs Committee approved a bill Feb. 17 that would restrict municipalities from adopting long-term interim ordinances while considering commercial, residential, or other proposed developments.

Sponsored by Rep. Mark Buesgens (R-Jordan), HF2021 would limit interim ordinance length to 18 months. State law now allows up to 30 months, which can be adopted by a governing body for "protecting the planning process and the health, safety, and welfare of its citizens."

"What this bill says is 'Make a decision,'" Buesgens said. "Don't leave property owners on the hook for two-and-a-half years."

The bill received committee approval by one vote and heads to the House floor. It has no Senate companion.

"In most cases, if a municipality is benefiting (from a development), it will move ahead," said Rep. Kent Eken (DFL-Twin Valley), who opposed the bill. "If not, there must be a concern about the community impact."

"We have to be balancing the rights of private property owners," said Rep. Morrie Lanning (R-Moorhead). "I'm willing to send the bill forward, but we need more discussion on an appropriate time frame."

Testifiers included township officials and others concerned about a potential impact on the location of livestock feedlots.

Nancy Barsness, a planning and zoning consultant for 40 townships in the state, said townships must enact interim ordinances "in good faith."

"We don't enact a moratorium because we

don't like something," she said. "Something on the horizon," she said, like a feedlot or a gravel pit operation, would cause a township to "wait and see," particularly if it doesn't have a land use ordinance.

"This is a process one must not rush through," she said.

St. Cloud Mayor John Ellenbecker said population growth, which has clogged transportation corridors, and potential airport expansion requires studies on environmental impact and other issues.

"Our only option is to impose a moratorium (on development)," he said. "Eighteen months is just not rational."

Peter Coyle, a lobbyist for the Builders Association of the Twin Cities, said he respects that communities need time to assess the impact of developments; however, he added, local governments can use "delay tactics as a weapon" to stop a development.

More flood relief

The city of Roseau is in need of more flood relief funding, Mayor Jeff Pelowski told the House Jobs and Economic Development Finance Committee Feb. 12.

HF1808, sponsored by Rep. Maxine Penas (R-Badger), would appropriate funds to meet the city's needs.

While the Legislature has approved funds for relief in the past two years, the additional request of nearly \$13.2 million includes \$7.9 million to relocate the city hall, auditorium, library, museum, and police department out of the Roseau River floodplain and \$5.26 million to fix or replace damaged infrastructure systems.

A report said an alternative city facility must be built to replace three existing facilities damaged or destroyed in the 2002 flood. None of the remaining facilities meet any of the floodplain requirements. Additionally, the only building the city was able to reoccupy after the flood is located in the Roseau River floodway and is beginning to experience foundation failure as a result of riverbank instability.

Approximately \$1 million has been secured from the Federal Emergency Management Agency for reconstructing city buildings, but additional state money would complete the project.

The bill will be considered for possible inclusion in an omnibus bill. It has no Senate companion.

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MILITARY



Expanding protection

Members of the Minnesota National Guard are not civilly or criminally liable for any act committed while on duty. A bill approved by a House committee would reinforce those principles by expanding the protection to soldiers called upon to use force or act within their duties.

HF1819, sponsored by Rep. Laura Brod (R-New Prague), would specifically protect both commanders and those under an officer's direction. Current law includes just "the commanding officer."

Brod told the House Governmental Operations and Veterans Affairs Policy Committee Feb. 17, that the change was needed because soldiers are covered when called upon for federal active duty, or a combination of federal and state active duty, but not state duty alone.

Examples of situations now covered in state law include force used to suppress revolts, the dispersion of a mob, or the enforcement of such laws.

Under state law, an officer or subordinate cannot be held liable if he or she exercises honest judgment in those situations.

Col. Dennis Lord, executive director of the Minnesota National Guard, told the committee that guard units are being called to duty throughout the state more, particularly for security during periods of heightened national security alert.

The bill also would define lawful orders as: "orders given pursuant to acts, regulations, and other applicable authority governing military forces of the United States."

The original law was enacted in 1921, and Rep. Phyllis Kahn (DFL-Mpls) said the language was drafted before significant events in history occurred, such as the Nuremberg war crimes trials, which prompted very broad-based reform in matters of acceptable military behaviors. The proposed change could allow for a soldier to obey orders "without thinking about it," she said.

Rep. Eric Lipman (R-Lake Elmo) said the term "honest judgment" in current law covers those concerns.

The bill now moves to the House Civil Law Committee.

A Senate companion, SF1839, sponsored by Sen. David Knutson (R-Burnsville), awaits action in the Senate Agriculture, Veterans, and Gaming Committee.

Tuition reimbursement

Minnesota National Guard members enrolled in postsecondary education could be doing so for free, under a bill approved

Feb. 17 by the House Governmental Operations and Veterans Affairs Policy Committee.

Sponsored by Rep. Laura Brod (R-New Prague), HF1820 would increase the support level for the National Guard Reimbursement Program from 80 percent to 100 percent of the cost for certain programs in the College of Liberal Arts at the Twin Cities campus of the University of Minnesota. Guard members attending other institutions also qualify for benefits.

Bob Gindorff, an airman in the Minnesota Air National Guard, testified in favor of the increase. He said that his tuition has nearly doubled since he began attending the university in 2000 and the reimbursement program has enabled him to pursue a chemical engineering degree.

While he supports the reimbursement increase, Rep. Keith Ellison (DFL-Mpls) said the Legislature should also be looking at helping other students who have faced tuition increases over the past couple of years.

Rep. Paul Thissen (DFL-Mpls) asked how the state was going to pay for the increase.

The funding will be addressed in the House State Government Finance Committee, said Rep. Bill Haas (R-Champlin), who chairs the committee. That is the bill's next stop.

According to information provided by non-partisan House researchers, nearly all states have some form of an education program for their National Guard members, and approximately 30 of those states offer full tuition reimbursement.

The incentive is used as a recruiting tool, and each year nearly one-fourth of the 12,000 members of the Minnesota National Guard participate in the program.

A companion bill, SF1838, sponsored by Sen. David Knutson (R-Burnsville), awaits committee action.

★ RECREATION

Bemidji arena funding

Efforts to secure \$18 million in state bond money to construct a new hockey arena at Bemidji State University are still in play.

The plan, offered by Rep. Doug Fuller (R-Bemidji) as HF2006, will be considered by the State Government Finance Committee for inclusion in its bonding proposal. The House Higher Education Finance Committee also heard the bill Feb. 18.

Fuller emphasized that the money being sought would not displace money recommended to the Minnesota State Colleges and Universities (MnSCU) system. Instead the money would be allocated to the Minnesota Amateur Sports Commission to build the facility, as occurred with construction of the National Hockey Center in St. Cloud. Funding for the commission falls under the jurisdiction of the House State

Government Finance Committee.

"We in no way want to take away from what is on MnSCU's bonding request list, and historically this has been done through the Amateur Sports Commission," Fuller said.

Plans call for a 35,900-square foot facility with proposed general seating for 2,800 and suite seating of 120.

Fuller and Carl Baer, vice president for university advancement, said the current John Glas Fieldhouse is inadequate for the university's needs as a Division I hockey program. The 37-year-old arena has 2,200 bench seats on one side — meaning means dasherboard advertising can only be sold on one side — and only about 1,500 are non-obstructed, just two locker rooms, and no facilities for concessions or parking. Also, it is not wheelchair accessible through its main entrance. Patrons in wheelchairs must take an elevator in the locker room area and then access a wooden ramp through the player walkway.

"We have the worst collegiate sheet of ice in the country," Fuller said. "This is a pretty scaled-back facility to get the job done for us."

The new arena would serve the university's hockey program and also be a regional civic center facility to be used for things such as consumer shows and graduation events.

Rep. Ron Latz (DFL-St. Louis Park) wondered if it might be better to put the \$18 million towards the MnSCU bonding request, and thereby cover a number of other projects in more areas.

The bill has no Senate companion.

Volleyball center funding

The National Volleyball Center located in Rochester, one of the state's premiere sports facilities, needs upgrades, Rep. Fran Bradley (R-Rochester) told the House State Government Finance Committee Feb. 18.

Bradley presented HF2062, which would provide \$3.2 million in bonding fund for volleyball court upgrades at the six-year-old facility, along with expanded locker room facilities, a coach's room, a medical training room, and more restrooms. Local and in-kind contributions are estimated at \$800,000 for the project.

Paul Erickson, executive director of Minnesota Amateur Sports Commission, said there were four key issues to consider:

- the center is the only legislative request the commission is fully supporting this year,
- the center is the only facility in the state where the majority of the participants are female,
- the center is the single athletic facility south of the Twin Cities metropolitan area, which presents a regional and equity investment, and
- it would be a mistake to not invest in the increasing level of success the facility has brought to the city and state.

Howard T. Stewart, commission member from Rochester, said when 16 women's teams come to play at the facility, locker room and restroom space is inefficient. With national and international teams coming to play at the facility, the expansion would bring in more tourism and work as a tool for economic development.

A project overview indicates more than 200,000 athletes and spectators have come to the facility since it opened. This equates to \$3.5 million in economic impact, one-third of which is from outside Minnesota.

The committee laid the bill over for possible inclusion in its bonding recommendations.

A Senate companion (SF1912), sponsored by Sen. David Senjem (R-Rochester), awaits action by the Senate Finance Committee.

★ TAXES



For information on local and state sales taxes from a Feb. 18 hearing, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ TECHNOLOGY

Future investment

State investment in biotechnology and genomics could create substantial economic growth in Minnesota, and the state needs to stay in the burgeoning sciences race, concluded the House Jobs and Economic Development Finance Committee Feb. 17.

Rep. Bob Gunther (R-Fairmont), the committee chair, said, "If we look at being good stewards of our dollars, this might be a good investment to make," regarding the state's initial suggested investment of \$70 million.

Legislators reviewed a study examining a potential partnership between four entities — the University of Minnesota, the Mayo Clinic, existing businesses, and the state — to build and invest in the technology.

Paul Umbach, president and CEO of Tripp Umbach Healthcare Consulting Inc., said 41 states are already spending billions of dollars to stimulate and leverage development in the biotechnology sector, a situation that makes national competition intense.

For example, he said the industry in Wisconsin has experienced dramatic growth since the late 1980s, with 30 percent of its biotechnology companies established in the last five years. Biotechnology research in Wisconsin brings in \$500 million in grants and awards from outside the state, and the industry contributes approximately \$5 billion to Wisconsin's economy.

While Minnesota isn't completely behind in the race, given the substantial investments already made and scientific leadership such institutions

Scenarios		
Range Scenario	Mid-Range Scenario	High Range
and New Company Start-Ups (<5)	Moderate New Company Start-Ups (5-15)	High New Company Start-Ups (>15)
Patents	Patents	Patents
of State Funding on R&D	Impact of State Funding on R&D	Impact of State Funding on R&D
State: \$1 Leveraged Funding	\$1 State: \$1.50 Leveraged Funding	\$1 State: \$2 Leveraged Funding
low-risk environmental focus on biotech	State in medium-risk environment	State in high-risk environment
	Basic incentive package to new and existing biotech business	Expanded incentive to attract and retain business
expansion in Venture Capital	Expansion in Venture Capital \$8-\$13 million	Expansion of Venture Capital \$12-\$23.8 million
Benefits (1% Savings)	Health Benefits (3% Savings)	Health Benefits (5% Savings)
expansion in key business sectors	Expansion in key business sectors of 2%	Expansion in key business sectors of 5%
results not a biotech center	Minnesota in medium range in biotech	Minnesota in high range in biotech

Paul Umbach, president and CEO of Tripps-Umbach Healthcare Consulting Inc., showed the House Jobs and Economic Development Finance Committee three return-on-investment scenarios as part of a Feb. 17 discussion about potential state investment in biotechnology and genomics. as the university and the Mayo Clinic and other private sector development, maximum potential could only be reached by the four entities working together, said Umbach.

Umbach showed the committee three return-on-investment scenarios done by his firm, with the state seeing \$289.6 million in 2010 following initial investment in 2005, under a mid-range potential.

To reach that projection, a number of assumptions must be met, including:

- a 2 percent expansion in key business sectors,
- tax benefit to biotechnology companies beyond other companies,
- promotion of the partnership to new and existing companies,
- commitment of funding beyond the current budget cycle, and
- an expansion of venture capital between \$8 million and \$13 million.

Gunther said the committee would be looking into how the initial \$70 million could be included in its bonding proposals.

★ TRANSPORTATION

Weight limit exemptions

A bill that would waive highway weight restrictions for garbage trucks during the spring thaw generated considerable testimony Feb. 17 before the House Transportation Policy Committee.

HF722, sponsored by Rep. Ron Erhardt (R-Edina), was favored by garbage companies and opposed by city engineers and county representatives.

Erhardt explained that the garbage trucks are sometimes unable to complete their assigned missions when weight restrictions are imposed to save the life of roads softened by springtime thaws.

Some drivers are being charged with crimes in trying to complete their jobs, according to Julie Ketchum with Waste Management. Five of her company's drivers were charged with gross misdemeanors in April 2003 for violating the highway weight restrictions. After being unable to get the charges placed in the company's name, they are facing jury trials.

The bill, if approved, would reverse a situation where "unrealistic expectations for our drivers are made," Ketchum said.

Some heavy vehicles are exempt from temporary annual weight restrictions, including school buses and recycling trucks. Chuck Wegner, representing BFI Waste Systems of North America, said he could argue that retrieving garbage on a regular basis is more important than gathering recyclable materials.

Mark Stoltman with Randy's Sanitation said that all garbage haulers face the same dilemma during the spring because industry trucks are overweight, even when empty.

However, Tom Mathisen, Crystal city engineer, said the garbage hauling industry has increased truck size to increase profits and is now asking the Legislature for an exemption.

Building one mile of road requires about \$850,000, said Roseville City Engineer Deb Bloom. Allowing heavier loads could exacerbate conditions on county roads, which already need \$195 million in preservation and maintenance statewide, said Carol Lovro, analyst with the Association of Minnesota Counties.

The committee forwarded the bill to the House Transportation Finance Committee without recommendation. A companion bill (SF457), sponsored by Sen. Bill Belanger (R-Bloomington), awaits committee action.

Northstar Q&A

Legislators posed many questions regarding proposed financing of the 40-mile Northstar commuter railway system at a Feb. 17 House Transportation Finance Committee meeting.

The Northstar commuter rail line would extend northwest from downtown Minneapolis to Big Lake. Gov. Tim Pawlenty has proposed dedicating \$37.5 million in state bond proceeds to the system, which would operate on existing Burlington Northern Santa Fe lines. The bill reflecting the governor's proposal (HF1233) is sponsored by Rep. Kathy

Tingelstad (R-Andover).

Legislators questioned the number of riders the line would carry, the fares and operating costs, and requested an explanation for which counties are contributing construction and operating money.

But Rep. Alice Hausman (DFL-St. Paul) questioned the level of committee scrutiny. Previously, Northstar did not receive federal approval because the state was not contributing funds, she said. "While we pick away, their costs have gone up and it's our fault," she said.

After requiring that the line be scaled back from St. Cloud, the federal government has agreed to pay 50 percent of capital costs. The state would contribute 33.3 percent, with Anoka, Sherburne, Hennepin, and Benton counties covering 16.7 percent.

Additional project delays could risk federal funding, said Bob McFarlin, assistant state transportation commissioner. "We're reaching a point with Minnesota where it's fish or cut bait."

According to information presented to the committee, a one-way fare between Big Lake and Minneapolis would cost \$6.50 in 2004 figures. However, fares would be higher at the line's projected 2008 opening date, said Mike Schadauer, a senior administrative engineer with the Minnesota Department of Transportation.

Some legislators wondered whether commuters would pay \$14 a day. Schadauer replied that many commuters now pay more than that to park downtown. And, he added, rail-line commuting allows travelers to use cellular phones and laptops safely on the way to work.

Other representatives expressed concern that planners estimate only 5,600 daily round trips by the year 2025. Ken Stevens, a Northstar Corridor Development Authority representative, said estimates are conservative.

Thirteen people testified at a Feb. 18 meeting, with most offering support. Supporters said the line would ease traffic congestion and air pollution, as well as increase the quality of life for passengers. Opponents said that the project is not the most cost-effective form of mass transit.

Total project cost is estimated at \$265 million. Bonding approval would move the project into the final design stage, at which point the state could commence right-of-way acquisitions.

The bill will be considered later for possible inclusion in a bonding bill. A companion bill (SF27), sponsored by Sen. Don Betzold (DFL-Fridley) awaits committee action.

★ VETERANS



For information on a special veterans benefit passed by the House Feb. 16 go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

Home sick?

Bill would give homeowners recourse against builders and insurance companies for dwelling problems

By MARY KAY WATSON

A bill that would provide some recourse for people whose homes have serious defects was presented Feb. 12, 17, and 19 to the House Commerce, Jobs, and Economic Development Policy Committee.

"Homeowners are being left holding the bag for problems they didn't create," said Rep. Karen Klinzing (R-Woodbury), sponsor of HF1801.

The committee was unable to resolve all concerns voiced by members at the meetings and deferred action until a later date. The bill has no Senate companion.

- when the builder has refused to perform the obligations under statutory warranty without a good faith basis for the refusal,
- require that builders meet personally with homeowners to discuss their claims before involving attorneys,
- require that builders meet specific continuing education requirements prior to being licensed,
- require that municipalities provide more detail in reports on building code enforcement,
- require the Commerce Department to create a guide in electronic format for owners of

newly constructed homes, as well as a Web page providing information and advice on home inspection, and

- require the Commerce Department to suspend the license of a building contractor who refuses to comply with the bill's requirements.

Reimer said her builder's insurance company, Zurich North America, came to the mediation in "bad faith." The company has provoked ire in other homeowners.

Edward Ebersole of Stillwater, said the

company took nine months to respond after being notified of an estimated \$250,000 in water damage to his home. "They're hoping you'll lose interest or run out of money and go away," he said.

Ebersole said he has spent \$8,000 on legal fees so far, and Reimer estimates she has paid out \$15,000. Neither has yet received satisfaction in their quest for payment of damages.

Klinzing said there are many active investigations into both building contractors and insurance companies. She said Zurich is not the only insurance company involved.

Representing the Insurance Federation of

Minnesota, Bob Johnson said the bill presents "a deep thicket of litigation issues." He suggested "some kind of arbitration hybrid" as a better solution to the problem.

"There is a notion that a liability policy is like a warranty," Johnson said. Liability insurance only provides coverage when there is proven negligence, he said. If a house has been built to code and inspected, there's no negligence.

Bill Derrick, president of Derrick Construction, said he supports some of the measures in the bill, in particular the "proactive approach" of homeowners and builders meeting to discuss a problem before bringing in attorneys.

He said his company had on several occasions been served with lawsuits without having had a chance to address homeowners' concerns first. "That is not the right way to do it," Derrick said. "Those clients make it very, very difficult."

While he said he supports measures that would make insurers take care of problems, he was concerned that awarding homeowners' legal fees might lead to frivolous lawsuits. As is now the case, builders would be responsible for their own legal fees, whether they win or not.

Derrick Construction has been quick to respond in dealing with problems, according to Brenda Sauro, an attorney who represents homeowners that have had similar concerns.

Pam Perri Weaver, executive vice president of the Builders Association of Minnesota, said that contractors have recently experienced liability insurance increases of 200 percent to 600 percent and that she believes this bill would drive those costs even higher.

"The liability market for builders is deteriorating," Johnson said. "If companies can't manage risk, they won't write policies."

Legislators voiced skepticism about the workability of the bill. "In the end, if the insurance companies don't pay off," said Rep. Tom Rukavina (DFL-Virginia), "I don't see how this bill will help." He said he favors arbitration.

Klinzing said the bill would expedite the process of resolving problems and, if necessary, give the commissioner the ability to suspend a builder's license.

"It's at least going to solve the problem in over half the cases where the builder never responded to the homeowner," Klinzing said.


"We don't want to see anyone else go through what we've gone through," said Nancy Johnson, "It's not just new construction. It's remodeling, it's additions, it's shingling." Johnson's Columbia Heights home was ruined by mold after a botched shingling job. 



PHOTO BY TOM OLMSCHIED

Diane Reimer of Jordan becomes emotional as she testifies with her husband, Duane, about the damage to their home and the difficulties they have had in getting the problems resolved with the builder's insurer. The couple appeared before the House Commerce, Jobs, and Economic Development Policy Committee Feb. 12 to testify in favor of a bill to resolve homeowner disputes.

The bill was prompted by experiences of homeowners who, after discovering serious moisture and mold problems, were stonewalled by their builder or the builder's insurance company. Most of the homes beset by these problems were built in the 1990s.

"My house is basically destroyed," said Diane Reimer of Jordan. She said the cost of repairs to her \$500,000 home, which has been damaged by mold, have been estimated at \$250,000 to \$300,000. "We're living in hell," she said.

Measures in HF1801 would:

- award legal expenses to a homeowner who successfully sues a builder (or remodeler)

Telecom transformation

Lawmakers review emerging technologies and state's capacity to regulate them

By NICOLE WOOD

Internet voice technology and wireless networks are revolutionizing telecommunications, and lawmakers have been asked to provide a level playing field for the industry while maintaining consumer protection standards.

The House Regulated Industries Committee conducted an overview of emerging telecommunications issues Feb. 17 and 18, hearing from state officials and industry representatives who agree on one point: the current regulatory system in Minnesota needs an overhaul.

While state officials are focused on maintaining accessibility and public safety, industry representatives expressed concerns that excessive or uneven regulations could stymie competition, innovation, and growth.

Looming large on the radar for regulators and the industry is a technology known as Voice-over-Internet Protocol (VoIP or Internet Voice), which allows voice calls to be placed over the Internet rather than traditional phone lines. Calls can be placed as long as the user simply has an adaptor and a broadband Internet connection.

The new service, currently offered at the household level to a small test market in Minnesota, will likely be more widely available later this year.

However, a federal judge ruled last October that the Minnesota Public Utilities Commission could not require a New Jersey-based Internet Voice provider to apply for a license to operate as a phone company in the state.

The ruling declared that Internet Voice is an information service rather than a telephone service and is therefore exempt from regulation under the 1996 Federal Telecommunications Act.

The trouble for regulators is that Internet Voice calls can sometimes, though not always, switch to conventional wire lines. And they fear a full-scale changeover to Internet Voice services could jeopardize the conventional wire line infrastructure.

The Federal Communications Commission has announced its intent to review Internet Voice technology and address issues relating to state sales and excise taxes, access charges to wire lines, continued wiretapping

capabilities by law enforcement, 911 emergency provisions, and universal service.

"Therein lies the crux of the whole issue," said committee chair Rep. Torrey Westrom (R-Elbow Lake). "Things are changing and moving faster than perhaps the government would want them to."

Between "dot-com busts" and changing consumer habits in favor of wireless phones, it's been a turbulent three years for the telecommunications industry, said Mike Norwick, Minnesota Telecom Alliance president.

"Nationally, 7.5 million people have cut the cord," Norwick said.



PHOTO BY TOM OLMSCHIED

Jo Boettcher, director of state and local government for B.T. Syntegra, shows members of the House Regulated Industries Committee a wireless device during a Feb. 18 hearing.

Additionally, he said, high-speed Internet use is climbing, having jumped from 13 percent in 2001 to 27 percent in 2003.

"These users will be the base for (Voice-over-Internet Protocol)," Norwick said. "Our laws are out of date and, frankly, obsolete for what the telecommunications industry has become."

The true industry predicaments, according to Natalie Baker, AT&T district manager for network engineering and operations, are the asymmetry between state and federal regulations and a "hemorrhaging of minutes" from wire line to wireless technologies.

"Federal regulatory policies and emerging technologies have done an end run around state policymakers," she said.

Commerce Department officials agree that the current regulatory system may not be able to keep up with advancing technologies and industry changes.

"In my opinion, the best way to fix the current situation is to create a new regulatory environment with a transition path," said Deputy Commissioner Edward Garvey. "Incremental fixes and 'big plans' either aren't enough or lead to paralysis."

Any new regulations should cover the convergence of information, communication, and entertainment delivery systems, Garvey said, and be based on consumers rather than providers or technology.

The transition poses a series of challenges for regulators, including:

- ensuring consumer protection,
- creating funding mechanisms for 911 emergency services and universal access,
- resolving inter-carrier compensation issues, and
- fixing jurisdictional uncertainties between

the state and federal governments.

Though much of the discussion revolved around what the telecommunications industry is and what the regulation should be, a brief look into the future - the concept of implementing Wi-Fi or wireless fidelity networks - sparked the imagination of committee members.

Wireless fidelity networks accompany a wireless infrastructure capable of delivering high-speed data, video, and audio, beyond even the capabilities of broadband Internet

connections and cellular phones, said Jo Boettcher, director of state and local government for technology consulting firm B.T. Syntegra.

"It was a great segue to hear the testimony from all the old technology," she said. "Wireless is the new public utility."

Lawmakers speculated about the benefits of Wi-Fi in educational settings and for public safety communication and data collection applications.

Boettcher said the economic development aspect of wireless network implementation could be the key for rural and job zone areas.

"It's definitely going to save a lot of money... and put Minnesota back on the map," she said.



Monday, Feb. 16

HF2105—Penas (R)
Governmental Operations & Veterans Affairs Policy
Iron Range Resources and Rehabilitation commissioner's office established.

HF2106—Gunther (R)
Judiciary Policy & Finance
Blue Earth police and fire station construction funding provided, bonds issued, and money appropriated.

HF2107—Newman (R)
Transportation Policy
Road and highway survey and monument requirements modified.

HF2108—Paymar (DFL)
Health & Human Services Finance
Services for persons with mental retardation provisions modified, medical assistance estate recovery modified, alternative care costs recoveries eliminated, liens against life estates removed, and money appropriated.

HF2109—Cox (R)
Education Finance
Online library of kindergarten through grade 12 course lesson plans developed, and money appropriated.

HF2110—Erhardt (R)
Governmental Operations & Veterans Affairs Policy
Casino authorized in the metropolitan area, tax proceeds dedicated solely to transportation, and constitutional amendment proposed.

HF2111—Lesch (DFL)
Judiciary Policy & Finance
City attorneys included in eviction process.

HF2112—Powell (R)
Health & Human Services Finance
Hennepin County Medical Center acute psychiatric service renovation and expansion funding provided, bonds issued, and money appropriated.

HF2113—Otto (DFL)
Governmental Operations & Veterans Affairs Policy
Lottery service businesses regulated.

HF2114—Slawik (DFL)
Education Policy
Public Safety Department rules amended to allow alternate colors for a Sam Browne school safety patrol belt.

HF2115—Davnie (DFL)
Education Policy
Middle school students provided access to upper school courses.

HF2116—Hilty (DFL)
Education Finance
Independent School District No. 2580, East Central, school facility sale authorized; and Independent School District No. 566, Askov, outstanding loan balance forgiven.

HF2117—Rukavina (DFL)
Taxes
Seasonal recreational property and other residential property tax treatment adjustments provided.

HF2118—Dorman (R)
Local Government & Metropolitan Affairs
Local government collateralization requirements clarified.

HF2119—Abeler (R)
Health & Human Services Finance
State and county cost share of medical assistance costs clarified.

HF2120—Dill (DFL)
Transportation Finance
Tower; East Two Rivers project funding provided, bonds issued, and money appropriated.

HF2121—Finstad (R)
Health & Human Services Policy
Office of mental health established within the Department of Health.

HF2122—Huntley (DFL)
Higher Education Finance
University of Minnesota-Duluth capital improvements funding provided, bonds issued, and money appropriated.

HF2123—Cox (R)
Environment & Natural Resources Policy
Mercury switch collection program established by motor vehicle manufacturers.

HF2124—Gunther (R)
Jobs & Economic Development Finance
St. Paul Ordway Center for the Performing Arts funding provided, bonds issued, and money appropriated.

HF2125—Hornstein (DFL)
Commerce, Jobs & Economic Development Policy
State funds prohibited from being used to encourage or discourage union organizing.

HF2126—Greiling (DFL)
Education Finance
Intermediate School District No. 916, Northeast Metro, fund transfer authorized.

HF2127—Boudreau (R)
Health & Human Services Policy
Outpatient surgical center requirements modified, diagnostic imaging facilities licensure required, and Board of Medical Practice procedures modified.

HF2128—Boudreau (R)
Health & Human Services Policy
Outpatient surgical center requirements modified, diagnostic imaging facilities licensure required, and Board of Medical Practice procedures modified.

HF2129—Boudreau (R)
Health & Human Services Policy
Outpatient surgical center requirements modified, diagnostic imaging facilities licensure required, and Board of Medical Practice procedures modified.

HF2130—Fuller (R)
Environment & Natural Resources Finance
Paul Bunyan State Trail development funding provided, bonds issued, and money appropriated.

HF2131—Swenson (R)
Agriculture & Rural Development Finance
St. Paul dairy barn on the University of Minnesota-Twin Cities campus renovation funding provided, bonds issued, and money appropriated.

HF2132—Nelson, P. (R)
Environment & Natural Resources Finance
Chisago County Rush Creek Dam removal and restoration funding provided, and money appropriated.

HF2133—Nelson, P. (R)
Education Policy
Independent School District No. 138, North Branch, early school start authorized.

HF2134—Jaros (DFL)
Taxes
St. Mary's Duluth Clinic Health System construction materials sales tax exemption provided.

HF2135—Haas (R)
Governmental Operations & Veterans Affairs Policy
Lottery gaming machines provided, tax imposed on gaming machine revenue and revenue use specified, powers and duties granted to the state lottery director, and card games authorized at a gaming facility.

HF2136—Holberg (R)
Local Government & Metropolitan Affairs
Metropolitan Radio Board composition changed and sunset repealed, and Metropolitan Council bond request and authorization modified.

HF2137—Knoblach (R)
Transportation Finance
St. Cloud Regional Airport noise buffer zone land acquisition grant provided, and money appropriated.

HF2138—Smith (R)
Judiciary Policy & Finance
Open meeting law amended to permit closed meetings to discuss security information under certain circumstances.

HF2139—Pugh (DFL)
Commerce, Jobs & Economic Development Policy
Real estate title insurance required premium reserves provided.

HF2140—Seagren (R)
Education Finance
Referendum revenue ballot questions simplified, and school district levy authority restored.

HF2141—Sykora (R)
Education Finance
Compensatory revenue authorized to follow a compensatory student to a nonresident school district.

HF2142—Abeler (R)
Education Finance
Special education growth factors restored, and money appropriated.

HF2143—Thissen (DFL)
Transportation Policy
Airport zoning provisions expanded to include control of uses incompatible with present and future use, aviation planning chapter included in state transportation plan, and aviation planning advisory council created.

HF2144—Mullery (DFL)
Transportation Finance
Minneapolis; Lowry Avenue corridor improvements funding provided, bonds issued, and money appropriated.

HF2145—Entenza (DFL)
Governmental Operations & Veterans Affairs Policy
Executive branch agencies reorganized and secretary appointments provided.

HF2146—Kelliher (DFL)
Jobs & Economic Development Finance
Minneapolis; Minnesota Planetarium construction funding provided, bonds issued, and money appropriated.

HF2147—Johnson, J. (R)
Governmental Operations & Veterans Affairs Policy
Legislature authorized to convene even-year sessions under certain circumstances, and agenda limitations specified.

HF2148—Abeler (R)
Health & Human Services Policy
Exercise physiologist licensure provided.

HF2149—Fuller (R)
Judiciary Policy & Finance
Corrections board created to determine parole, board authorized to refer selected level III sex offenders to the county attorney for civil commitment, and money appropriated.

HF2150—Westrom (R)
Regulated Industries
Public Utilities Commission required to have two members from rural Minnesota.

HF2151—Westrom (R)
Regulated Industries
Instant credit required for wrong information from telephone directory assistance.

HF2152—Thissen (DFL)
Jobs & Economic Development Finance
Local historical society property sale proceeds allocations modified.

HF2153—Ozment (R)
Environment & Natural Resources Finance
Cook County Horseshoe Bay state lease restrictions modified.

HF2154—Kahn (DFL)
Environment & Natural Resources Finance
Minneapolis; Grand Rounds National Scenic Byway trail completion funding provided, bonds issued, and money appropriated.

HF2155—Holberg (R)
Civil Law
CrimNet data classification provided, public defender access to criminal justice data provided, and report required.

HF2156—Howes (R)
Transportation Finance
Akeley; new bridge construction on marked Trunk Highway 64 required.

HF2157—Solberg (DFL)
Judiciary Policy & Finance
County courthouse capital grants provided, bonds issued, and money appropriated.

HF2158—Tingelstad (R)
Transportation Policy
Safe School Zone Law enacted and clarifying changes provided.

HF2159—Ozment (R)
Higher Education Finance
Dakota County Technical College capital improvements funding authorized, bonds issued, and money appropriated.

HF2160—Larson (DFL)
Civil Law
Municipal utility customer and electronic municipal newsletter subscriber data classified.

HF2161—Howes (R)
Environment & Natural Resources Policy
Warranted sewage treatment system provisions modified.

HF2162—Howes (R)
Jobs & Economic Development Finance
Mille Lacs wastewater treatment facility collection system connection funding provided, bonds issued, and money appropriated.

HF2163—Knoblach (R)
Judiciary Policy & Finance
Trespass law expanded.

HF2164—Dorman (R)
Transportation Policy
Persian Gulf War veterans special motorcycle license plates authorized.

HF2165—Dorman (R)
Education Policy
Annual targeted student passage rate reporting requirement repealed.

HF2166—Urdahl (R)
Governmental Operations & Veterans Affairs Policy
Veterans training program and educational benefit responsibilities transferred to Commissioner of Veterans Affairs, and money appropriated.

HF2167—Juhnke (DFL)
Transportation Policy
Road authority appraisals designated as private data, appraisals required to be provided to landowners, appraisal review provided, direct billing provided, and reimbursement for legal fees of landowners authorized.

HF2168—Seifert (R)
Governmental Operations & Veterans Affairs Policy
Common sense use by employees of state executive branch and local units of government required in the writing, interpretation, and enforcement of rules and regulations.

HF2169—Bernardy (DFL)
Education Finance
Transition revenue calculation procedures modified.

HF2170—Davnie (DFL)
Regulated Industries
Billing for unauthorized charges on telephone bills prohibited.

HF2171—Davnie (DFL)
Regulated Industries
Telecommunications carrier charges to customers after cancellation of service prohibited.

HF2172—Otremba (DFL)
Health & Human Services Finance
Medical assistance estate recovery provisions modified, alternative care cost recoveries eliminated, life estate and joint tenant interest liens removed, and money appropriated.

HF2173—Otremba (DFL)
Health & Human Services Finance
Medical assistance provisions effective date modified, and life estate and joint tenancy interest liens repealed.

HF2174—Otremba (DFL)
Health & Human Services Finance
Medical assistance estate recovery provisions modified, alternative care cost recoveries eliminated, and money appropriated.

Thursday, Feb. 19

HF2175—Abeler (R)
Health & Human Services Policy
Speech-language pathologist, audiologist, and occupational therapy practitioner licensure requirements modified.

HF2176—Goodwin (DFL)
Education Policy
Social studies graduation standards proposal deadline extended.

HF2177—Jaros (DFL)
Higher Education Finance
Minnesota State Colleges and Universities Board of Regents and Board of Trustees qualifications provided.

HF2178—Fuller (R)
Higher Education Finance
Postsecondary enrollment options admission standards adopted.

HF2179—Sertich (DFL)
Governmental Operations & Veterans Affairs Policy
Public Employees Retirement Association onetime second chance actuarial equivalent optional retirement annuity election authorized.

HF2180—Sertich (DFL)
Governmental Operations & Veterans Affairs Policy
Public Employees Retirement Association onetime second chance actuarial equivalent optional retirement annuity election authorized for a former Hibbing school district employee.

HF2181—Brod (R)
Governmental Operations & Veterans Affairs Policy
Senate prohibited from acting on confirmation of an appointment after adjournment.

HF2182—Penas (R)
Environment & Natural Resources Finance
Roseau River Wildlife Management Area and Red Lake Watershed District flood hazard mitigation project funding provided, bonds issued, and money appropriated.

HF2183—Sertich (DFL)
Health & Human Services Finance
Medical assistance co-payments exemption expanded, and money appropriated.

HF2184—Paymar (DFL)
Health & Human Services Policy
Prescription drug practitioners gift ban modified.

HF2185—Wilkin (R)
Commerce, Jobs & Economic Development Policy
National Association of Securities Dealers commerce information disclosure provided.

HF2186—Mariani (DFL)
Transportation Finance
St. Paul Union Depot concourse renovation provided, bonds issued, and money appropriated.

HF2187—Stang (R)
Commerce, Jobs & Economic Development Policy
Debt collection agency employees required to be registered instead of licensed.

HF2188—Cox (R)
Health & Human Services Finance
ICFs/MR cost division modified, and ICF/MR plan required.

HF2189—Anderson, I. (DFL) Education Finance Independent School District No. 319, Nashauk-Keewatin, authorized to use health and safety revenue for new construction.	HF2200—Magnus (R) Taxes Homestead property used for childcare assessed as part of the homestead property.	HF2212—Ozment (R) Environment & Natural Resources Policy Natural resources; wild rice, motorboat and ski pass provisions and minnow transport requirements modified; RIM work plan requirement eliminated; and money appropriated.	HF2222—Vandever (R) Local Government & Metropolitan Affairs Washington County authorized to require employees to use direct deposit.
HF2190—Wilkin (R) Education Policy School district superintendent employment contract validation provided.	HF2201—Westrom (R) Regulated Industries Wireless telecommunications service required to provide statewide service.	HF2213—Cornish (R) Environment & Natural Resources Policy Natural Resources Department equipment requirements modified, security barrier requirement exemption provided, commissioner duties modified, and criminal penalties relating to usage of forest land provided.	HF2223—Abeler (R) Health & Human Services Policy Counties authorized to decide whether to contract for case management services.
HF2191—Seagren (R) Education Policy Commission on National and Community Service membership modified.	HF2202—Westrom (R) Regulated Industries Renewable energy expenditures required.	HF2214—Pugh (DFL) Health & Human Services Policy Insurance information disclosure to persons whose continuation health coverage is about to expire required.	HF2224—Abeler (R) Health & Human Services Finance Counties authorized to carry forward unused funds from the childcare basic sliding fee fund.
HF2192—Penas (R) Transportation Finance Roseau County roadwork funding provided, bonds issued, and money appropriated.	HF2203—Lipman (R) Judiciary Policy & Finance MINNCOR task force extended, task force goals authorized, and college and university purchasing requirement evasion by specification variation prohibited.	HF2215—Kahn (DFL) Local Government & Metropolitan Affairs Political subdivision equitable compensation reporting requirement restrictions removed and moratorium eliminated.	HF2225—Abeler (R) Governmental Operations & Veterans Affairs Policy Group long-term care coverage expanded to certain political subdivision employees.
HF2193—Rhodes (R) Education Finance School districts authorized to levy for certain unreimbursed pupil transportation costs.	HF2204—Adolphson (R) Education Finance Student transportation fee trial period provided.	HF2216—Stang (R) Commerce, Jobs & Economic Development Policy Industrial loan and thrift companies accepting deposits status as financial institutions clarified.	HF2226—Finstad (R) Agriculture Policy Noxious weed eradication requirements modified.
HF2194—Davids (R) Commerce, Jobs & Economic Development Policy Automobile insurance claims practices modified to prohibit discrimination against specified collision repair shops.	HF2205—Dorn (DFL) Education Finance Alternative facilities program criteria modified.	HF2217—Meslow (R) Transportation Policy Vehicles required to wait at railroad crossings until roadway is clear.	HF2227—Gerlach (R) Commerce, Jobs & Economic Development Policy Manufactured home parks requirements clarified relating to collection of utility charges as rent.
HF2195—Lindgren (R) Education Finance Telecommunications and Internet access equity aid provided, and money appropriated.	HF2206—Smith (R) Environment & Natural Resources Policy Private sale of certain tax-forfeited land that borders public water in Hennepin County authorized.	HF2218—Penas (R) Environment & Natural Resources Policy Forest land removed and sales of certain state lands provided.	HF2228—Lanning (R) Jobs & Economic Development Finance Wastewater treatment project municipal grants provided to meet total maximum daily load plan requirements, bonds issued, and money appropriated.
HF2196—Thao (DFL) Education Finance Limited English proficiency program funding limit removed.	HF2207—Bradley (R) Health & Human Services Policy Pharmaceutical manufacturer rebate program participation authorized.	HF2219—Hilstrom (DFL) Judiciary Policy & Finance Bracelet tracking devices intended to monitor sex offenders money appropriated.	HF2229—Juhnke (DFL) Agriculture & Rural Development Finance Hydrogen production from ethanol and use in producing affordable electricity research funding provided to the University of Minnesota or other entities, and money appropriated.
HF2197—Bernardy (DFL) Regulated Industries Underage alcohol sales minimum administrative penalties provided.	HF2208—Osterman (R) Jobs & Economic Development Finance Assistance for Minnesota businesses seeking federal contacts provided and money appropriated.	HF2220—Hilstrom (DFL) Judiciary Policy & Finance Level III predatory offenders required to be photographed twice each year.	HF2230—Koenen (DFL) Education Finance Independent School District No. 80, M.A.C.C.R.A.Y., fund transfer authorized.
HF2198—Magnus (R) Environment & Natural Resources Finance Minnesota River Basin Area II floodwater retention systems funding provided, bonds issued, and money appropriated.	HF2209—Urdahl (R) Education Policy Physical and health education academic standards and instruction required.	HF2221—Nelson, C. (R) Education Finance Special education program growth factors restored, and money appropriated.	HF2231—Lanning (R) Judiciary Policy & Finance Predatory offender law expanded to include assessment of risk levels of offenders coming from other states, current law on release of federal inmates clarified, community notification expanded, and information sharing provided.
HF2199—Wilkin (R) Governmental Operations & Veterans Affairs Policy State lottery director provisions amended, lottery budget review and approval provided, lottery organization task force created, report required, and unclaimed prize money allocation and transfer provided.	HF2210—Erhardt (R) Transportation Policy Road user fee task force established.		
	HF2211—Rukavina (DFL) Commerce, Jobs & Economic Development Policy Building code compliance and inspections for modular residential structures and prefabricated homes required.		

HF2232—Abeler (R)
Commerce, Jobs & Economic Development Policy
Brominated diphenyl ether flame retardants regulated.

HF2233—Greiling (DFL)
Education Finance
General education basic formula allowance increased.

HF2234—Opatz (DFL)
Regulated Industries
Cable providers required to provide consumer complaint telephone numbers.

HF2235—Sertich (DFL)
Commerce, Jobs & Economic Development Policy
Unemployment insurance definitions and penalty provisions modified; and technical, housekeeping, and policy changes provided.

HF2236—Olson, M. (R)
Transportation Finance
Trunk Highway 10 improvements funding provided, bonds issued, and money appropriated.

HF2237—Ellison (DFL)
Education Finance
Integration revenue restored, and money appropriated.

HF2238—Thissen (DFL)
Education Finance
Voluntary full-day kindergarten and pre-kindergarten school readiness services authorized for certain 4-year-old students.

HF2239—Mariani (DFL)
Education Finance
Supportive community partnership grant established, and money appropriated.

HF2240—Pelowski (DFL)
Education Finance
Independent School District No. 861, Winona, lease levy requirement exception authorized.

HF2241—Bradley (R)
Health & Human Services Finance
Childcare assistance maximum rate paid modified, and absent day reimbursement limited.

HF2242—Sykora (R)
Education Policy
Congress memorialized by resolution to authorize reallocation of Boundary Waters Canoe Area Wilderness reservation fee increase to Minnesota Permanent School Fund.

HF2243—Samuelson (R)
Transportation Policy
Speed limit law violator administrative penalties authorized.

HF2244—Samuelson (R)
Local Government & Metropolitan Affairs
Ramsey County League of Local Governments dues provided.

HF2245—Samuelson (R)
Education Finance
Independent School District No. 621, Mounds View, lease levy authorized.

HF2246—Samuelson (R)
Health & Human Services Policy
Nursing facility survey process modified, quality improvement program established, reports required, and search by commissioner of health for federal waivers and approvals required.

HF2247—Westerberg (R)
Transportation Policy
Second highway beltline around metropolitan area planning required.

HF2248—Thissen (DFL)
Governmental Operations & Veterans Affairs Policy
Service credit purchase for out-of-state public college and university teaching authorized.

HF2249—Cox (R)
Environment & Natural Resources Finance
Conservation easement funding provided, bonds issued, and money appropriated.

HF2250—Mahoney (DFL)
Jobs & Economic Development Finance
Biotechnology and health science zone project funding provided, bonds authorized, and money appropriated.

HF2251—Abeler (R)
Health & Human Services Policy
Language interpreter services health insurance coverage required.

HF2252—Harder (R)
Jobs & Economic Development Finance
North Windom industrial park funding provided, bonds issued, and money appropriated.

HF2253—Dill (DFL)
Health & Human Services Finance
Rural hospital capital improvement grant and loan program loans classified.

HF2254—Otto (DFL)
Education Finance
Health and safety revenue program expanded to include arsenic remediation expenses.

HF2255—Anderson, B. (R)
Ways & Means
Claims against the state settlement provided, and money appropriated.

HF2256—Bradley (R)
Health & Human Services Policy
Third-party purchasers required to comply with provisions authorizing transfer of the health care provider tax, documentation required, and civil action authorized.

HF2257—Ellison (DFL)
Civil Law
Eviction record expungement required after one year.

HF2258—Wilkin (R)
Health & Human Services Policy
Health organization risk-based capital requirements established, minimum standard of valuation for health insurance provided, model regulations enacted, and loss revenue certifications regulated.

HF2259—Blaine (R)
Judiciary Policy & Finance
Privacy violations criminal penalties increased, and age of protected minor victims for enhanced penalties for privacy crimes increased to 18.

HF2260—Blaine (R)
Environment & Natural Resources Finance
Fletcher Creek Flood Control Project funding provided, bonds issued, and money appropriated.

HF2261—Blaine (R)
Jobs & Economic Development Finance
Little Falls; Pine Grove Park Zoo capital improvements funding provided, bonds issued, and money appropriated.

HF2262—Blaine (R)
Transportation Finance
Morrison County; Soo Line Corridor on Highway 10 park-and-ride lot funding provided, bonds issued, and money appropriated.

HF2263—Abrams (R)
Taxes
Lease-in lease-out transaction corporate franchise tax benefits limited.

HF2264—Goodwin (DFL)
Governmental Operations & Veterans Affairs Policy
State service contracts and solicitations required to state where work will be performed, state contractors required to disclose information from people they contact, and report required.

HF2265—Hackbarth (R)
Environment & Natural Resources Policy
Administrative penalty orders and civil penalties provided relating to public waters, implementation plan required, and rulemaking exemption provided.

HF2266—Zellers (R)
Transportation Finance
Osseo; Central Avenue and Jefferson Highway project funding provided, bonds issued, and money appropriated.

HF2267—Anderson, J. (R)
Agriculture & Rural Development Finance
Rural finance authority program maximum state participation limits increased.

HF2268—Magnus (R)
Regulated Industries
Wind energy development regulated, reliability administrator position duration extended, and renewable energy development director temporary position established.

HF2269—Huntley (DFL)
Health & Human Services Finance
General assistance medical care application date modified, and co-payment for inpatient hospitalization services under general assistance medical care reduced.

HF2270—Adolphson (R)
Local Government & Metropolitan Affairs
Newspaper public notice publication provisions modified and report required.

HF2271—Juhnke (DFL)
Agriculture & Rural Development Finance
County extension work modified, county contributions for county extension offices required, and money appropriated.

HF2272—Juhnke (DFL)
Agriculture & Rural Development Finance
County extension office required.

HF2273—Atkins (DFL)
Governmental Operations & Veterans Affairs Policy
State government telemarketing and telephone center service contracts regulated, customer sales or service call center requirements imposed, and criminal penalty provided.

HF2274—Bradley (R)
Health & Human Services Policy
Joint self-insurance employee benefit plan regulation modified.

HF2275—Biernat (DFL)
Local Government & Metropolitan Affairs
Peace officer attorney fee and cost recoupment procedure clarified relating to civilian complaint proceedings.

HF2276—Meslow (R)
Judiciary Policy & Finance
Collateral criminal sanctions defined.

HF2277—Abeler (R)
Health & Human Services Policy
Human services licensing provisions modified.

HF2278—Atkins (DFL)
Taxes
Organ donation expense income tax deduction provided.

HF2279—Murphy (DFL)
Higher Education Finance
Lake Superior College academic and services addition funding provided, bonds issued, and money appropriated.

HF2280—Huntley (DFL)
Health & Human Services Finance
Health care premium rate restrictions, cost containment provisions, and loan forgiveness programs modified; medical assistance, medical care, and MinnesotaCare programs modified; bonds issued; and money appropriated.

HF2281—Lipman (R)
Judiciary Policy & Finance
Victims of juvenile acts provided information, victim definition clarified, release of city of residence of offender to victim upon request, and Revenue Recapture Act time limit for filing a claim reduced.

HF2282—Strachan (R)
Judiciary Policy & Finance
CrimNet local user fee imposed, bonds issued, and money appropriated.

HF2283—Goodwin (DFL)
Commerce, Jobs & Economic Development Policy
Homeowners protection act of 2004 established, mold contaminated structures property tax reduction provided, attorney fees added to warranty damages, warranty exclusions limited, and home inspector program established.

HF2284—Johnson, J. (R)
Education Finance
Referendum allowance limit eliminated.

HF2285—Wardlow (R)
Education Policy
Student progress to next grade level delayed for absence from school and performance below grade level.

HF2286—Hilstrom (DFL)
Judiciary Policy & Finance
Possession of dangerous weapons, replica firearms, or BB guns prohibited on youth organization property.

HF2287—Abeler (R)
Education Policy
Seclusion with aversive and deprivation procedures for problem students provided.

HF2288—Biernat (DFL)
Civil Law
Conciliation court debtor disclosures modified.

HF2289—Sykora (R)
Education Finance
Adult basic education formula modified.

HF2290—Smith (R)
Judiciary Policy & Finance
Public safety commissioner added to the Sentencing Guidelines Commission.

HF2291—Huntley (DFL)
Education Finance
Independent School District No. 709, Duluth, funding provided for Grant Magnet School youth and community center, bonds issued, and money appropriated.

HF2292—Huntley (DFL)
Environment & Natural Resources Finance
Great Lakes Commission funding provided for Minnesota's share to build a second lock at Sault Ste. Marie, Mich., and money appropriated.

HF2293—Atkins (DFL)
Health & Human Services Policy
Prescription drug program discounts obtained through Canadian pharmacies, Web site established for ordering drugs, and access provided to state and local health plans and residents.

HF2294—Kuisle (R)
Environment & Natural Resources Finance
Conservation easements funding provided, bonds issued, and money appropriated.

HF2295—Johnson, J. (R)
Civil Law
County attorneys authorized to join the action when a felon petitions to have firearm possession rights restored, and notice required.

HF2296—Erhardt (R)
Transportation Policy
Bombsquad peace officers authorized to operate any vehicle or combination of vehicles while engaged in bomb squad duties.

HF2297—Seifert (R)
Jobs & Economic Development Finance
Vocational rehabilitation program fund transfer authorized.

HF2298—Abrams (R)
Taxes
International economic development zone designated, tax incentives provided, and money appropriated.

HF2299—Abrams (R)
Taxes
Publicly traded partnerships exempted from withholding requirements.

HF2300—Abrams (R)
Taxes
Tax provisions technical, clarifying, and administrative changes provided.

HF2301—Kahn (DFL)
Environment & Natural Resources Policy
California vehicle emissions standards adopted, and sales tax exemptions provided.

HF2302—Meslow (R)
Judiciary Policy & Finance
DWI plate impoundment law clarified.

HF2303—Davids (R)
Jobs & Economic Development Finance
Historical Society funding provided for Historic Forestville, and money appropriated.

HF2304—Rhodes (R)
Transportation Policy
Provisional driver's license operation restrictions provided.

HF2305—Osterman (R)
Civil Law
Employment and Economic Development Department data classified.

HF2306—Magnus (R)
Health & Human Services Finance
Luverne; veterans home Alzheimer's/dementia unit construction funding provided, bonds issued, and money appropriated.

HF2307—Magnus (R)
Environment & Natural Resources Finance
Casey Jones Trail funding provided, bonds issued, and money appropriated.

HF2308—Zellers (R)
Judiciary Policy & Finance
Sex offender sentencing provisions expanded including life penalty for most first-degree criminal sexual conduct crimes, Minnesota sex offender review board established, and review of offenders' petitions for release provided.

What's on the Web

Keeping tabs on committees

The best way to keep up with ever-changing legislative agendas is to follow the committee schedule on the House Web site.

The main House page (<http://www.house.mn>) offers a drop down box titled "Schedules" that directs users to House, Senate, and television schedules.

A gateway page to the various House schedule offerings can be found at <http://www3.house.leg.state.mn.us/hinfo/hinfosched.asp>

View the entire House schedule by clicking on the "Upcoming Meetings" link or select an individual date on the calendar. Archives of committee schedules date back to 2000.

Each committee maintains a schedule page, as well. An alphabetical list of committees and links to their individual Web pages can be found at <http://www3.house.leg.state.mn.us/comm/commemlist.asp>



SPEAKER OF THE HOUSE: STEVE SVIGGUM
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MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Local government taxation, debt

Total Minnesota property tax revenue, 2002-03 biennium, in billions	\$9.6
Statewide property tax revenue, in millions	\$891
Remainder for local governments, in billions	\$8.7
2003 property taxes, as percentage of state and local tax collections	27
2004 statewide proposed city levies, in billions	\$1.2
2003 statewide city levies certified to the state, in billions	\$1.1
Growth from 2003 to 2004, in millions	\$100.6
Anticipated loss in aids and market value credits to cities, 2004, in millions	\$169.6
Market value exclusion limitation, 2003, in billions	\$30.9
Residential homestead property tax rate, homes up to \$500,000 in market value, as percent	1
Rate for homes valued more than \$500,000, as percent	1.25
Commercial/industrial property tax rate, buildings up to \$150,000 in market value, as percent	1.5
Rate for buildings valued at more than \$150,000, as percent	2
Property tax refunds granted by the state, 2002, in millions	\$213
Mining production taxes paid (in lieu of property taxes on mining operation land), 2002, in millions	\$62.3
Local sales and use tax revenue, 2001, in millions	\$113.2
Local government entities levying general sales and use taxes	11
Cities charging restaurant and beverage taxes	4
Cities charging on-sale liquor and beer taxes	3
Cities charging admissions/amusements taxes	2
Cities charging motor vehicle retail sales taxes (per vehicle),	4
Total bonded indebtedness of Minnesota cities, 2002, in billions	\$6.3
All local government bonded debt, 2000-01, in billions	\$14
School district debt, 2000-01, in billions	\$6.8
City debt, 2000-01, in billions	\$6
County debt, 2000-01 in billions	\$1.1

Sources: *2002 Revenues, Expenditures, and Debt of Minnesota Cities*, Office of the State Auditor (www.osa.state.mn.us); *Limited Market Value Report - 2002 Assessment year*, *Minnesota Tax Handbook-A Profile of State and Local Taxes in Minnesota 2002*, Minnesota Department of Revenue (www.taxes.state.mn.us); House Research Department (www.house.mn/hrd/hrd.htm); House Fiscal Analysis Department (www.house.mn/fiscal/fahome.htm).

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A NONPARTISAN PUBLICATION

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

FEBRUARY 27, 2004
VOLUME 21, NUMBER 4

In this issue:

SCHOOL TRUST FUND LANDS

SALES TAX PROCEEDS FOR THE ENVIRONMENT, AND MORE

HF2309-HF2564

Session Weekly

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On the cover: The second floor with the House Chamber in the north wing of the State Capitol.

—Photo by Tom Olmscheid

Enhancing the environment

Legislators revisit concept to amend constitution, dedicate a portion of sales taxes to natural resources

By NICOLE WOOD

Lawmakers are again debating the prudence or folly of dedicated funds in response to the most recent reincarnation of a bill that proposes a constitutional amendment to permanently dedicate a percentage of state sales taxes to the environment.

The bill, sponsored by Rep. Tom Hackbarth (R-Cedar), would ask voters in the November general election to decide whether one-quarter of 1 percent of taxable sales in Minnesota should be dedicated to the state's fish, wildlife, and habitat.

estimated \$170 million annually, according to Hackbarth — would be dedicated in the following manner:

- 38 percent to improve, enhance, or protect fish, wildlife, and habitat;
- 35 percent for water resources protection and restoration; and
- 27 percent for parks, trails, and zoos.

The expenditures would be broken down further by fund.

The parks and trails fund would be divided as follows: 38 percent for state park and recreation area purposes; 30 percent for metropolitan area

be spent on payments to private landowners for fishing and hunting privileges.

Clean water fund disbursements could only be spent on monitoring, investigations, water quality analysis, and project assistance to state and local entities and organizations to protect and improve water quality.

Noticeably absent from the bill is any mention of forests, said Dave Zumeta, Minnesota Forest Resources Council executive director. He requested that legislators consider adding a state forest legacy account and funding for sustainable forestry and technical forest management programs.

The bill is explicit that the revenue may not be used as a substitute for traditional sources of funding, but rather is meant to supplement those monies, and land acquired with heritage enhancement account dollars must be accessible for public hunting and fishing during managed open seasons.

The bill differs from past attempts to dedicate sales tax in two key ways: it does not propose raising the state sales tax rate above the current 6.5 percent, and it contains a funding mechanism to address the state's emerging impaired waters problem.

Proponents of the concept, including representatives from hunting, fishing, parks, trails, and conservation organizations, said they are seeking a permanent, stable funding source for environmental efforts.

Some legislators questioned which areas of general fund spending would be trimmed to cover the dedicated funds without raising taxes.

"If the voters are saying they want this done, we'll have to adjust the budget accordingly," Hackbarth said.

The dedicated amount breaks down to 25 cents out of every \$100 of sales tax, said Lance Ness, Fish and Wildlife Legislative Alliance president. "To many of us that seems like a small portion to pay for parks and trails and zoos and ... future generations."

Of the \$28.4 billion allocated from the general fund for fiscal years 2004 and 2005, 1.2 percent was directed toward environment and natural resources, according to the non-partisan House Fiscal Analysis Department. Comparatively, all education funding totaled



PHOTO BY ANDREW VONBANK

Members of the House Environment and Natural Resources Policy Committee listen to public testimony Feb. 24 on a bill that proposes a constitutional amendment to dedicate a portion of state sales taxes to natural resources go before voters in the November election.

The House Environment and Natural Resources Policy Committee approved the measure (HF1166) Feb. 24. It now goes to the House Governmental Operations and Veterans Affairs Policy Committee.

If voters were to acquiesce, parks and trails, heritage enhancement, and clean water funds would be created in the state treasury, along with new heritage enhancement and clean waters councils to advise the governor on policy and oversee fund expenditures.

The proposed administrative structure differs from current practice, where the Department of Natural Resources is responsible for game and fish budgeting.

Under the bill, the money generated — an

regional park and trail grants; 18 percent for non-metropolitan regional park and trail grants; 11 percent for state trail purposes; and 3 percent combined for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Lake Superior Zoo in Duluth.

Similarly, under the bill, the heritage enhancement fund would be subject to certain caveats: at least 72 percent of the dollars must be spent on specific fish, wildlife, and habitat projects and 25 percent must

Proposed ballot question in HF1166

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2005, to improve, enhance, or protect the state's fish, wildlife, and habitat; its parks, trails, and zoos; and its water resources by dedicating the sales and use tax receipts equal to the state sales and use tax of one-fourth of one percent on taxable sales until the year 2025?"

about 50 percent, and health and human services were funded at 25.8 percent.

"We know that when we get into tough times, these (environmental) areas get hit harder than others," said Rep. Dennis Ozment (R-Rosemount).

"There's not a person in the room who does not support additional environmental funding," said Rep. Jean Wagenius (DFL-Mpls). But, she asked, should it be done at the expense of education and aid to local governments?

"If somebody wants to do the same thing for education or transportation, power be to them, but this is what we're doing for the environment," said Rep. Tony Cornish (R-Good Thunder).

Competing interests, however, could be one of the reasons the bill stalled in previous years.

The House sponsor pulled his bill in 2002 over frustration at an attempt to add a separate constitutional amendment for education to the proposition. That sponsor was Mark Holsten, who is now the DNR deputy commissioner. The dedicated amount in that bill was three-sixteenths of 1 percent of taxable sales.

Gov. Tim Pawlenty and DNR Commissioner Gene Merriam have said they support the concept of dedicated funds for conservation, though neither testified at the hearing.

Although no one testified against the concept of increased environmental funding, not everyone is on board with the method put forth in the bill.

"The Legislature needs flexibility in budgeting and should not lock certain funding into the Constitution," said Tom Hesse, Minnesota Chamber of Commerce vice president of government affairs.

Hesse described dedicated funds as relics of past century budgeting strategies.

Dedicated funds should have a direct relationship between the intended expenditures and the source of revenue, according to a policy statement on the chamber Web site. "Dedicated funds, especially ones financed by business taxes or fees, have been abused by the Legislature."

Rep. Mark Olson (R-Big Lake) expressed reservations about amending the Constitution when the net gain for the environment was unclear.

"How many years will it take for inflation to consume the increases?" he asked, though he said he would abstain from opposing the measure until reviewing an inflationary index and other figures.

"It's really a short term fix in a long term document – the Constitution," he said.

A companion bill (SF401), sponsored by Sen. Dallas Sams (DFL-Staples), has cleared two committees and awaits action in the Senate Finance Committee. 🐾



Ahead of the game

Minnesota human rights legislation advocated a decade prior to national law

War-related industries during World War II created an economic boon for many Minnesotans. However, as the war drew to a close, Gov. Edward Thye expressed concern regarding what would happen once the war-related industries began to dwindle.

Of primary concern were African-American workers in the state. Thye appointed a commission to draw attention to the poor economic conditions among African-Americans, due in large part to widespread discriminatory practices in both housing and employment.

The commission's first report, released in 1945, painted a picture of despair among African-Americans in Minnesota, who lived primarily in the urban areas.

In the report's introduction, Thye noted that the commission must ascertain why black Minnesotans were being denied employment. In addition, the commission emphasized that African-American youth were going to either leave the state or lose hope for good employment, and that ultimately the state could not afford that economic loss.

"The employer...opens or closes the gate to food, clothing, and shelter, for it is only through a wage check that the average urban dweller can obtain any of these goods."

Black Minnesotans were primarily employees in 1945. Very few owned their own businesses, and those who did operated barber shops and cleaners, said the report. In addition, a few vocations – namely domestic servants, porters, and janitors – were reserved for African-American workers. And surveys showed a reluctance by employers to either promote them to positions of higher responsibility or hire them for more technical positions.

A few employers cited success in hiring African Americans, and they emphasized, in the report, that there is no reason to expect different performance from white or black workers.

The report concluded that the misconceptions of employers and employees were among the primary obstacles to employment for African Americans. A number of myths about

black Minnesotans were reflected in the report, and the commission advocated educating the public. The state, said the commission, has the responsibility to promote justice and provide equal opportunity.

Four years later, the commission reported again, and while it noted some improvement in employment processes, it also advocated for a state law protecting individuals from discrimination in attempting to acquire a job.

Concluded the 1949 report: "Too often, in attempting an objective analysis of a problem such as this, we ignore the human element. It should help one's thinking to remember that we are talking about human beings who have the same ambitions, the same desires for their families, and the same ideals of America that we all hold so dear."

In 1955, several years after Gov. Luther Youngdahl proposed it, the Legislature enacted the Fair Employment Practices Act, which prohibited employment discrimination on the basis of race, color, creed, religion, or national origin. It specifically addressed the conduct of labor unions, employers, employment agencies, and others who aid them – all of these were cited by the Governor's Interracial Commission as obstacles to treating African-Americans uniformly and fairly in regard to employment.

That law, which established a grievance process and judicial remedy, has been amended over the years to prohibit discrimination in housing (1962), with regard to disability and public assistance status (1973), age and sex (1977), marital status (1988), and sexual orientation (1993). It was renamed the Human Rights Act in 1967, when several governor's commissions, including the initial inter-racial commission, were combined into the new Human Rights Department. That department continues to provide remedy under the Human Rights Act.

(M. KIBIGER)



Sylvester Young takes a little off the top, in a barber shop owned by Walter Battle at Sixth and Lyndale, Minneapolis.

Photographer: Robert Patterson

Photo courtesy of the Minnesota Historical Society

★ AGRICULTURE

Bolstering bio-security

The rural landscape could be dotted with signs at farm entrances stating, "Bio-security measures are in force. No entrance beyond this point without authorization," under a bill that aims to beef up security at animal facilities and give livestock owners some peace of mind.

The bill, sponsored by Rep. Elaine Harder (R-Jackson), would specify that anyone who intentionally exposes domestic animals and farm-raised fish and birds to animal diseases would be guilty of a gross misdemeanor.

It raises the level of consequences for trespassing on livestock farms, Harder said. "We're trying to get at those who would have disregarded for animal health."

The House Agriculture Policy Committee approved the measure (HF1732) Feb. 25. It now moves to the House Civil Law Committee.

Pork producers and feedlot officers said they support the bill as an added measure of protection for the industry.

The bill is aimed at people who would want to jeopardize the food supply or inflict damage on the industry in general, said Tina Rosenstein, Nicollet County environmental services director.

People who disagree with certain animal husbandry practices could also pose a threat, proponents said.

Rick Grommersch, a pork producer from Nicollet County, told lawmakers about three intruders he caught trespassing on his property. They were dressed in black, armed with global positioning satellite devices and cameras, and intent on photographing dead

animals awaiting the rendering truck, he said.

The deputy sheriff was unclear on trespassing laws and the suspects were let go after their film was destroyed and satellite coordinates were erased.

The devices contained coordinates for other farms in the area, Grommersch said. "This was not an isolated incident."

Rep. Rebecca Otto (DFL-Marine on St. Croix) questioned whether the signage would change the tone of the community and perhaps perpetuate fear.

"It's a sign of the times," Harder said.

There is no Senate companion at this time.

★ BUSINESS

In a pickle over pickles

First it was hotdish sharing at potluck dinners, and now a state lawmaker has set his sights on minimizing state regulation over home-canned pickle sales at farmers markets and social events.

Rep. Al Juhnke (DFL-Willmar) is sponsoring a bill (HF1864) that would exempt sellers of certain home-grown and home-canned pickles, fruits, and vegetables from state licensure requirements, provided the sellers receive less than \$5,000 per year in sales from the products and meet certain labeling and signage requirements.

The House Agriculture Policy Committee approved the measure Feb. 25. It now moves to the House Health and Human Services Policy Committee.

Juhnke said the idea for the bill came from vendors at a Willmar farmers market who were asked by Department of Agriculture food inspectors to discontinue selling their pickles over fears of botulism that could develop in improperly canned goods.

"We are in no way making light of the seriousness of food-borne disease," Juhnke said. But, he said, there were only 25 reported cases and two deaths from botulism in the United States last year.

"What we're trying to get at is education," Juhnke said. "We're not changing anything; we're just allowing what's already going on."

Food products that are safely entered into commerce require training, equipment, and record-keeping skills beyond the average home canner, said John Exner, Midwest Food Processors Association legal counsel. The lifetime health complications from illnesses such as botulism are far worse than a bit of food poisoning, he said.

"The public doesn't understand the risk," said Bette Packer, Minnesota Environmental Health Association president.

The bill would urge canners to complete state-approved training and consult with food canning experts on recipes and equipment.

There is no Senate companion.

★ CHILDREN

Liability protection

Public transit bus companies would not be liable when school children and other passengers are injured before or after using the bus, under a bill approved by the House Transportation Policy Committee Feb. 25.

HF2016, sponsored by Rep. Mary Liz Holberg (R-Lakeville), states that public transit bus drivers' duty of care would extend to a passenger, including elementary and secondary students, only when the person is boarding, debarking, or riding the bus. Individuals near the bus would be considered pedestrians and the driver would only be charged with the same duty of care afforded pedestrians.

The bill would not apply to special transportation services operated in the seven-county metropolitan area by the Metropolitan Council. This includes Metro Mobility, a bus service for people with disabilities.

The bill stems from lawsuits against Minnesota Public Transit Association members in which transit providers were held responsible for accidents but were not negligent, said lobbyist Sherry Munyon.

The Duluth Transit Authority has historically seen pupils using its buses to travel to school, said Jim Heilig, the authority's director of administration. In the past 20 years it has been subject to two lawsuits following fatal accidents. In neither case did the bus strike the pupil, he said.

Holberg said the aim of the bill is greater flexibility in providing transportation for school children. The bill received House approval in 2003, she added, but was eliminated during conference committee negotiations.

Munyon said that the bill is opposed by neither the Minnesota Department of Transportation nor the Metropolitan Council.

The bill, which has no Senate companion, now moves to the House Education Policy Committee.

★ CONSUMERS

Wireless woes

Wireless telecommunications service providers and some customers are at odds over the contract verification and modification



Dr. William Hartmann, executive director of the Minnesota Board of Animal Health, testifies for a bill that would increase penalties for trespassing on agricultural lands during a Feb. 25 meeting of the House Agriculture Policy Committee. At right is a sign that could be posted around agricultural lands.

process involved in acquiring cellular telephone service.

The House Regulated Industries Committee reviewed the issue Feb. 24 and Feb. 25 and sent to the House floor a bill (HF1692) that would require service providers to submit a paper copy of oral or written service agreements to customers within 15 days of the arrangement.

Under the bill, sponsored by Rep. Ray Vandever (R-Forest Lake), wireless providers would also be required to notify consumers under contract 60 days in advance of any substantive changes to the contract that would increase charges. Customers would be given the option to terminate the contract within the notice period without penalty.

The notification and response to opt out of or cancel a contract must be in writing, under the proposal. Failure by the consumer to respond implies consent to the changes.

The purpose of the bill is to "simply ensure that consumers are aware of the fact that they are entering into a long-term contract," Vandever said. "Asking for an affirmation seems very reasonable if a company is going to assert on your credit report that you have a contract."

Industry representatives dispute that there are wireless carriers in the state who would not provide evidence of a contract upon request.

Increased competition in the marketplace has resulted in an 80 percent nationwide reduction in cost for wireless consumers, said Scott Bergs, vice president of legal and regulatory affairs for Midwest Wireless Communications. The proposal would limit network improvements and deployments and that 80 percent cost reduction would disappear, Bergs said.

And, ultimately, Bergs questioned the need for the bill given current remedies available to consumers and the voluntary code of conduct for wireless service that most carriers comply with.

"We don't think the legislation is necessary because we are behaving consistently with the behavior the legislation would propose," said Vic Dobrias, Sprint Corporation director of regulatory and governmental affairs.

The Senate companion bill (SF1862), sponsored by Sen. Michelle Bachmann (R-Stillwater), awaits committee action.

Home inspector registration

Amendments to a bill related to home construction defects failed to pass after extensive debate in the House Commerce, Jobs, and Economic Development Policy Committee Feb. 24.

Members haggled more than seven hours over HF1801 before recommending that it pass and sending it to the House Civil Law Committee.

The bill, sponsored by Rep. Karen Klinzing (R-Woodbury), would provide some recourse for people whose homes have sustained damage as a result of faulty building techniques.

"I'm not confident it will solve all the problems," Klinzing said. "Every stakeholder likes some aspects and doesn't like others. It's a compromise."

Of three amendments offered by Rep. Barbara Goodwin (DFL-Columbia Heights), the one that would allow registration of home inspectors received the most attention. Goodwin said currently anyone may call themselves a home inspector.

The amendment would make registration voluntary, requiring that applicants meet educational and experiential standards established by the commerce commissioner.

"I do not believe registration, since it's voluntary, does anything to protect homeowners," said Roger Hankey, representing the Heartland Chapter of the American Society of Home Inspectors.

The association supports licensure, not registration, he said. Registration would "only regulate those who choose to be regulated," he added.

"I advise you to accept this registration," Rep. Karen Clark (DFL-Mpls) told Hankey. "It helps the consumer, and it doesn't harm you. It's a first step, a helpful way to get started."

Goodwin said she would also prefer licensure, but there is not time in this session to provide for that. "If we have nothing, we're leaving homeowners with no protection," she said.

"This half a loaf may not even be half a loaf," Hankey said, adding that information on home inspectors is already available on the association Web site.

Rep. Gregory Davids (R-Preston), the committee chair, suggested making licensure of home inspectors a separate bill. "We need to think this through and not tie it to this bill," he said, adding the issue needed more testimony and debate.

★ CRIME

Paying the ultimate penalty

Opponents of and advocates for the return of capital punishment in Minnesota packed a meeting room Feb. 26, but the House Judiciary Policy and Finance Committee made no decisions.

The committee deferred action on HF1602, sponsored by Rep. Tom Hackbarth (R-Cedar), after the 90-minute hearing due to time limitations. No specific future hearing date was set, though members are awaiting a note regarding the fiscal impact of the bill.

The bill would place a capital punishment question on the November 2004 ballot. Voters



Sue Ann Blees, president of the Fight for Justice Organization, testifies before the House Judiciary Policy and Finance Committee Feb. 26 in support of a bill that would authorize the death penalty for first-degree murder under aggravating circumstances.

would decide whether a state constitutional amendment should authorize the use of the death penalty for those convicted of first-degree murder under aggravating circumstances.

If approved, lethal injection could be utilized for homicides committed after Jan. 1, 2007, said Robert Kittle, assistant deputy revisor with the legislative Office of the Revisor of Statutes. Gov. Tim Pawlenty has been vocal in his support for the death penalty.

Sue Ann Blees, president of the Fight for Justice Organization, spoke in support of the measure, citing the April 2003 murder of three members of a Long Prairie family.



James Lym of Arden Hills, left, and Joe Callahan of Minneapolis, right, testify before the House Judiciary Policy and Finance Committee Feb. 26 against a bill that would authorize the death penalty for first-degree murder under aggravating circumstances. Both are family members of murder victims.

"This is about standing up for the concept that murderers should potentially face forfeiture of their own lives as punishment," Blees said.

With an opposing view was James Lym of Arden Hills, whose son was murdered during a restaurant robbery. "To legislate murder ... you have just created more murderers, and this time it is the State of Minnesota."

Said the Rev. Bernard Harrington of Winona, "Let us be mindful that Jesus was a victim of the death penalty."

Hackbarth said he originally opposed capital punishment, but changed his mind in 1992 while campaigning for office. His constituents, who he said support capital punishment, remember the murder of a Champlin mother and her child.

Rep. Debra Hillstrom (DFL-Brooklyn Center) asked Kittle if capital punishment could be reinstated through the traditional law-making process. Kittle said while that is possible, lawsuits would likely force the Minnesota Supreme Court to weigh whether capital punishment constitutes cruel and unusual punishment.

The execution of juveniles, persons with mental retardation, or those who can't be linked to the crime through DNA would be prohibited.

The bill's Senate companion (SF1860), sponsored by Sen. Mady Reiter (R-Shoreview), awaits committee action.

Drunken driving limit

Minnesota is closer to adopting a lower blood-alcohol concentration limit for drunken driving following approval of a bill Feb. 24 by the House Judiciary Policy and Finance Committee.

The bill (HF97/SF58*), sponsored by Rep. Steve Strachan (R-Farmington), would reduce from 0.10 percent to 0.08 percent the legal limit for alcohol consumption while driving.

Passage of a lower blood-alcohol limit is required for the state to continue receiving millions in federal highway construction funds. Minnesota is one of only three states that has not enacted the lower limit, according to Kathy Swanson, director of the Office of Traffic Safety in the state Department of Public Safety.

"The fact is we need the money now," said League of Minnesota Cities representative Anne Finn, regarding state aid for local roads.

About 250 people are killed and more than 4,000 injured each year in Minnesota due to drunken driving, said Mike Asleson, a major with the Minnesota State Patrol.

"The point is, 0.08 is too drunk to drive," said Strachan, a career police officer who said he has arrested hundreds of drunken drivers.

Information provided by nonpartisan House research staff stated that about 14 lives



Kathy Swanson, left, director of the Office of Traffic Safety with the state Department of Public Safety, and Mike Asleson, right, a major with the Minnesota State Patrol, testify Feb. 24 before the House Judiciary Policy Committee in support of a bill that would reduce the legal blood-alcohol limit for drunken driving from 0.10 percent to 0.08 percent.

would be saved in Minnesota with implementation of the lower standard.

But Kenn Rockler, a lobbyist for the Wine, Beer and Spirits Federation of Minnesota, questioned how a lower blood-alcohol limit would keep serious offenders off the roads. Even in states that have lowered their legal limit, the majority of fatalities involve blood-alcohol limits of 0.15 and higher, he said.

"We adamantly maintain that this does not save lives," Rockler added.

The committee chair, Rep. Steve Smith (R-Mound), successfully offered an amendment that would allow driver's records of those convicted of driving while impaired to be purged after 10 years. Conditions are that the offense was the first of its kind and involved an alcohol concentration of less than 0.10, and that the driver has no other impaired driving offenses during that 10-year period.

The committee also approved an amendment that would partly reimburse local governments for the expense of prosecuting those arrested with alcohol concentrations between 0.08 percent and 0.10 percent.

The bill now moves to the House Transportation Finance Committee.

Sen. Leo Foley (DFL-Coon Rapids) sponsors the bill in the Senate where the bill passed Feb. 12 on a 48-18 vote, without the amendments.

★ DEVELOPMENT

Buying back a facility

The state would purchase a former juvenile correctional facility it once owned under a bill heard Feb. 25 by the House Judiciary Policy and Finance Committee.

HF2310, sponsored by Rep. Bud Heidgerken (R-Freeport), would appropriate \$4 million in bonding proceeds to purchase the former correctional facility in Sauk Centre and use it as a minimum-security prison.

The Department of Corrections housed juvenile offenders at the 23-building, 245-acre campus until 1999. The state then declared the property surplus, because, according to Rep. Bill Hilty (DFL-Finlayson), it was too expensive to maintain.

Legislation in 2000 gave the facility to Sauk Centre for \$1 with the stipulation that the property maintain a public purpose. After several studies, the city found the venture was cost ineffective, said Kath Ouska, Department of Administration assistant commissioner.

As such, the state sold the property to a private party for \$1.6 million in 2001. That party in turn sold it in 2002 to another private party, Jim Jauss.

Jauss told the committee he has maintained the property at a pristine level, including the hayfields, barns, and natural habitat. He is offering to sell it to the state because he could not secure funding to revamp the property into a residential care facility. Furthermore, he said, the state is in need of correctional facilities.

Sauk Centre Mayor Paul Theisen said the city lost about 100 jobs when the juvenile correctional facility closed. "My interest is to get these jobs replaced," he said.

In a letter to Sauk Centre residents distributed to the committee, Jauss wrote that his options include selling the property to the state for use as a facility for adult non-violent offenders, or a privately operated facility.

The historic property, with most buildings dating back to 1911 and 1924, was originally known as the Sauk Centre Home School for Girls. The property was placed on the National Register of Historic Places in May 1989. Its assessed value in January 1998 was \$6.3 million.

The bill will be considered for possible inclusion in a bonding bill. It lacks a Senate companion.

★ EDUCATION

No school, no license

Driving would come to a halt for some excessively absent public school students if a bill approved Feb. 24 by the House Education Policy Committee becomes law.



Jenna Mohs of Detroit Lakes, from left, Erin Gavin of Mendota Heights, and John Heggestuen of Minneapolis, follow along as the House Education Policy Committee hears a bill Feb. 24 that would require students under age 18 to attend school in order to possess a driver's permit or license. The three high school juniors are participants in the House High School Page program.

Sponsored by Rep. Jeff Johnson (R-Plymouth), HF1986 would make school attendance for persons aged 15-17 a determining condition of receiving, keeping, or renewing a state driver's license.

The bill, which moves to the House Civil Law Committee, would only apply to public school students and would allow school districts and charter schools to voluntarily opt out of enforcing the requirement. It is among a series of education bills backed by Gov. Tim Pawlenty.

"There will be a lot of students this doesn't work for," Johnson said. "It will not solve the absenteeism problem." He described the bill as a "tool" for schools to focus on attendance, "rather than a negative mandate."

The bill would require a person under age 18 to present a school attendance certificate to the state Department of Public Safety as a condition for the department to issue a driver's license.

It would require participating school districts to disclose to the state Education Department private data on a student's school attendance, unexcused absences, and expulsions. An attendance certificate would then be issued to a student to use in applying for or renewing a driver's license.

Schools would notify the Public Safety Department when a student under 18 is found to be excessively absent or was expelled. The person's driver's permit or license would be cancelled for either 120 days, until the end of the school semester, or until the person reaches age 18, whatever occurs first.

Representatives of school organizations indicated mixed support for the bill. It was favored by the Minnesota Association of School

Administrators and the Association of Metropolitan School Districts, but opposed by the Minnesota Association of Secondary School Principals.

"We will not recommend that districts adopt this," said Roger Aronson, attorney and lobbyist for the association.

Bob Meeks, executive director of the Minnesota School Boards Association, said his group is neutral concerning the bill. "If this is good public policy, let's do it for all kids," Meeks said, referring to the bill's exclusion of non-public school students.

SF2036, a companion bill, sponsored by Sen. Geoff Michel (R-Edina), awaits committee action.

New licensing for teachers

For the second time, a bill that would create a separate licensing path for mid-career professionals interested in public school teaching was considered by the House Education Policy Committee, but the committee deferred action Feb. 19 to consider additional revision.

Sponsored by Rep. Sondra Erickson (R-Princeton), HF1814 would create an alternative state teacher-licensing program and could change K-12 teacher preparation required by colleges and universities.

"This is for retired people looking for second careers," Erickson said, "or those (professionals) who dropped teaching because they didn't want to endure the route they were forced to by our colleges."

The bill, one of Gov. Tim Pawlenty's education initiatives for 2004, had its initial hearing Feb. 12.

Mary Ann Nelson, assistant education

commissioner, said changes the bill proposes are needed because of teacher shortages in special education, science, and math, among other subjects. She called the shortages "impending crises," particularly in rural school districts.

An existing alternative licensure program, administered by the state Board of Teaching, has not attracted many candidates, Nelson said. "We need more programs than the current (licensing) rule used by the board."

Under the bill, teacher training programs for qualified professionals would require the state education commissioner's approval, based on criteria developed by a commissioner-appointed advisory group. All licensing requirements are now administered by the Teaching Board.

George Maurer, the board's executive director, said the alternative licensing path "concept meets current law. The commissioner would just have to propose a program to the board."

However, Maurer said he has "reservations" about the bill. "Flexibility without high standards could reduce the quality of our education system."

Teaching program representatives from the University of Minnesota and the Minnesota State Colleges and Universities system testified that the bill would lead to major policy changes in teacher licensing and urged legislators to proceed cautiously.

Supporters said alternative licensing could lead to more men and greater multicultural diversity in the teaching profession. Candidates for the program would be required to have a bachelor's degree and complete in-classroom teacher training.

However, Rep. Bud Heidgerken (R-Freeport), a former teacher, explained that he left the profession to run his own business because he wasn't making enough money, which he said was a more likely deterrent to individuals who might enter the profession.

"The number one reason for men not in the field is because we're not paying teachers enough," said Heidgerken. "This is a short cut around a system that's working."

A companion bill (SF2109), sponsored by Sen. David Hann (R-Eden Prairie), awaits committee action.

Educating preschoolers

Charter schools could open their doors to preschool age students under a bill heard Feb. 24 by the House Education Finance Committee.

Sponsored by Rep. Alice Seagren (R-Bloomington), the committee chair, HF2417 would allow one charter school or a group to establish school readiness programs for eligible children under age 5. The committee will consider including the bill in a K-12 education omnibus bill.

School readiness programs provide eligible children with focused attention in early literacy and other child development activities so they can enter school with stronger learning and behavioral skills.

The bill would amend a state law that allows school districts to establish pre-school readiness classes, part of the state's early childhood and family education programs.

"The law doesn't allow charters to be in pre-school programs," said Robert Wedl, a former state education commissioner representing Education/Evolving, a charter school advocacy group affiliated with Hamline University, who testified in support of the bill.

Many children entering kindergarten don't have the skills they need to progress, he added, particularly English language learning students and children from high poverty environments. He said that non-profit organizations or other charter sponsors might be interested in putting a literacy center for pre-schoolers in a charter school.

The bill, complementary to other proposed legislation that would allow more organizations to sponsor single-purpose charter schools, would also allow state-provided compensatory revenue to be used for "developmentally appropriate early literacy programs" for pre-kindergarten students.

It has no Senate companion.

Funding payback

The House Education Finance Committee approved a bill Feb. 24 that would allow the state to return to a 90 percent proportion when paying aid entitlements to school districts in future years, provided there is a state budget surplus.

Sponsored by Rep. Jim Knoblach (R-St. Cloud), HF1970 would amend state law by adding two priority uses of state general fund surpluses to, in effect, pay off debt incurred from delaying portions of school aid payments, as well as an accounting shift involving school property taxes.

The bill now moves to the House Taxes Committee.

State law requires that anticipated general fund balances be first applied to the state's cash flow and budget reserve accounts, up to \$350 million and \$653 million respectively.

During fiscal year 2004, the state first paid school districts 80 percent of their aid and held on to the other 20 percent for summer and fall cleanup payments. That payment schedule was changed from an 83 percent-17 percent proportion in fiscal year 2003.

"The state can save money on a one-time basis," according to a nonpartisan House Research Department summary, by delaying payment of state aid to school districts.

PATRIOTIC SINGERS



PHOTO BY TOM OLMSCHIED

Fourth graders from Snail Lake Elementary School in Shoreview wave the flag at the end of their Feb. 24 performance of patriotic songs in the Capitol Rotunda.

The estimated cost of reversing the shift implemented this fiscal year will be \$270 million.

A property tax recognition shift, also required of school districts, provides the state with another way to delay state school aid payments and balance its books between state fiscal years, according to the bill summary.

This accounting shift causes many school districts to resort to short-term borrowing to meet cash flow needs. It was also implemented during the current fiscal year and was expected to save the state \$230 million, according to the research department.

The accounting shifts began in the 1980s, also a time of budget deficits.

It took the state "20 years to pay off shifts from the early '80s," Knoblach said. "This bill provides a mechanism so we don't repeat that sorry history."

A Senate companion bill (SF1959), sponsored by Sen. Debbie Johnson, awaits committee action.

ELECTIONS



Uniform voting

Minnesota would initiate a uniform statewide voting system for elections, under a bill approved Feb. 25 by the House State Government Finance Committee.

Sponsored by Rep. Eric Lipman (R-Lake Elmo), HF1703 would appropriate federal funds to the Minnesota secretary of state to fund the purchase or development of such a

system, which would be directly implemented at the county and municipal level.

The funds to make the election changes come from the federal Help America Vote Act of 2002, enacted to eliminate punch card voting systems.

The new machines would allow individuals to verify their votes, change or correct votes before ballots are counted, produce a permanent paper record of a ballot, and preserve the records in case of a recount. Many municipalities already use the new technology.

Other measures in the bill include providing the same accessibility to individuals with disabilities in the election process as individuals without. Currently those visually impaired must vocally cast their vote to an election judge who then aids them in filling out the ballot. New machines would give voters independence and privacy using alternative voting technology.

Kevin Corbid, director of Washington County Taxpayer Services, said the bill is unfair to counties like Anoka, Dakota, and Washington that recently purchased new voting machines with their own tax dollars and would have to upgrade them somewhat to meet the new requirements. The concern, according to Corbid, is that other municipalities could receive funds to upgrade to the new machines, but local governments that have already purchased them would have to fund the mandated upgrades on their own.

Lipman amended the bill to include two related bills that died in the conference committee process last session.

HF1006, sponsored by Rep. Lynda

Boudreau (R-Faribault), requires people who have not pre-registered to vote and fail to present picture identification on Election Day be deemed ineligible to cast a ballot. It also establishes guidelines to implement the federal Help America Vote Act.

HF1119, also sponsored by Lipman, addresses such topics as electronic voting machines, news media at polling places, filing an election complaint, and requiring photo identification if a person is not pre-registered to vote. The bill now goes to the House Ways and Means Committee.

A companion bill (SF1666), sponsored by Sen. Dan Sparks (DFL-Austin), has been referred to the Senate Elections Committee.

Uniform election dates

A bill approved Feb. 24 by the House Governmental Operations and Veterans Affairs Policy Committee would, in part, limit the number of days Minnesotans could go to the polls.

Rep. Mark Buesgens (R-Jordan), the sponsor of HF1868, said the bill would increase voter participation through uniformity in holding all state, county, municipal, and school district elections on four dates a year, requiring municipalities to hold all elections at the same polling places used for general elections, and that hours for all elections be the same as those of general elections. Exceptions may be made for special elections.

The four election dates designated in the bill are:

- the second Tuesday in March,
- the second Tuesday in June,
- the first Tuesday after the second Monday in September,
- and the first Tuesday after the first Monday in November.

Minnesota Deputy Secretary of State Tony Kielkucki said the uniformity would encourage the 2.5 million registered voters in Minnesota to develop a habit of voting and provide conformity to elections across the state.

Kielkucki said he was informed of a situation in which a voter went to the local polling place before work, only to find it was closed until 5 p.m. The voter said he was unable to cast his ballot because of the opening time and claimed disenfranchisement.

Current law distinguishes certain time requirements, and townships outside the Twin Cities metropolitan area with a population of less than 500 can, in certain instances, be open as little as 5 p.m. to 8 p.m.

Ann Higgins, representing the League of Minnesota Cities, said there are major concerns with the proposed changes, including the additional costs of staffing a polling place for

longer hours and possibly having to staff additional polling locations.

Buesgens said the bill may need some changes to address those concerns and he would work with the appropriate associations to do so.

The bill next goes to the House Education Policy Committee.

A Senate companion (SF1872), sponsored by Sen. Chuck Wiger (DFL-North St. Paul), awaits action in the Senate Elections Committee.

Electoral college change

A bill to change the way electoral college members are chosen and how they cast their votes was narrowly rejected by the House Governmental Operations and Veterans Affairs Policy Committee Feb. 24.

Sponsored by Rep. Marty Seifert (R-Marshall), HF1926 would require each major political party to nominate one presidential elector per congressional district and two from the state at-large.

District electors would be required to cast their votes for the candidate that received the most votes in their district. At-large electors would cast their vote for the candidate that received the most statewide votes. Currently, the leading vote-getter receives all of the state's electoral votes.

Seifert said rural districts tend to lose out when it comes to the "will of the people" being reflected during national elections. Votes in his district get drowned out, he said, by those of the Iron Range and the Twin Cities metropolitan area.

Additionally, when national candidates make state appearances, rarely do they campaign in rural districts, said Seifert. HF1926 would encourage candidates to focus on individual areas of the state rather than the state as a whole.

Although she agrees with the premise of the change, Rep. Phyllis Kahn (DFL-Mpls) said that on a national level Minnesota could become irrelevant by making the change on its own. She suggested that the measure have a clause delaying enactment until other states go forward with the same kind of electoral college change.

Several other states, such as Oklahoma and New Mexico, have legislation in the process Seifert said, adding that he "respectfully" disagreed with Kahn on whether Minnesota would become irrelevant by making the change.

By a raise of hands, the measure failed on a tie vote.

A companion bill (SF1832), sponsored by Sen. Dave Kleis (R-St. Cloud), awaits action in the Senate Elections Committee.

★ ENVIRONMENT

Pollution solution

A typical residential septic system consists of an underground septic tank connected to some sort of soil treatment mound or trench designed to further dilute and filter sewage.

But sometimes homeowners, particularly those with lakeshore property, don't have the soil conditions or acreage to properly support this type of system.

A bill (HF2040), sponsored by Rep. Mark Olson (R-Big Lake), would create a 10-year pilot program for state certification and approval of new septic system technologies that could be a better fit for some.

The new type of residential system, known as a biodigester and water reclamation system, collects and separates sewage from toilets and garbage disposals from other wastewater and then allows the water to be mechanically or biologically recycled or returned to surface and ground water supplies.

The House Environment and Natural Resources Policy approved the bill Feb. 19. It now moves to the House Environment and Natural Resources Finance Committee.

Engineers designed current wastewater treatment systems based on the concept that "the best solution to pollution is dilution," said Don Brauer, a consulting engineer from Edina.

We can't dilute some wastewater enough, Olson said, so it's time to move to a separation strategy.

Under the bill, the alternative systems would be required to meet state and federal wastewater treatment standards. Manufacturers would be obligated to achieve certification by the Pollution Control Agency, a process for which the agency could charge them up to \$4,000.

Manufacturers also would be required to provide appropriate training to install, maintain, operate, and monitor the systems. Owners would be prohibited from monitoring their own systems.

The Pollution Control Agency and Department of Health are comfortable with the bill, said Gretchen Sabel, an agency individual sewage treatment system policy analyst. "This technology is way beyond minimum standards."

A companion bill (SF2090), sponsored by Sen. Dallas Sams (DFL-Staples), awaits committee action.

Environmental project priorities

Development pressures and escalating land prices have some lawmakers and conservation groups hoping to re-prioritize the governor's 2004 bonding recommendations for environmental projects.

Rep. Joe Hoppe (R-Chaska) is sponsoring a bill that would earmark nearly \$10.5 million of bonding proceeds for natural resources programs across the state.

The proposal (HF2366) includes:

- \$4 million for metropolitan greenways,
- \$3 million for native prairie bank easements,
- \$3 million for scientific and natural area acquisitions, and
- \$500,000 for stream restoration.

The governor is recommending a total of \$2.8 million for capital investment in these projects.

The House Environment and Natural Resources Finance Committee reviewed the bill Feb. 25 and will consider it for inclusion in the committee's bonding recommendations.

"If you don't spend the money now, some of these areas may not be able to be saved," Hoppe said. "It's for the kids, really."

Ecological integrity is a priority for metropolitan greenways, said Barbara Toren, Metro Greenways Citizens Advisory Committee chairwoman. "Wildlife does not see boundaries."

The metro greenways program is a public/private effort to acquire, restore, and connect a system of regionally significant open spaces around the seven-county Twin Cities metropolitan area.

Bob Engstrom, a Minneapolis builder and developer, described the greenways as an effective tool to relieve development pressure while improving property values.

"It is possible to create value when you connect natural areas," he said.

Lawmakers heard a stream restoration success story from Mike Greenheck, a Wabasha County landowner who used the Department of Natural Resources (DNR) stream habitat protection program to stabilize wetlands, native prairie, and put a meander back on his section of Gorman Creek.

The key to success was finding technical assistance from people who knew what they were doing, Greenheck said. "We couldn't have done it without the help of the DNR."

The project ultimately improved the quality and character of the creek, Greenheck said. "We've done what most common sense people would do."

There is no Senate companion bill.

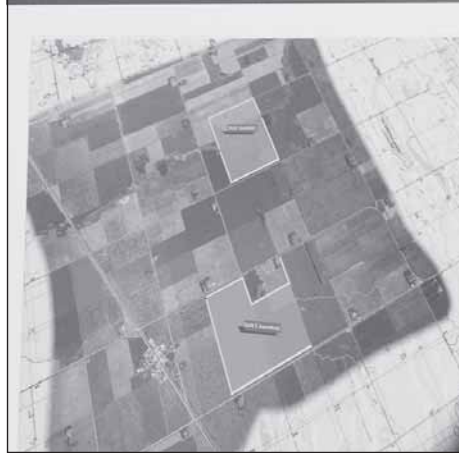
Fixing flood plains

The largest portion of the governor's 2004 bonding recommendations for the Department of Natural Resources would direct \$20 million to the flood hazard mitigation grant program.

The program is designed to help local government units, such as cities, counties, watershed districts, and lake improvement districts, reduce or prevent flood damages by provid-



Grand Marais Creek Subwatershed
Governor's Clean Water Cabinet Pilot Project



Myron Jesme, Red Lake Watershed District administrator, testifies before the House Environment and Natural Resources Finance Committee Feb. 24 in support of a bill that would provide funding for a Roseau River Wildlife Management Area and Red Lake Watershed District flood hazard mitigation project.

ing financial and technical assistance, most often at a 50 percent state-local match formula. Eligible activities include restoring flood plains, improving ditches, enhancing buffer strips, or acquiring structures in flood plains.

The House Environment and Natural Resources Finance Committee heard Feb. 24 from three lawmakers seeking bonding dollars for flood hazard mitigation projects that, according to the department, may not be fully funded this year within the governor's recommendations for the grant program.

The following bills were reviewed:

HF2182, sponsored by Rep. Maxine Penas (R-Badger), would direct \$3.4 million in grants to the Roseau River Wildlife Management Area, Palmville and Malung townships, and the Grand Marais Creek Flood Reduction Project in the Red Lake Watershed District.

Benefits of these efforts would include enhanced fish and wildlife habitat, reduced sediment loads and turbidity in waterways, and protected agricultural cropland, said Myron Jesme, district administrator.

HF1960, sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights), would direct \$1.2 million to Inver Grove Heights to acquire

properties along the Mississippi River.

"We get that 100-year flood every seven to 10 years," Atkins said, stressing the need to move up along the rankings of eligible projects.

HF1933, sponsored by Rep. Jim Rhodes (R-St. Louis Park), would direct a little more than \$1.1 million to St. Louis Park for residential and business flood proofing along Minnehaha Creek.

All three bills will be considered for inclusion in the committee's bonding proposal.

The Senate companions — SF2159, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls); SF1851, sponsored by Sen. James Metzen (DFL-South St. Paul); and SF1849, sponsored by Sen. Steve Kelley (DFL-Hopkins) — await action in the Senate Finance Committee.

★ GAMBLING

Lottery findings

More accountability and oversight of the Minnesota State Lottery by the Legislature is needed, according to a legislative auditor's evaluation presented to the House Governmental Operations and Veterans Affairs Policy Committee Feb. 23.

Legislative Auditor James Nobles said the report found significant concerns with a number of areas, including: the lottery's promotional spending, amount of leased space, and staffing levels.

According to Nobles, the lottery spent close to two-thirds more of its sales revenue in 2002 on operating expenses than other comparable lotteries, which resulted in less money going to the environmental and other programs. Also, the lottery has more autonomy and is less accountable to elected officials than other state agencies and other lotteries, according to the report. Nobles also indicated concern that the lottery never competitively bid any work done by the public relations firm Media Rare and overpaid the firm in a number of instances.

The report offered several key recommendations for the Legislature to consider:

- review the lottery's operation and capital budgets every two years,
- require the lottery director to serve at the governor's pleasure,
- broaden or eliminate the experience requirements for a lottery director,
- consider alternatives for improving oversight,
- review lottery procurement laws, and
- transfer unclaimed prize money to the state's general fund.

Although the lottery is not a typical state agency, Nobles said it should be treated as an entrepreneurial one, while not pushing away recommendations by the Legislature and



Legislative Auditor James Nobles presents the findings from an audit of the Minnesota State Lottery to a joint hearing of the House Governmental Operations and Veterans Affairs Policy and the State Government Finance committees Feb. 23.

governor. He said former lottery director, George Andersen, who died in January, was not responsive to suggested changes.

Concerns have been raised on how much lottery oversight is needed and when oversight leads to micromanaging, thus hurting the entity. He said the suggestions to the Legislature are to "find the right balance."

Rep. Bill Haas (R-Champlin) said the Legislature owes it to the people of Minnesota to efficiently run the lottery since they voted it into law.

The committee took no action.

★ GREATER MINNESOTA

Increasing rural speed limits

Speed limits on some Minnesota highways may increase under a bill approved Feb. 20 by the House Ways and Means Committee.

Sponsored by Rep. Marty Seifert (R-Marshall), the measure (HF1071) directs the Department of Transportation to conduct engineering and traffic investigations on portions of the state trunk highway system that are part of the U.S. Highway system and have speed limits of 55 mph to determine if it would be "reasonable and safe" to raise the speed limit. The department may raise the limit to 60 mph if it determines it to be safe to do so. Additionally, the department is to report its findings to the chairs of the legislative transportation policy and finance committees by Feb. 1, 2005.

Seifert previously indicated the bill is a better reflection of what is now occurring on Greater Minnesota highways.

The bill, which now moves to the House floor, also amends portions of state statute relating to speeding tickets. Currently, violations are kept off an offenders' record if the speed was within 10 mph of a 55 mph limit. The bill provides for a 5 mph cushion at the 60 mph mark on trunk highways.

The approximate cost for the change is \$792,710, which would include speed limit signage, advisory curve signs, field review for curve signs, signal retiming, loop detector repositioning, and speed study reports. The costs would be shared among the department's eight district offices and the central office over three fiscal years beginning in 2005.

A Senate companion (SF1248), sponsored by Sen. David Tomassoni (DFL-Chisholm), awaits action in the Senate Finance Committee.

★ HEALTH

Assisting consumers

A health care cost containment bill designed to reduce costs and improve patient care received approval from a second House committee Feb. 24.

In giving its endorsement, the House Commerce, Jobs, and Economic Development Policy Committee approved an amendment by Rep. Fran Bradley (R-Rochester), the sponsor of HF1681, which would require pharmacies to provide consumers with a price breakdown of prescription drugs at the time of purchase. It would also grant the commissioners of health and commerce the discretion to accept independent audits of health plan companies, providing they meet state standards.

The bill now goes to the House Governmental Operations and Veterans Affairs Policy Committee. The House Health and Human Services Policy Committee previously approved the bill.

A portion of HF1681 would place a moratorium on government mandates until 2007. Mike Hickey, Minnesota director for the National Federation of Independent Business, said the moratorium would offer relief for small businesses who bear the brunt of those mandates. Other representatives of business agreed.

Representatives for the insurance industry spoke in favor of the bill. Kathryn Kmit, speaking for the Minnesota Council of Health Plans, said the group is pleased with the effort to get consumers "more engaged" in health care, but they do not support the measure allowing for-profit health insurance companies to operate in the state.

"I think this is an insurance bill, not a consumer bill," said Tom Rukavina (DFL-Virginia).

Bradley disagreed, saying the bill was really a "tool to help consumers."

Rep. Barbara Goodwin (DFL-Columbia Heights) asked whether it would have been better to wait until after a report from the Minnesota Citizens Forum on Health Care Costs was released before drawing up the bill.

"We're very consistent with the panel findings," Bradley said, adding he had been in close contact with former Sen. David Durenberger, chair of the governor's task force. "Something has to come out of this session," he said.

Rep. Karen Clark (DFL-Mpls) offered an amendment that would mandate ovarian cancer screening for at-risk women. Testimony was heard, but the amendment was held back for further consideration, possibly as a separate bill.

Editor's Note: a story regarding this bill in the Feb. 20 issue of Session Weekly indicated that the bill would excuse private non-profit hospitals from liability for non-economic damages. In reality the bill would remove liability for punitive damages, which are considered along with other items to be non-economic damages, from those hospitals.

Nursing homes face regulatory crisis

It was standing room only for the House Health and Human Services Policy Committee meeting Feb. 25 as representatives from nursing homes expressed their dismay over the state's regulatory survey process.

"We are experiencing a crisis in confidence in the oversight regulatory process," said Rick Carter, president of Care Providers of Minnesota. "The survey process is out of control. It is demoralizing for all concerned."

He accused department regulatory staff of "micromanaging" and using "confrontational" tactics, forcing caregivers to choose between focusing on unjustified regulatory remedies or on patient care.

"The current process sets us up to fail," said Cindy Green, director of nursing at St. Michael's Health and Rehabilitation Center in Virginia. She said the surveys are "very stressful and intimidating times" for both staff and residents.

Nursing home surveys are conducted by the Minnesota Department of Health, based on standards established by the Centers for Medicare and Medicaid Services. Regulatory teams conduct periodic three-day surveys and issue their findings to the department.

The intent of the surveys is to assure that nursing homes are providing quality care to their residents. However, in the last two years, citations for deficiencies have increased

dramatically, even though nursing home administrators and the health commissioner agree there has been no evidence of a decrease in the quality of care.

Gayle Kvenvold, president of the Minnesota Health and Housing Alliance, said increases in citations over the past year ranged from 20 percent to 187 percent. The vast majority of these were for minor lapses, she said, but when you look at a facility's record on the department Web site, it appears as if the facility is substandard.

"Community members who look at the reports are not getting a true picture," said Mary Cordts, executive director of Parmly Senior Housing and Services in Chisago City. "It might look like care is slipping drastically. It is not."

In addition, she said, an increase in citations, even when unwarranted, drives up the cost of liability insurance, taking money away from quality of care. "The survey trades common sense for perfection," she said.

"The Parmly Home in Chisago City can be held up as a model of how to run a facility," testified House Speaker Steve Sviggum (R-Kenyon). "We need to give the message that we in government are here to work with people, not to be a Gestapo or to provide a gotcha."

Health Commissioner Diane Mandernach agreed the quality of care has not decreased in the state's nursing home facilities. "We're all concerned, and we all have the same goal in mind," she said, "and that is — residents deserve a high quality of care in a comfortable facility."

"We have a system that's broken, we need to do something about it, and we need to do it now," Mandernach said. "I'm absolutely committed to restoring the trust."

The committee did not consider legislation at the hearing.

Special mental health center

Hennepin County Medical Center is requesting \$1.4 million in bonding funds from the state, supplemented with \$1.4 million from Hennepin County, for a \$2.8 million renovation and expansion of the Acute Psychiatric Services center at the hospital.

Calling the psychiatric center "an indispensable safety valve," Rep. Duke Powell (R-Burnsville) presented a bill (HF2112) for the request to the House Health and Human Services Finance Committee Feb. 24.

The bill will be considered for inclusion in the committee's bonding recommendations. Gov. Tim Pawlenty did not recommend funding for the 2,700-square-foot project.

The facility is the only acute psychiatric

service in the state. It serves people in emotional crisis with 24-hour, seven-day-a-week crisis counseling, assessment, and referral. In 2002 the center served patients from 39 Minnesota counties.

"We take all comers," said Joanne Hall, the hospital's behavioral clinical business unit administrator.

The space is overcrowded, hospital doctors and administrators said, with an average waiting time of 8.5 hours. It can take as long as 48 hours for someone to get a bed. Creating a better environment for children with acute needs is especially critical, Hall said.

"It's a statewide problem and Hennepin County gets the brunt of it," said Rep. Thomas Huntley (DFL-Duluth).

The Joint Commission on Accreditation of Healthcare Organizations has identified the center as having "inadequate space," resulting in a compromised quality of care and decreased patient privacy.

"We end up housing people on the floor on mattresses — even on chairs," said Dr. Janet Andrews, medical director of the psychiatric center. There is no shower facility for people held 24 hours and no place for them to eat meals, she added.

"Our patients deserve better," Andrews said. "They need care and comfort, not exposure to lack of privacy."

Rep. Fran Bradley (R-Rochester), chair of the committee, acknowledged the importance of the center and the ongoing nature of the problem.

"I'm aware that not too many people are clamoring to get into this business," he said.

A companion measure (SF2053), sponsored by Sen. Linda Berglin (DFL-Mpls), awaits committee action.

★ LOCAL GOVERNMENT

Private meetings

Minnesota's Open Meeting Law would be altered to allow public bodies to negotiate property sales and acquisitions in private, under a bill unanimously approved Feb. 24 by the House Civil Law Committee.

HF2093, sponsored by the committee chair, Rep. Mary Liz Holberg (R-Lakeville), would allow public bodies to close their meetings to do three additional things:

- determine the asking price for real or personal property to be sold, as well as the strategy relating to the sale;
- review confidential or nonpublic appraisal data; and
- develop or consider property offers or counteroffers, as well as related strategy.

Holberg said the issue arose with the Lakeville

School District. School boards are often negotiating the sale or purchase of property, she said, and property prices tend to rise when owners discover a local government's interest.

Public bodies may now only close their meetings to discuss labor negotiations or to evaluate the performance of an individual subject to their authority.

Under the bill, the actual purchase or sale price must be approved at an open meeting.

A successful amendment offered by Holberg would require that the closed portion of the meeting be tape recorded, and that the tape be preserved for two years. The tape would be available to the public following the property sale or purchase, or after the public body has abandoned sale or purchase plans.

Supporting the bill was the Minnesota School Boards Association.

The Minnesota Newspaper Association, however, opposed the bill. Attorney Mark Anfinson said that he was not opposed to allowing closed-door meetings for certain real estate provisions. However, he said, the bill goes too far in allowing private discussion of property strategy.

"Where are the boundaries of those sorts of limitations?" Anfinson said.

Richard Neumeister, who regularly lobbies legislators regarding privacy issues, also opposed the bill's strategy provision. The tape recording would allow the public to know what occurred during the closed-door session, but the tape could only be released after the property deal was closed or abandoned, he said.

The bill now moves to the House floor.

Its Senate companion (SF2114), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits committee action.

Pollution prevention

A bill intended to help prevent raw sewage from entering Lake Superior was considered Feb. 25 by the House Jobs and Economic Development Finance Committee.

Sponsored by Rep. David Dill (DFL-Crane Lake), HF1813 would specifically grant \$1.57 million to the city of Two Harbors to construct a 2.5-million gallon equalization basin and a chlorine tank that holds at least 100,000 gallons that would sit adjacent to the city's wastewater treatment plant. To get the funding, \$325,000 must be committed from non-state sources.

Mike Tibbitts, program manager with the Minnesota Pollution Control Agency, told the committee that millions of gallons of raw sewage are running into the lake every year during heavy rains.

The agency notified the city of the pollution violation and is currently reviewing

Two Harbor's plan to correct the problem, which includes the tank and basin. Once the plan is approved, the city would have 300 days to make the changes.

City Attorney Steve Overom said Two Harbors cannot afford to make the necessary changes on its own in part because several housing developments, which would generate property taxes, are being held up because of sewage problems. A major city concern is not having the funding to complete the changes within the agency's guideline of 300 days.

The bill will be considered for possible inclusion in the committee's bonding recommendations. The governor did not recommend funding.

A Senate companion, SF1811, sponsored by Sen. Thomas Bakk (DFL-Cook), awaits action in the Senate Finance Committee.

Continued coverage

A bill that calls for the continuance of a regional agency that sets standards, constructs, and operates a public safety radio system in the Twin Cities metropolitan area was approved Feb. 25 by the House Local Government and Metropolitan Affairs Committee.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville), HF2136 would repeal part of state law that would allow the Metropolitan Radio Board to expire on June 30, 2004.

The bill, which moves to the House Governmental Operations and Veterans Affairs Policy Committee, would also allow the board to directly request revenue bonds for specified purposes from the Metropolitan Council.

"The bill says let the Metropolitan Radio Board continue and then see how it can integrate with a statewide system," Holberg said.

The 17-member board, which would increase by two members under the bill, represents counties and cities in the nine-county metropolitan area, including Chisago and Isanti counties. It was established by the Legislature in 1995 to set standards for the construction and operation of a high-frequency (800MHz) digital public safety radio system for the area.

The radio system's first phase started operating in 2002. The system cost of about \$36 million was funded through the Metropolitan Council, state-issued bonds, the state's trunk highway fund, and a portion of 911 emergency line fees paid by all telephone users.

Ronald Whitehead, a program director with the state Department of Public Safety, testified in opposition to the bill. Whitehead, who directs the statewide public radio system, said the radio board should expire as provided by law.

It was set up to build the Twin Cities metropolitan area part of the system, Whitehead said,

which will eventually become part of a statewide public safety communications network.

"There should be one system throughout the state, not two," Whitehead said. "Local governance is a very important piece and there is a plan for local engagement."

"It is extremely important to retain local control," said Dick McCauley, an Anoka County commissioner and radio board chairman, particularly through the system's second phase when more local government units will join it.

A Senate companion bill (SF1973), sponsored by Sen. Jane Ranum (DFL-Mpls), awaits committee action.

SAFETY

★ Dispatchers as essential employees

A bill that would classify state employees who work as public safety radio communications operators as essential employees failed to pass the House Governmental Operations and Veterans Affairs Policy Committee Feb. 25.

Rep. Ron Erhardt (R-Edina), the sponsor of HF769, said it would eliminate the right to strike for 80 employees, and the employees must go to arbitration if labor negotiations do not result in a contract agreement.

The bill reached the House floor last session but was returned to the committee when the Legislature adjourned. A Senate companion (SF1045), sponsored by Senate Majority Leader Dean Johnson (DFL-Willmar), also reached the Senate floor but was not acted upon. It awaits action in the Senate State and Local Government Operations Committee.

During the state employees strike in October 2001, state troopers filled in for operators unwilling to cross the picket line. Troopers were exploring legal action against the department because they were taken off the road to perform dispatch functions, which was a violation of their contracts. The strike ended



After testifying before the House Governmental Operations and Veterans Affairs Policy Committee Feb. 25 in support of a bill that would classify public safety radio communications operators as essential employees, Col. Anne Beers, left, chief of the Minnesota State Patrol, listens to AFSCME Council 6 Legislative Director Julie Bleyhl, right, testify in opposition to the bill.

before any action took place.

Col. Anne Beers, chief of the Minnesota State Patrol, explained that because of the increasing computerized technology installed in the 10 centers, it would be hard to use other sources without some kind of training.

Representatives from the unions that represent state employees, the American Federation of State, County, and Municipal Employees (AFSCME) and the Minnesota Association of Professional Employees, testified against the legislation.

Beers said a poll of dispatchers done two years ago showed 57 out of 69 operators were in favor of the classification to essential.

Julie Bleyhl, legislative director of AFSCME Council 6, said a survey done by local leadership more recently strongly opposed the change.

Emergency communication

A statewide system that would allow all law enforcement and public safety entities to communicate seamlessly and instantaneously would get a boost, under a bill approved Feb. 25 by the House Transportation Finance Committee.

HF1974, sponsored by Rep. Jim Knoblach (R-St. Cloud), would allocate \$9.6 million in revenue bond authority to the Metropolitan Council to help local governments in southeast and central Minnesota pay up to 50 percent of the cost of building a subsystem of the statewide public safety radio communications system.

Further, the bill would allow any participating entity to purchase equipment and services for the system without paying sales tax. Currently, sales tax is waived only for the metropolitan area government entities purchasing equipment related to the system's "backbone" infrastructure.

Agencies in nine Twin Cities metropolitan area counties can now choose to use a regionwide high-frequency system, referred to as 800-megahertz, allowing snowplows, buses, ambulances, and law enforcement officers to communicate without going through a dispatcher. The system is comprised of radio equipment, fiber-optic lines, operations consoles, and various antennas located on towers and tall buildings.

Greater Minnesota agencies, however, continue to use varying radio frequencies and equipment.

The bill would provide parity between Greater Minnesota and the metropolitan counties, Knoblach said. Previously authorized were \$18 million in bonds to metropolitan counties for the system.

Four more phases of the system would eventually provide for coverage of nearly the entire state. Knoblach added that he assumed bills would be introduced later to address funding

concerns for other portions of the state.

Rochester Police Lt. Tim Heroff said the bill would allow smaller communities that are concerned about the cost of the system to participate.

According to Keith Carlson, executive director of the Metropolitan Inter-County Association, the bonds would be paid back through a portion of the 40-cent monthly 911 surcharge on all telephones. The revenue bonds would not be backed by the state's taxing authority, he added. Revenue bonds generally have a higher interest rate.

The bill next goes to the House Taxes Committee.

A Senate companion (SF1638), sponsored by Sen. Dave Kleis (R-St. Cloud), awaits committee action.

★ TECHNOLOGY

Genomics research funding

Meeting the state's future needs in biotechnology and medical genomics is the premise behind a request approved Feb. 25 by the House Higher Education Finance Committee.

Sponsored by Rep. Bob Gunther (R-Fairmont), HF1984 calls for the allocation of \$20 million for a three-floor expansion of a medical building at the Mayo Clinic in Rochester. The bill, included in the governor's bonding recommendations, now goes to the House Jobs and Economic Development Finance Committee.

The research laboratory space would be home to the Minnesota Partnership for Biotechnology and Medical Genomics, a joint venture between the University of Minnesota and the Mayo Clinic.

If the entities built a freestanding building, the costs would be double, said Dr. Eric Wieben, director of the Genomics Research Center at the Mayo Clinic. The Legislature allocated money during 2003 for planning the joint venture.

The partnership is designed to help position Minnesota as a global leader in the genomics area. Instead of competing, "We can share and get more for our money," said Dr. Mark Paller, assistant vice president for research at the university's Academic Health Center. The university and Mayo Clinic have already combined to put approximately \$400 million into their respective biotechnology and genomics programs.

"The time frame is shortening to make the economic investment to be genomic leaders," said Rep. Carla Nelson (R-Rochester), while noting that other states have allocated funds to equal where Minnesota is now.

"Genomics is the leading contender to create scientific breakthroughs and we need to

take advantage of that," Paller said. Genomics pinpoints the normal and abnormal functions of individual genes and uses the information to diagnose and treat diseases; therefore, it is an important factor in improving health care.

Officials estimate the technology could lead to the creation of 4,000 new jobs in Minnesota and result in \$290 million in overall economic development by 2010 and \$934 million by 2020.

Paller and Wieben said \$70 million would be requested over the next five years to, among other things, help fund additional research projects, update technology, and add scientific talent.

Sponsored by Sen. Richard Cohen (DFL-St. Paul), a companion bill (SF1923) awaits committee action.

★ TOURISM

State agency autonomy

It's time for the Minnesota Office of Tourism to leave the Department of Employment and Economic Development and stand on its own, Rep. Gregory Davids (R-Preston) told the House Commerce, Jobs, and Economic Development Policy Committee Feb. 19.

Davids, who chairs the committee, said the way the office is currently configured does not meet the needs of the industry. He is sponsoring

a bill (HF2044) that would create a new office of tourism, to be called Explore Minnesota Tourism, within the executive branch.

The bill would transfer responsibility for promoting tourism to the new office. The budget would move with the office, resulting in no net fiscal impact to the state.

The governor would continue to appoint the director, as well as members of a new governing body, the Minnesota Tourism Council. The committee adopted an amendment from Rep. Tony Sertich (DFL-Chisholm) that would increase the council size from 26, as authorized in the bill, to 28 and designate four of those to be legislators — two from each house, with an equal representation by political party.

The approved bill is next scheduled to be heard by the House Governmental Operations and Veterans Affairs Policy Committee. A companion bill (SF2009), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits action in the Senate State and Local Government Operations Committee.

Tourism in Minnesota generates annual revenues of \$9 billion in sales and \$1 billion in taxes, comparable to agriculture in its economic impact on the state. Despite these numbers, Minnesota has a "travel deficit," said John Edman, deputy commissioner for the Office of Tourism.

Minnesota is being outspent on tourism marketing by neighboring states, said Edman. With more people leaving the state to travel than people coming here from out of state, he said it is time look at other funding mechanisms for promoting Minnesota travel.

For every dollar spent on the promotion of tourism by the state, it gets back \$4.60 in taxes. By giving the new agency the flexibility to pursue public-private partnerships, the bill would make the office more effective at generating marketing dollars, Edman said.

"This is the right direction to go," said Tom Day, who represents the state's restaurant, hotel, and resort businesses. "It's a new, innovative approach."

★ TRANSPORTATION

Personal rapid transit plan

Imagine zooming to work non-stop in an automated personal pod along an elevated guideway, quickly and easily, at any time of day or night.

Such is the vision called personal rapid transit.

HF1686, sponsored by Rep. Mark Olson (R-Big Lake), would provide a \$10 million grant to a local government to install a safety certification and training model. Once certified, the system could be used by the public and installed in other locations.

LONG-DISTANCE CALL



PHOTO BY ANDREW VONBANK

Speaking by video teleconference from Bosnia, Minnesota Army National Guard members Staff Sgt. Lisa Fleck, left, and Spc. Carlee Miller, right, tell the House Higher Education Finance Committee Feb. 23 about the benefits of an online program that allows overseas soldiers to take classes at one of 11 Minnesota State Colleges and Universities institutions.

The bill and an explanation of the system were provided to the House Transportation Finance Committee Feb. 18 and Feb. 19. Retired mechanical engineering professor and CEO of Taxi 2000 Corporation, J. Edward Anderson, said the SkyWeb Express system has one prototype vehicle in Fridley.

"This system is a real way to reduce congestion," Anderson said, adding that it could be connected with other systems, such as light-rail transit.

The elevated guideway and its supporting posts require less land mass than a freeway, he said, and can be installed between the lanes of a divided freeway. Other benefits are reductions in accidents and air pollutants and independence from oil.

The technology behind the system was founded in Minnesota, Olson said, but other countries are planning to market personal rapid transit systems.

"We need to get this," Olson said. "We need to keep it here."

The bill would require that the model contain a 2,200-foot oval guideway, one passenger station, and a maintenance and control center. Three vehicles would be provided through private funding from a Minnesota entity, presumably Taxi 2000.

To qualify, a community must contribute \$6 million and plan for a corresponding system serving the area.

The bill originally would have given the grant to the Duluth Transit Authority. However, after other communities said they wanted to host the model, the bill was amended to allow any local government entity to apply.

Minneapolis City Councilor Dean Zimmermann said he is working on a personal rapid transit system for downtown Minneapolis.

The bill was forwarded to the House Local Government and Metropolitan Affairs Committee without recommendation.

A Senate companion (SF1704), sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth), awaits committee action.

Bus line funding

An 80-mile bus corridor from downtown St. Paul to Hinckley would be funded, under a bill heard Feb. 24 by the House Transportation Finance Committee.

HF481, sponsored by Rep. Doug Meslow (R-White Bear Lake), seeks \$1 million in bonds for the Rush Line Corridor Busway. The busway would follow U.S. Highway 61 and Interstate 35 through Ramsey, Washington, Chisago, and Pine counties.

Although not included in the governor's

recommendations, the proposal will be considered for inclusion in the committee's bonding bill.

A 1999 task force representing counties, cities, townships, and regional railroad authorities recommended the following Rush Line projects, and their costs:

- Forest Lake Transit Center, \$489,458;
- Park-and-pool at I-35 and Chisago County highway 17, \$188,000;
- Park-and-ride at Maplewood Mall, \$188,000;
- Park-and-pool (for vanpools) at state highways 70 and 361 in Pine County, \$97,000; and
- Two vanpool vans, \$37,542.

Rush Line would operate on the shoulder or on an additional lane, said Kathy DeSpiegelaere, director of the Ramsey County Regional Railroad Authority.

It is estimated that the line would handle 8,100 riders a day in the year 2020 between White Bear Lake and downtown St. Paul, she added.

Information provided by DeSpiegelaere shows that by 2020 I-35E and I-35W traffic will rise by 25 percent south of Interstate 694, by 65 percent between White Bear Lake and Hugo, and by 50 percent north of Hugo. Congestion could increase with reconstruction of the interchange at I-35E and I-694, slated to take place between 2005 and 2007.

While the bill specifies that the line will terminate in Hinckley, a final terminus must be decided. "Hinckley perhaps is too far," DeSpiegelaere said.

The federal government appropriated \$1 million for study recommendations. One possible long-term solution for the corridor's traffic congestion, identified in a 2001 study, is commuter rail, she said.

The same study found that a busway is an appropriate 20-year solution, said Ramsey County Commissioner Victoria Reinhart. However, the proposed Cedar Avenue Bus Rapid Transit system between the Mall of America and Lakeville has a higher priority ranking than Rush Line, DeSpiegelaere said.

Rep. Peter Nelson (R-Lindstrom) said the corridor's congestion would not lessen, in part due to commuter traffic from Wisconsin. The project is appealing, he added, when the cooperation of local government units is noted.

A companion bill (SF619), sponsored by Sen. Becky Lourey (DFL-Kerrick), awaits committee action.

Pay by the mile

Minnesotans pay for highway construction and repair with every gallon of gasoline purchased via the motor fuel tax. However, a bill approved by the House Transportation Policy Committee Feb. 24 would encourage the

Legislature to consider replacing that tax with a fee based on the number of miles driven by a vehicle.

The bill (HF2210), sponsored by Rep. Ron Erhardt (R-Edina), would establish a "road user task force" to develop a revenue collection method based on road use. The system would eventually replace the current gas tax.

Erhardt said the idea is driven by long-term concerns that gas tax revenues will decline due to the advancement of alternative fuel vehicles and improved vehicle mileage.

A mileage tax would require that automobiles be equipped with global positioning or geographic information systems to track which roads are traveled by each vehicle, and their corresponding fee. Oregon is instigating a pilot project, said Margaret Donahoe, legislative director for the Minnesota Transportation Alliance.

Bill proponents acknowledged that privacy advocates have concerns about "Big Brother" tracking the movements of individual vehicles. But such matters can be addressed, said Max Donath, a mechanical engineering professor at the University of Minnesota and director of the Intelligent Transportation Systems Institute.

"We can achieve whatever level of privacy you desire," he said, adding that the real issue is the degree of reasonableness. Credit cards allow a person to be tracked through purchases, he explained.

Minnesota participated in a 15-state road user fee study, according to Robert Johns, director of the University of Minnesota's Center for Transportation Studies.

The study found that while a mileage tax is feasible, it is difficult to implement. It would not be cost effective unless done nationwide, according to Ken Buckeye, project manager for the Minnesota Department of Transportation.

Under the bill, the task force would be composed of city, county, and state elected officials, as well as people representing Minnesota technology, highway user groups, and transportation research. It would be required to submit an interim report to the Legislature by Jan. 15, 2007, and a final report by Jan. 15, 2009.

The bill now moves to the House Governmental Operations and Veterans Affairs Policy Committee. It lacks a Senate companion.



For information on a meeting that linked legislators with National Guard soldiers in Bosnia, funding for online learning academies, weight restrictions for garbage trucks, funding for local airport projects, and information on state budget forecasts, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

Valuable assets

Legislators seek to take full advantage of trust fund lands to increase school funding, decrease general fund burden

By TOM LONERGAN

While not expecting to strike gold, education advocates plan to renew a debate on increasing the state's constitutionally created Permanent School Fund by raising more revenue from approximately 3.5 million acres of state-held school trust and mineral rights lands.

"We need to generate more income for schools," said Rep. Barb Sykora (R-Excelsior), who chairs the House Education Policy Committee. "It (the trust fund) really doesn't produce a lot of money for us."

The Department of Natural Resources (DNR) manages the school trust lands, which Minnesota has owned since statehood. Originally part of the 8.1 million acres in congressional land grants between 1857 and 1866, much of the best agricultural, timber, and mineral lands were sold to private interests by 1900, according to a January 2004 DNR report.

School trust land is primarily in north-central and northeast Minnesota, including the Iron Range and Arrowhead.

DNR officials and a State Board of Investment representative provided committee members with an update Feb. 23 on school trust lands, including an overview of how public school revenue is generated.

Approximately \$11.6 million in revenue from trust land and timber sales, as well as mineral and surface land leases went to the school fund in fiscal year 2003. Fund interest earnings also provided some additional income.

About \$20 million from the trust offsets a portion of state general fund revenue budgeted for K-12 education, according to the nonpartisan House Research Department. The amount varies annually based on lease payments, land and timber sales, other revenue sources, and trust fund investment earnings.

For the 2004-05 biennium, the Legislature appropriated about \$11.9 billion for the state's public and charter schools.

The biggest land-based contributor to the school trust fund is mineral leasing (\$6.7 million in 2003), primarily Iron Range-based taconite iron ore rents and royalties. Mineral



PHOTO BY TOM OLMSCHIED

Department of Natural Resources Deputy Commissioner Mark Holsten, top, listens as William Brice, director of the department's Lands and Minerals Division, discusses the division's role regarding permanent school trust lands during a Feb. 23 meeting of the House Education Policy Committee.

lease revenue increased more than \$2 million over the amount generated one year prior, even though short-term royalties that taconite companies paid to the state were cut in 2001 to help the ailing taconite industry. A current royalty reduction agreement for state taconite leases is in effect through June 30, 2006.

"All taconite (mines) have had some problems," said William Brice, DNR director of the lands and minerals division. "But the last three months, they've been doing well." Nearly two-thirds of the 95 state taconite leases in effect cover school trust lands.

Increasing aggregate leasing was among the suggestions DNR officials offered to boost school trust revenue. Aggregates include sand, crystal, and bedrock used in concrete and asphalt for building and road construction.

"There's a growing demand for aggregates, especially in the Twin Cities area," Brice said.

Rep. Tony Cornish (R-Good Thunder) has said he plans to introduce a bill that would appropriate \$50,000 to the DNR to conduct site surveys on school trust land to evaluate the potential for leasing construction aggregates.

Brice said some aggregate lease revenue for the school fund comes from Hill Annex Mine State Park in Itasca County, the only lease income generated from 5,700 acres of school trust land in eight state parks. The DNR hasn't used trust land for state parks since 1998, he said.

A sore point among some legislators is the unresolved issue of federal compensation for 87,000 acres of school trust land that became part of the Boundary Waters Canoe Area Wilderness in 1978. The area is part of the Superior National Forest.

"The state was never paid for the acres that went into the boundary waters," Sykora said.


She's sponsoring HF2242 that would ask Congress to increase the wilderness area reservation fee by \$3, with all proceeds going to Minnesota's school trust fund. A \$12 non-refundable reservation fee is charged for wilderness area users. The committee will consider the resolution at a later date.

"The \$3 fee is nothing," Sykora said. "The message is to Congress and our congressional delegation that it's time we got some compensation."

Brice said the compensation would involve land exchanges or trades, which the federal government has negotiated with counties and local government units in the wilderness area but not with the state.

Market value of the school trust fund as of June 30, 2003, was \$527 million, according to the State Board of Investment. Investment earnings for fiscal year 2003 were \$14 million, compared to \$24 million in 2001.

The Legislature approved a 50-50 stock versus bonds investment strategy for the fund beginning in 1998. Since that time, said James Heidelberg, the investment board's manager of public programs, trust fund earnings have been more closely pegged to the stock market.

"Moving into stocks has helped (the fund's long term growth)," Heidelberg said. However, he added, "It will be a choppy ride from year to year." 

Monday, Feb. 23

HF2309—Heidgerken (R) Judiciary Policy & Finance

Sauk Centre; former Minnesota correctional facility operation as minimum-security prison proposal request authorized.

HF2310—Heidgerken (R) Judiciary Policy & Finance

Sauk Centre; former Minnesota correctional facility purchase bonds issued and money appropriated.

HF2311—Rukavina (DFL) Taxes

Homestead property tax exemption provided for permanently and totally disabled veteran or spouse.

HF2312—Ruth (R) Health & Human Services Policy

Tobacco use by patients in certain public chemical dependency or mental health treatment programs authorized.

HF2313—Wasiluk (DFL) State Government Finance

Reverse auction procurement authority for commissioner of transportation restricted.

HF2314—Tingelstad (R) Judiciary Policy & Finance

Promoting prostitution crime modified to include sex trafficking, and distribution formula for prostitution and sex trafficking-related forfeiture proceeds modified.

HF2315—Juhnke (DFL) Health & Human Services Finance

Willmar; regional treatment center campus veterans nursing home funding provided, bonds issued, and money appropriated.

HF2316—Mahoney (DFL) Jobs & Economic Development Finance

Tax incentives for certain retailers limited.

HF2317—Juhnke (DFL) Agriculture Policy

Family agricultural revitalization zones authorized and value-added processing agriculture products promoted.

HF2318—Hilty (DFL) Environment & Natural Resources Policy

Monitoring and evaluation of public and private wells in areas where sewage sludge is applied to agricultural land required, assessment for agency costs authorized, and money appropriated.

HF2319—Hilty (DFL) Jobs & Economic Development Finance

Askov wastewater treatment plant and sewer extensions funding provided, bonds issued, and money appropriated.

HF2320—Rukavina (DFL) Commerce, Jobs & Economic Development Policy

Annually adjusted minimum wage provided, and constitutional amendment proposed.

HF2321—Larson (DFL) Health & Human Services Policy

Avian fecal pollution health effects study required, and money appropriated.

HF2322—Davnie (DFL) Education Finance

Staff development funding authorized for school districts with schools not making yearly progress, and money appropriated.

HF2323—Peterson (DFL) Commerce, Jobs & Economic Development Policy

Cemetery per acre ceiling amount for perpetual care fund increased.

HF2324—Peterson (DFL) Environment & Natural Resources Finance

Bonanza Education Center excursion boat and landing funding provided, bonds issued, and money appropriated.

HF2325—Osterman (R) Jobs & Economic Development Finance

Deaf and hard-of-hearing grants provided, and money appropriated.

HF2326—Slawik (DFL) Health & Human Services Policy

Autism term changed to autism spectrum disorder.

HF2327—Slawik (DFL) Health & Human Services Policy

Childcare assistance provisions modified.

HF2328—Slawik (DFL) Taxes

Dependent care individual income tax credit modified.

HF2329—Slawik (DFL) Health & Human Services Finance

Childcare assistance income eligibility levels modified, and money appropriated.

HF2330—Holberg (R) Civil Law

Municipal tort liability status modified with respect to certain day care and child care claims.

HF2331—Dorman (R) Transportation Finance

Driver's license fees reallocated to motorcycle safety fund, and funding cap removed.

HF2332—Dorman (R) Taxes

Local government aid formula modified, taconite aids eliminated from computation of city formula aid, local government aid appropriation increased, homestead credit reimbursements delayed, and motor vehicle tax proceeds modified.

HF2333—Howes (R) Higher Education Finance

Self-governance option for state colleges or universities, administration of an independent state college or university, and state aid for higher education provided; and money appropriated.

HF2334—Howes (R) Environment & Natural Resources Policy

Surplus state lands sale, disposition, and management provisions modified; state forests and wildlife management areas expanded; and money appropriated.

HF2335—Vandever (R) Governmental Operations & Veterans Affairs Policy

Incumbency designation eliminated from judicial ballots.

HF2336—Juhnke (DFL) Transportation Policy

Operation of certain school bus warning equipment by day activity center buses authorized.

HF2337—Seifert (R) Higher Education Finance

Doctoral degree or program report preparation by certain prospective institutions authorized.

HF2338—Lenczewski (DFL) Taxes

Reverse referendum to rescind increases in certain state tax revenues and refund of rescinded revenue increases authorized, constitutional amendment proposed, and money appropriated.

HF2339—Smith (R) Judiciary Policy & Finance

Nonconsensual inmate blood sample collection procedure established for instances when bloodborne pathogen transfer risk exists.

HF2340—Haas (R) State Government Finance

Technology enterprise fund money appropriated.

HF2341—Abeler (R) Health & Human Services Policy

Health occupations best practice guidelines usage promoted.

HF2342—Knoblach (R) Jobs & Economic Development Finance

Minnesota Public Facilities Authority bonding authority modified.

HF2343—Osterman (R) Jobs & Economic Development Finance

Minnesota development account modified, biotechnology and science project funding provided, and money appropriated.

HF2344—Magnus (R) Taxes

Biotechnology and health sciences industry zone tax credits or exemption maximum increased.

HF2345—Dempsey (R) Environment & Natural Resources Finance

Cannon Falls flood mitigation measures funding provided, bonds issued, and money appropriated.

HF2346—Krinkie (R) Capital Investment

Capital improvements spending authorized, bond authorization adjustments provided, bonds issued, and money appropriated.

HF2347—Krinkie (R) Governmental Operations & Veterans Affairs Policy

Lake Johanna Volunteer Fire Department included in Minnesota Public Employees Retirement Association.

HF2348—Thissen (DFL) Health & Human Services Policy

Municipal cooperative services agreements for ambulance services authorized.

HF2349—Abeler (R) Health & Human Services Policy

Birth defects information system implementation clarified, rulemaking authorized, and criminal penalties provided.

HF2350—Lipman (R) Environment & Natural Resources Finance Stillwater flood mitigation project grant period extended.	HF2361—Lesch (DFL) Judiciary Policy & Finance District court filing fees retention provided in specified counties with examiner of title or deputy examiner of title positions.	HF2371—Thissen (DFL) Taxes Tax refund anticipation loan disclosures required.	HF2381—Dempsey (R) Taxes Wabasha redevelopment district extension authorized.
HF2351—Wasiluk (DFL) Health & Human Services Policy MinnesotaCare parent eligibility changed.	HF2362—Lesch (DFL) Agriculture Policy Ramsey County authorized to issue state fair concessions licenses.	HF2372—Olson, M. (R) Transportation Finance Northstar commuter rail; commissioner of transportation required to take steps to secure federal authorization to use federal funds allocated to Northstar rail line to be used for bus rapid transit in the corridor.	HF2382—Latz (DFL) Commerce, Jobs & Economic Development Policy Perpich Center for Arts Education authorized to elect unemployment insurance coverage for certain positions.
HF2352—Johnson, S. (DFL) Judiciary Policy & Finance Probation officers treated equally to correctional employees for purposes of certain assaults.	HF2363—McNamara (R) Environment & Natural Resources Policy Invasive and nonnative species control provisions modified, and penalties provided.	HF2373—Demmer (R) Transportation Policy Trunk Highway 57 portion bordering Kasson-Mantorville High School speed limit established of 35 mph.	HF2383—Lindgren (R) Environment & Natural Resources Policy Forest resources Interagency Information Cooperative provisions and State Timber Act modified.
HF2353—Tingelstad (R) Environment & Natural Resources Finance Facilities management account established, and interdepartmental billing authorized for Department of Natural Resources building and infrastructure facilities.	HF2364—Rhodes (R) Judiciary Policy & Finance Hopkins regional hazardous materials training facility construction funding provided, bonds issued, and money appropriated.	HF2374—Abeler (R) Health & Human Services Policy Acupuncturist scope of practice modified.	HF2384—Davids (R) Commerce, Jobs & Economic Development Policy School district employee statewide health insurance pool established.
HF2354—Mullery (DFL) Judiciary Policy & Finance Lifetime conditional release imposed on sex offenders who fail to register as predatory offenders.	HF2365—Hoppe (R) Environment & Natural Resources Policy Aboveground petroleum storage tanks enforcement and citation provisions modified.	HF2375—Lanning (R) Higher Education Finance Minnesota State University-Moorhead, and Minnesota State and Community Technical College-Moorhead capital improvements funding provided, bonds issued, and money appropriated.	HF2385—Walz (R) Environment & Natural Resources Policy State parks and recreation areas additions provided.
HF2355—Mullery (DFL) Judiciary Policy & Finance Predatory Offender Community Notification Law risk-level assessments requirement expanded, and scope of law expanded for offenders not sentenced to prison.	HF2366—Hoppe (R) Environment & Natural Resources Finance Natural resources and environmental project funding provided, bonds issued, and money appropriated.	HF2376—Rhodes (R) Governmental Operations & Veterans Affairs Policy Hopkins Volunteer Firefighter Relief Association authorized to offer an alternative interest rate amount on deferred lump service pensions as a demonstration project.	HF2386—Osterman (R) Commerce, Jobs & Economic Development Policy Economic Security Department and Employment and Economic Development Department merged.
HF2356—Howes (R) Environment & Natural Resources Policy Unrefunded gasoline tax attributable to motor boats report to the legislature required.	HF2367—Smith (R) Judiciary Policy & Finance Law enforcement agencies required to return seized personal property if criminal charges are not filed within 90 days.	HF2377—Abeler (R) Health & Human Services Policy Dentistry licensure provisions modified, and dental malpractice insurance required.	HF2387—Boudreau (R) Governmental Operations & Veterans Affairs Policy Correctional state employees retirement plan of the Minnesota State Retirement System expanded to include laundry coordinators and delivery van drivers to the Minnesota Correctional Facility-Faribault.
HF2357—Dill (DFL) Environment & Natural Resources Policy St. Louis County; public and private sales of tax-forfeited land bordering public waters authorized.	HF2368—Hoppe (R) Environment & Natural Resources Policy Game and fish provisions modified relating to deer hunting provisions and fees, importation of cervidae carcasses, transport of game birds, youth firearm safety certificates, turtle licenses; and vehicle use authorized for beaver trapping.	HF2378—Dorman (R) Local Government & Metropolitan Affairs Local municipal special assessment service charges expanded.	HF2388—Marquart (DFL) Governmental Operations & Veterans Affairs Policy Age of eligibility for elective office changed from 21 to 18 by proposed constitutional amendment.
HF2358—Mullery (DFL) Judiciary Policy & Finance Level III sex offenders required to submit to polygraph tests while on conditional release.	HF2369—Westrom (R) Regulated Industries Cold weather utility disconnection rule modified.	HF2379—Dorman (R) Commerce, Jobs & Economic Development Policy Personal injury definition modified to include injury or disease resulting from certain vaccines relating to workers' compensation.	HF2389—Marquart (DFL) Education Policy Student advisory members authorized on local school boards, and impact of student involvement evaluated.
HF2359—Abeler (R) Health & Human Services Policy Nurse licensure and certification requirements modified.	HF2370—Dorman (R) Environment & Natural Resources Finance Shellrock River watershed improvements funding provided, bonds issued, and money appropriated.	HF2380—Dorman (R) Taxes Regional angel investment network fund investment income tax credit provided.	HF2390—Opatz (DFL) Transportation Finance St. Cloud Area Planning Organization funding provided for further development of the St. Cloud area joint planning district plan transportation component.

HF2391—Bradley (R)
Health & Human Services Policy
Controlled substance dispensing authority modified.

HF2392—Finstad (R)
Education Finance
Levy amounts increased for school district leases entered into before July 1, 2003, for leasing buildings or land.

HF2393—Finstad (R)
Health & Human Services Policy
Ambulance service licensees prohibited from collecting Social Security numbers from patients.

HF2394—Lanning (R)
Education Finance
After-school enrichment grant program reinstated.

HF2395—Anderson, B. (R)
Transportation Finance
Personal rapid transit system funding provided, bonds issued, and money appropriated.

HF2396—Lenczewski (DFL)
Taxes
Withholding tax credit provided for sale of net operating losses.

HF2397—Peterson (DFL)
Education Finance
School district members who are members of the National Guard or other military reserve who reported for active military duty paid a salary differential and continuation of benefits.

HF2398—Davnie (DFL)
Education Finance
Four-year-old students made eligible for extended time programs.

HF2399—Murphy (DFL)
Taxes
Proctor lodging tax revenue use authorized.

HF2400—Huntley (DFL)
Health & Human Services Policy
Health care; proposing an amendment to the constitution that every resident of Minnesota has the right to affordable, basic health care.

HF2401—Juhnke (DFL)
Transportation Policy
Rest areas; closure or commercial activity besides vending machines prohibited at rest areas.

HF2402—Abeler (R)
Education Policy
Classroom acoustics included in health and safety in education program expansion.

HF2403—Magnus (R)
Jobs & Economic Development Finance
Lewis and Clark Rural Water System-served counties, rural water systems, and municipalities funding provided, bonds issued, and money appropriated.

HF2404—Howes (R)
Jobs & Economic Development Finance
Wastewater treatment infrastructure funding provided, bonds issued, and money appropriated.

HF2405—Tingelstad (R)
Environment & Natural Resources Finance
Minnesota future resources fund and environment and natural resources trust fund appropriations availability extended.

HF2406—Smith (R)
Governmental Operations & Veterans Affairs Policy
Kindergarten through grade 12 public school system procedures and standards for contracting with private entities for services established, and public accountability provided.

HF2407—Kohls (R)
Civil Law
Emergency hold for a person who is pregnant and abusing alcohol or drugs required, and money appropriated.

HF2408—Latz (DFL)
Judiciary Policy & Finance
DWI; invalidation and return of DWI offender's driver's license for use as identification card for period of license suspension, revocation, or cancellation required.

HF2409—Anderson, I. (DFL)
Judiciary Policy & Finance
DWI; certain records relating to driving while impaired destruction after seven years required.

HF2410—Mullery (DFL)
Civil Law
Real estate restrictions against display of flags prohibited, and attorney fees for foreclosure of liens consistency with mortgage foreclosure fees provided.

HF2411—Latz (DFL)
Health & Human Services Policy
Smoking in certain public areas and places of employment prohibited.

HF2412—Lenczewski (DFL)
Ways & Means
Revenue forecast separate estimate of cost or applying inflation to expenditures required.

HF2413—Thissen (DFL)
Commerce, Jobs & Economic Development Policy
Airport areas development fund created.

HF2414—Thissen (DFL)
Jobs & Economic Development Finance
Noise pollution mitigation eligibility for contamination cleanup grants authorized.

HF2415—Wasiluk (DFL)
Commerce, Jobs & Economic Development Policy
Accident prevention courses taken in other states recognized.

HF2416—Johnson, J. (R)
Education Finance
High performance teacher reward pilot project provided, and money appropriated.

HF2417—Seagren (R)
Education Finance
School readiness programs for charter schools and compensatory revenue usage for early literacy efforts authorized.

HF2418—Severson (R)
Education Finance
Scholars of distinction program expansion and administration provided, and money appropriated.

HF2419—Kohls (R)
Civil Law
Purchase money mortgages provided.

HF2420—Peterson (DFL)
Health & Human Services Policy
Food, beverage, and lodging establishment inspection requirements modified.

Thursday, Feb. 26

HF2421—Abeler (R)
Health & Human Services Finance
Minnesota Family Investment Program grant supplemental security income treatment modified.

HF2422—Smith (R)
Governmental Operations & Veterans Affairs Policy
Retirement service credit purchase payment determination procedures extended until 2009.

HF2423—Howes (R)
Environment & Natural Resources Finance
Paul Bunyan Trail extension funding provided, bonds issued, and money appropriated.

HF2424—Seifert (R)
Environment & Natural Resources Policy
Pollution Control Agency total maximum daily load report procedure established.

HF2425—Samuelson (R)
Health & Human Services Policy
Collaborative service models provided for coordination of home and community-based elderly waiver services and additional nursing facility services with the prepaid medical assistance program.

HF2426—Westerberg (R)
Commerce, Jobs, & Economic Development Policy
Workers compensation premium base exclusion provided for periods of paid leave.

HF2427—Opatz (DFL)
Higher Education Finance
Applied doctoral degrees provided at state universities in the Minnesota State Colleges and Universities system.

HF2428—Dorman (R)
Environment & Natural Resources Finance
Blazing Star Trail segment funding provided, bonds issued, and money appropriated.

HF2429—Sieben (DFL)
Health & Human Services Policy
Tattoo artist regulation required for introduction in the 2005 legislative session.

HF2430—Sieben (DFL)
Taxes
Taxable income definition modified.

HF2431—Adolphson (R)
Local Government & Metropolitan Affairs
County recorder authorized to accept security deposits to guarantee payment of charges.

HF2432—Lenczewski (DFL)
Taxes
Single sales apportionment phased in relating to corporate franchise tax.

HF2433—Hackbarth (R)
Environment & Natural Resources Policy
Natural resources commissioner rulemaking exemptions and authorities granted, fees authorized, and civil penalties modified.

HF2434—Haas (R)
Transportation Policy
Emergency vehicle lights and sirens consistent standards provided.

HF2435—Kahn (DFL)**Taxes**

Motor vehicle tax add-back of certain deductions required.

HF2436—Abeler (R)**Health & Human Services Policy**

Public health emergencies policy declaration provided.

HF2437—Haas (R)**Health & Human Services Policy**

Health insurance regulation changes provided, and banking and insurance laws modified to accommodate health savings accounts.

HF2438—Huntley (DFL)**Health & Human Services Finance**

Minnesota Family Investment Program rental subsidies and Supplemental Security Income grant reduction laws amended.

HF2439—Brod (R)**Commerce, Jobs, & Economic Development Policy**

Real estate brokers and sales persons regulated, and real property law changes and re-codification provided.

HF2440—Rukavina (DFL)**Commerce, Jobs, & Economic Development Policy**

Notice of intent to shift jobs out of the country required.

HF2441—Heidgerken (R)**Judiciary Policy & Finance**

Sauk Centre; Minnesota Correctional Facility purchase bonds issued and money appropriated.

HF2442—Swenson (R)**Agriculture Policy**

Farm liens and financing statements regulated, filing requirements established, and fees specified.

HF2443—Holberg (R)**Civil Law**

Sexual harassment definition; Civil Rights Act of 1964 burden of proof and affirmative defense conformity provided.

HF2444—Kohls (R)**Civil Law**

Civil action limitation periods regulated, and uniform conflict of laws limitations act established.

HF2445—Hausman (DFL)**Transportation Finance**

Central Corridor Transit Way funding provided, bonds issued, and money appropriated.

HF2446—Knoblach (R)**Ways & Means**

State fund and account elimination and consolidation principles, criteria, and procedures authorized.

HF2447—Walz (R)**Judiciary Policy & Finance**

Failure to yield right-of-way resulting in injury or death criminal penalties imposed.

HF2448—Abrams (R)**Local Government & Metropolitan Affairs**

Affordable and life-cycle housing opportunity amount determination method and basis for municipalities to choose not to participate modified.

HF2449—Rukavina (DFL)**Governmental Operations & Veterans Affairs Policy**

Military service credit purchase sunset date eliminated.

HF2450—Dill (DFL)**Environment & Natural Resources Finance**

North Shore state park restoration funded, bonds issued, and money appropriated.

HF2451—Simpson (R)**Regulated Industries**

Energy capital assistance program funding using proceeds from renewable development account provided, and administrative changes specified.

HF2452—Gerlach (R)**Health & Human Services Policy**

Dentist jurisprudence examination modified.

HF2453—Erickson (R)**Civil Law**

Funeral provider attorney fee recovery in actions to recover costs of services authorized.

HF2454—Smith (R)**Governmental Operations & Veterans Affairs Policy**

Public Employees Retirement Association post-sentencing officers and emergency dispatchers retirement plan created, and money appropriated.

HF2455—Smith (R)**Judiciary Policy & Finance**

Five-level correctional facility classification system authorized.

HF2456—Cornish (R)**Environment & Natural Resources Policy**

Natural Resources Department equipment requirements modified, patrol vehicle security barrier requirement exemption provided, enforcement personnel designated, and rules enforced.

HF2457—Smith (R)**Governmental Operations & Veterans Affairs Policy**

Public Employees Retirement Association police and fire plan disability applications procedure modified, and medical advisor duties clarified.

HF2458—Smith (R)**Governmental Operations & Veterans Affairs Policy**

Public pension plan qualified investments list modified to include annuities.

HF2459—Thao (DFL)**Education Finance**

Adult basic education formula modified, and canceled appropriations directed to certain programs serving recently arrived immigrants.

HF2460—Simpson (R)**Governmental Operations & Veterans Affairs Policy**

Wadena; Fair Oaks Lodge privatization coverage provided for employees involved in Public Employees Retirement Association.

HF2461—Cornish (R)**Agriculture Policy**

Electronic grain purchase documents including warehouse receipts authorized, and validity of signatures provided.

HF2462—Haas (R)**Health & Human Services Policy**

Minnesota Comprehensive Health Association provisions modified.

HF2463—Slawik (DFL)**Judiciary Policy & Finance**

Firearms prohibition on school property general policy exceptions repealed.

HF2464—Slawik (DFL)**Transportation Policy**

Safe School Zone Law enacted.

HF2465—Osterman (R)**Jobs & Economic****Development Finance**

Employment support services for persons with mental illness grants provided, and money appropriated.

HF2466—Otto (DFL)**Governmental Operations & Veterans Affairs Policy**

Marine on St. Croix Volunteer Firefighters Relief Association earlier vesting schedule provided.

HF2467—Cornish (R)**Environment & Natural Resources Policy**

State trust land construction aggregates evaluation provided.

HF2468—Sertich (DFL)**Jobs & Economic****Development Finance**

Greater Minnesota business development public infrastructure grant program and Greater Minnesota redevelopment account funding provided, bonds issued, and money appropriated.

HF2469—Urdahl (R)**Commerce, Jobs, &****Economic Development Policy**

Minnesota Comprehensive Health Association writing carrier changes; commerce commissioner approval required, and non-metropolitan board representation required.

HF2470—Mahoney (DFL)**Jobs & Economic****Development Finance**

Historic Fort Snelling improvements funding provided, bonds issued, and money appropriated.

HF2471—Bradley (R)**Health & Human Services Policy**

Long-term care provider damages limited.

HF2472—Vandevveer (R)**Taxes**

Income tax check-off provided to fund benefits for survivors of law enforcement officers and firefighters, injured public safety officers, and providing for maintenance of peace officer and firefighter memorials.

HF2473—Fuller (R)**Health & Human Services Policy**

Childcare payments limited upon reaching specified number of absences.

HF2474—Fuller (R)**Judiciary Policy & Finance**

Child maltreatment allegations in Department of Corrections licensed facilities investigation responsibility transferred from the county local welfare agency to the Department of Corrections.

HF2475—Lindgren (R)**Environment & Natural****Resources Policy**

Utilities or pipeline companies exempted from certain all-terrain vehicle regulations.

HF2476—Fuller (R)**Civil Law**

Child support judgments made permanent, and renewal requirement eliminated.

HF2477—Lindgren (R)**Civil Law**

Administrative procedures authorized for redirecting child support in limited cases.

HF2478—Swenson (R)
Environment & Natural Resources Policy
Planting trees over public or private drain tile lines prohibited.

HF2479—DeLaForest (R)
Transportation Policy
Highway contract and restriction provisions modified, electronic bidding authorized, specified transportation committee sunsets modified, and technical changes provided.

HF2480—Peterson (DFL)
Environment & Natural Resources Policy
Natural Resources Department required to obtain permits for construction activities in watershed districts.

HF2481—Dorn (DFL)
Taxes
Electric generation facility property tax exemption extended.

HF2482—Erhardt (R)
Governmental Operations & Veterans Affairs Policy
House districts 41A and 41B boundary error corrected.

HF2483—Marquart (DFL)
Jobs & Economic Development Finance
Detroit Lakes Regional Pavilion renovation grant provided, bonds issued, and money appropriated.

HF2484—Smith (R)
Judiciary Policy & Finance
CrimNet law and operations modified.

HF2485—Zellers (R)
Transportation Finance
Marked Trunk Highway 610 segment completion as a four-lane freeway funding provided, bonds issued, and money appropriated.

HF2486—Eken (DFL)
Taxes
Income tax rates modified, nursing home residents credit provided, and money appropriated.

HF2487—Huntley (DFL)
Commerce, Jobs, & Economic Development Policy
Joint self-insurance plans regulated.

HF2488—Nornes (R)
Higher Education Finance
Postsecondary childcare grant payments modified.

HF2489—Erhardt (R)
Transportation Policy
County state-aid highway fund future allocation formula established based equally on lane mileage and vehicle registration contingent on future tax increases.

HF2490—Gunther (R)
Regulated Industries
Biomass-fueled community energy systems funding provided, bonds issued, and money appropriated.

HF2491—Paymar (DFL)
Civil Law
Ex parte orders for protection and temporary restraining orders made effective upon a referee's signature.

HF2492—Kelliher (DFL)
Jobs & Economic Development Finance
Federally subsidized transit facilities bidding exception provided.

HF2493—Lanning (R)
Local Government & Metropolitan Affairs
Public funds deposit alternative collateralizing method provided, and existing collateralization language clarified.

HF2494—Thissen (DFL)
Health & Human Services Policy
Skilled nursing facility and hospice services for dual eligibles medical assistance coverage clarified.

HF2495—Otremba (DFL)
Environment & Natural Resources Policy
Conservation easements provided.

HF2496—Lesch (DFL)
Civil Law
Exclusion or limitation of certain liability of the state prohibited.

HF2497—Westrom (R)
Civil Law
Child protection relative search requirements modified.

HF2498—Mullery (DFL)
Civil Law
Landlords required to notify tenant if a rental unit may have been the site of unlawful controlled substance manufacture, remedy provided for failure to receive notice, and law enforcement required to notify landlords of certain activity.

HF2499—Samuelson (R)
Health & Human Services Policy
Human services employee scholarship in English as a second language limitations provided.

HF2500—Simpson (R)
Environment & Natural Resources Policy
Polychlorinated biphenyls (PCB) wastes regulated.

HF2501—Abrams (R)
Taxes
Life insurance tax rate reduced.

HF2502—Seagren (R)
Education Policy
Mental health community representative included on a community transition team.

HF2503—Seagren (R)
Education Policy
Mental health screening required when a student is suspended from school for more than ten days in a school year.

HF2504—Penas (R)
Health & Human Services Policy
Seasonal employee health coverage obtained through purchasing alliances modified.

HF2505—Abeler (R)
Health & Human Services Finance
Rate reduction terminated for certain continuing care providers.

HF2506—Abeler (R)
Health & Human Services Finance
Annual rate increases provided for certain care providers.

HF2507—Dorman (R)
Health & Human Services Finance
Nursing facility case-mix payment rates based upon statewide averages.

HF2508—Huntley (DFL)
Higher Education Finance
Tuition reciprocity requirements modified for Wisconsin students attending the University of Minnesota-Duluth.

HF2509—Huntley (DFL)
Health & Human Services Policy
MinnesotaCare benefits provided under the limited benefits set expanded.

HF2510—Huntley (DFL)
Regulated Industries
License fee structure modified for brewers, and certain brewers allowed to sell directly to consumers.

HF2511—Huntley (DFL)
Health & Human Services Policy
Sustainable health care act established providing for health care coverage reform and public programs for low-income and working Minnesotans, requiring a report, and appropriating money.

HF2512—Kelliher (DFL)
Environment & Natural Resources Finance
Minneapolis; Lake of the Isles flood mitigation funding provided, bonds issued, and money appropriated.

HF2513—Samuelson (R)
Health & Human Services Finance
Fetal alcohol spectrum disorder appropriation transferred, and prevention and intervention services required.

HF2514—Seifert (R)
Judiciary Policy & Finance
Corrections commissioner required to request proposals for housing individuals committed to the state in private prisons.

HF2515—Erickson (R)
Governmental Operations & Veterans Affairs Policy
Corporation definition expanded relating to campaign finance.

HF2516—Erickson (R)
Governmental Operations & Veterans Affairs Policy
Electronic wagers authorized for horse racing.

HF2517—Beard (R)
Regulated Industries
Commerce Department rules repealed governing telephone utilities generally and community calling plans.

HF2518—Beard (R)
Regulated Industries
Telecommunications utility deposits interest provisions modified.

HF2519—Jacobson (R)
Taxes
Lawful gambling tax rates reduced.

HF2520—Rhodes (R)
Governmental Operations & Veterans Affairs Policy
Tipboard games provided.

HF2521—Jacobson (R)
Governmental Operations & Veterans Affairs Policy
Lawful gambling days of operation on certain premises modified, bingo prize limits increased, and tipboard rule authority extended.

HF2522—Blaine (R)
Local Government & Metropolitan Affairs
Township levy and spending authority clarified, and total revenue defined.

HF2523—Mullery (DFL)
Judiciary Policy & Finance
Penalties provided for selling narcotics in a public place.

HF2524—Mullery (DFL)
Judiciary Policy & Finance
Violent offenders convicted of offenses involving dangerous weapons or controlled substances required to consent to on-demand searches as a condition of being released on parole, probation, or supervised release.

HF2525—Lanning (R)**Health & Human Services Finance**

Life estate or joint tenancy interest continuation allowance effective date modified, and refund by human services commissioner required.

HF2526—Gerlach (R)**Local Government & Metropolitan Affairs**

Property tax notice first class mailing requirement removed.

HF2527—Cornish (R)**Transportation Policy**

Ten-ton system of county and county state-aid highways development and implementation provided, bonds issued, and money appropriated.

HF2528—Juhnke (DFL)**Agriculture & Rural Development Finance**

County extension work modified and county extension office matching funds provided.

HF2529—Hoppe (R)**Regulated Industries**

Geographic boundaries for local calling within the state expanded and intercompany compensation policy for exchange of certain traffic implemented.

HF2530—Abeler (R)**Health & Human Services Policy**

Statewide health data management plan preparation by commissioner of health required.

HF2531—Erhardt (R)**Taxes**

Transit pass credit conversion to refund and extension to additional employers provided.

HF2532—Lanning (R)**Environment & Natural Resources Finance**

Oakport Township flood hazard mitigation funding provided, bonds issued, and money appropriated.

HF2533—Bradley (R)**Health & Human Services Finance**

Tobacco product tax increased, MinnesotaCare tax on health care providers reduced, Minnesota Comprehensive Health Association assessment eliminated, and money appropriated.

HF2534—Hilstrom (DFL)**Education Policy**

Student athlete participation in sports competitions and on non-school sports teams during high school sports season allowed.

HF2535—Lanning (R)**Health & Human Services Policy**

Childcare assistance provider reimbursement rate grant program created, and money appropriated.

HF2536—Lanning (R)**Judiciary Policy & Finance**

Crime victim services grant distribution formula recommendation task force established, and money appropriated.

HF2537—Boudreau (R)**Health & Human Services Policy**

Adverse health care event reporting system modified and certain reports required.

HF2538—Swenson (R)**Judiciary Policy & Finance**

Trespass law expanded.

HF2539—Hornstein (DFL)**Transportation Policy**

Toll facilities plan preparation required and non-compete provisions in toll facility development agreements restriction or prohibition of development, design, construction, or operation of public transit prohibited.

HF2540—Abrams (R)**Taxes**

Housing development project financing bonds full faith and credit of a governmental unit pledge by housing and redevelopment authorities authorized.

HF2541—Beard (R)**Governmental Operations & Veterans Affairs Policy**

Aircraft pilot special retirement coverage provision modified.

HF2542—Westrom (R)**Regulated Industries**

Cable franchise procedures and requirements modified.

HF2543—Thissen (DFL)**Health & Human Services Policy**

Children's health security account and related program established; eligibility criteria, covered services, and administrative procedures specified; tobacco products tax increased; and money appropriated.

HF2544—Thissen (DFL)**Taxes**

Small business technology income taxation credit provided.

HF2545—Abeler (R)**Health & Human Services Policy**

Prescription drug coverage removal from aggregate dollar cap for MinnesotaCare enrollees with limited benefit coverage option provided.

HF2546—Walker (DFL)**Education Policy**

Comprehensive family life and sexuality education programs provided, and money appropriated.

HF2547—Demmer (R)**Education Finance**

Lease levy authority cuts restored.

HF2548—Demmer (R)**Education Policy**

Swimming pool requirements for high school diving competitions modified.

HF2549—Mahoney (DFL)**Jobs & Economic Development Finance**

Biotechnology and health science industry additional zone designation for nanotechnology authorized.

HF2550—Howes (R)**Environment & Natural Resources Finance**

Forestland and conservation easement acquisition to match federal forest legacy funds bonds issued, and money appropriated.

HF2551—Stang (R)**Commerce, Jobs, & Economic Development Policy**

Safe deposit companies regulated, and collateral requirements applicable to depositories of local public funds modified.

HF2552—Abrams (R)**Taxes**

Taxation procedure, sustainable forest incentive program, and tax data policy and administrative changes provided.

HF2553—Rhodes (R)**Jobs & Economic Development Finance**

Hennepin County; Colin Powell youth center construction funded, bonds issued, and money appropriated.

HF2554—Osterman (R)**Health & Human Services Policy**

Health and accident insurance dependent coverage regulated.

HF2555—Blaine (R)**Transportation Policy**

Instruction permit and provisional driver's license issuance after certain conditions limited.

HF2556—Anderson, J. (R)**Environment & Natural Resources Finance**

Natural resource and environment project bonds issued, and money appropriated.

HF2557—Gerlach (R)**Governmental Operations & Veterans Affairs Policy**

Incumbency designation on judicial ballots eliminated.

HF2558—Sykora (R)**Education Policy**

Social studies and science rigorous core academic standards authorized and implemented.

HF2559—Mariani (DFL)**Education Finance**

Limited English proficiency programs funding limit removed.

HF2560—Ruth (R)**Transportation Policy**

Highway improvement allocations equal distribution between metropolitan area and remainder of state required.

HF2561—Urdahl (R)**Education Policy**

Pupil transportation requirements modified.

HF2562—Mariani (DFL)**Education Finance**

Parallel special education funding for school districts and charter schools provided, and pupil count used to adjust special education revenue amounts modified.

HF2563—Mariani (DFL)**Education Finance**

Charter school pupil transportation formulas modified.

HF2564—Abeler (R)**Education Policy**

Swimming pool usage by school districts for competitive high school diving authorized.

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MINNESOTA INDEX

Tuition reciprocity

Number of full reciprocity agreements Minnesota has with neighboring states	3
Partial agreements	1
Number of schools, per state, with partial agreements between Minnesota and Iowa	1
Year reciprocity began with Wisconsin, in which student pays tuition rate based on resident rate at a comparable school in their home state	1968
Year agreements began with North Dakota and South Dakota, respectively, where student pays higher resident tuition rate of the school they are attending or a comparable school in their home state	1975, 1978
Minnesota residents taking part in reciprocity program with Wisconsin in fall 2002	13,209
North Dakota	6,912
South Dakota	1,775
Approximate number of non-Minnesotans who attended a public college in Minnesota in fall 2002 under the tuition reciprocity program	18,000
Average resident tuition and fees charged to an undergraduate student from Minnesota attending the College of Liberal Arts at the University of Minnesota's Twin Cities campus full time in 2003-04	\$7,344
Average for a Wisconsin student	\$6,288
Non-resident rate	\$18,974
Non-resident tuition and fees at the University of Wisconsin-Madison in 2003-04	\$19,136
Resident tuition and fees	\$5,136
Amount a Minnesota student would pay	\$6,544
Surcharge assessed Wisconsin students at the University of Minnesota's Twin Cities campus to help make up the difference between the state's resident tuition rates, as percent	25
With the surcharge included, extra amount that Minnesota students paid to attend the university's Twin Cities and Duluth campuses in 2002-03, as percent, respectively	28, 49
Resident tuition and fees charged to a Minnesota undergraduate student attending the Minnesota State University-Mankato full time in 2003-04	\$4,506
Wisconsin student	\$4,234
Non-resident rate	\$8,775
Total paid by Minnesota in interstate payments to compensate for unequal taxpayer burden between states for fiscal year 2002	\$131,484
Millions estimated to be paid by Minnesota during past five years	\$16
Percent that Minnesota law requires the state to fund of the estimated instruction costs of nonresidents attending a Minnesota institution under a reciprocity agreement	67
Millions estimated in fiscal year 2002	\$74

Sources: *Higher Education Tuition Reciprocity*, Office of the Legislative Auditor, September 2003; House Research Department; Minnesota Higher Education Services Office.

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

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In this issue:

NO CHILD LEFT BEHIND DEBATE

HEALTH CARE CONSENT FOR MINORS, AND MORE

HF2565-HF2802

Session Weekly

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On the cover: Morning light penetrates the cantilever stairwell in the State Capitol.

—Photo by Andrew VonBank

Educational accountability

Report focuses on costs and consequences of fulfilling requirements of the federal No Child Left Behind Act

By **TOM LONERGAN**

The report we are releasing today will not settle the debate.”

That bit of soothsaying by Legislative Auditor James Nobles on the impact the federal No Child Left Behind Act may have on Minnesota set the stage for continued sharply divided opinion among legislators about the law’s increased costs to the state and school districts, as well as its consequences for public education.

The 90-page audit examining the federal law’s costs and other impacts was presented Feb. 26 to the House Education Policy Committee, which discussed the report but took no action.

Among the audit’s major findings were:

- more than 80 percent of the state’s public elementary schools won’t meet required student achievement targets by the year 2014, based on a simulated estimate;
- while education officials embrace the law’s goals of helping all children succeed in school, many school superintendents say it’s “costly, unrealistic, and punitive;”
- many school districts will likely bear significant costs in future years, and it’s “quite possible” those costs will exceed increases in federal education revenues; and
- the state could lose up to \$216 million in federal funding for fiscal year 2005 if the Legislature decides to opt out of the law, as some states are discussing.

A bill (HF2042/SF1921) to nullify state implementation of the two-year-old federal law, sponsored by Rep. Mark Olson (R-Big Lake) and Sen. Michele Bachmann (R-Stillwater), was heard in the Senate but did not

advance from committee, and it has not been heard in the House.

Despite bipartisan support for Olson’s bill, opponents of the federal act “face the \$200 million question,” said Rep. Alice Seagren (R-Bloomington), chair of the House Education Finance Committee in an interview after the meeting.

“We don’t have the dollars to fill in the gap,” Seagren said, adding that the state would still require standardized tests, school accountabil-

Minnesota’s Office of Educational Accountability that estimated most public grade school students won’t meet the law’s academic achievement levels by 2014.

The federal law, Yecke said, “is forcing us to confront serious issues.” While tests like the National Assessment of Educational Progress show state public school students improving in math and, to a lesser extent, in reading, she said, such tests based on large student groups hide the “underperformance of students of color.”

The act requires that public school students in grades 3-8 show annual learning improvement in math, reading, English language skills, and science, as measured by state standardized tests. Students will also be tested once in high school.

Reporting requirements on student academic progress will include all students in a

given grade, as well as the performance of eight student subgroups, including those in race/ethnicity, low-income, special education, and English language learner categories.

That part of the law is what worries school superintendents across the state, mainly because the failure of one student subgroup to make minimum academic progress can cause an entire school to not meet state-defined “adequate yearly progress” standards.

Schools and districts not showing academic achievement among all student groups face a progressive scale of penalties and sanctions over a 10-year-period, including paying for after-school tutoring, transporting students

to other public schools they may choose, and making staff or administration changes.

The audit could not estimate what those new costs will be but predicted they would be “significant.”

The survey was sent to all state school superintendents and charter school directors and received a 95 percent response.

“Only 5 percent of superintendents (responding) said that special education students should be held to the same academic standards as other students,” according to the audit, “and only 17 percent of superintendents said that limited-English students should be held to the same standards.”



PHOTO BY TOM OLMSCHIED

A report from the legislative auditor suggests more than 80 percent of the state’s public elementary schools will not meet achievement targets set by the federal No Child Left Behind Act by 2014.

ity on student performance, and measures to address the “achievement gap” among low-income and minority students, regardless of the federal law.

Olson was critical of the auditor’s report, required by the 2003 Legislature, saying it doesn’t address the specific interests behind the request for the audit. “There’s a lot in the report not accounted for,” he said, citing past state spending on academic standards, student tests, and reports to meet federal requirements.

At the Feb. 26 hearing, Education Commissioner Cheri Pierson Yecke challenged several of the audit’s findings, particularly the simulation model developed by the University of



Up in flames

First Minnesota Capitol destroyed, unoccupied market becomes home

It was neither inclement weather, nor in-temperate debate that nearly halted the Legislature's actions the first week of March 1881 – it was a fire that burned the center of state government to the ground and nearly took the state's most precious documents with it.

Both the House and Senate were in session about 9 p.m. on March 1 that year. It was a fairly routine evening: Senators were about to give a bill its third reading – they read the whole thing back in those days. Both bodies were then interrupted at nearly the same time, and lawmakers and staff rushed to the chamber doors to escape.

They would be denied. The Capitol dome was directly above the entrances to both chambers and the dome was ablaze, sending plumes of thick black smoke and raining debris.

Nearby stairwells were also blocked.

Pages and clerks worked to salvage essential paperwork and other important documents as legislators scrambled for a way out. Through it all, according to a story in the fall 1968 Gopher Historian, Samuel Jennison, secretary to Gov. John Pillsbury kept his cool, and worked to save whatever he could.

Jennison also had the presence of mind to adjourn the Senate proceedings for the day.

Senators ultimately crawled out a small window low enough to the ground to avoid risking significant injury. As the men crawled to safety, the chamber roof collapsed and within minutes the entire Senate wing was burning.

In the early stages, that is where most of the fire burned. As a result, the assistant sergeant-at-arms convinced legislators and visitors that the fire was actually out and at an opportune moment when a hallway cleared of smoke so individuals could leave, they safely exited the building.

Accounts suggest about 300 people evacuated the building, located on the square block between Wabasha, Cedar, Exchange, and 10th streets, that evening and none was killed or seriously injured in the fire.

But the struggle was not yet over. Firefighters arrived and attempted to put out

the blaze, but to no avail – it was already out of control. Accounts estimate that the entire building was aflame within a few minutes. It would only take three hours to destroy all but four remaining walls.

Valuable documents housed in the Capitol basement remained in the building. According to the Historian article, attendees at a concert in a nearby church, along with firefighters and police officers, charged into the building and carried out books, historical records, and other objects.

A large portion of the historical society's

items were saved, but the state's law library was destroyed but for about 1,000 of the library's 12,580 books, as were a number of original pieces of furniture.

About \$2 million worth of trust funds and bonds and other essential paper-

work stored in safes were recovered from the smoldering building after the embers died down.

St. Paul's mayor offered an as-yet unoccupied market for the state's business until a new Capitol could be constructed, and legislative business resumed March 2. It served lawmakers for the remaining two days of the session, and an additional special session in September that year. During those proceedings, lawmakers appropriated \$175,000 for a new building.

The fire was not the first to threaten the building since it opened in 1853. Twice before small blazes were discovered and extinguished before too much damage occurred.

And despite the urging of Gov. Pillsbury, the Legislature had not voted to insure the Capitol. The loss was estimated at \$200,000. The cause was never officially determined, though engineers suspected an overheated ventilator shaft because of the burning wood that fell from the ceiling ventilator in the Senate chamber.

The new Capitol was constructed on the same spot but would become too small. Within 10 years of the fire, lawmakers were already planning the present-day Capitol to be occupied in 1905.

(M. KIBIGER)



Minnesota's first Capitol.

Nonetheless, "less than 20 percent of superintendents favor opting out" of the federal law.

In an interview following the hearing, Rep. Carlos Mariani (DFL-St. Paul) called the audit a "helpful report."

"It provided us with a pretty balanced sense of what's at stake," said Mariani, who is also executive director of the non-profit Minnesota Minority Education Partnership.

He said immigrant and communities of color in the state "embrace the goals" of the federal act but share some concerns of local education officials and other critics of the law.

"Do our students become the scapegoat" for public schools' failure to make academic progress, Mariani asked. "We don't want that."

He said the report's assumption that the vast majority of state elementary schools won't meet academic progress levels in 10 years was "very conservative," because it didn't factor in expected growth of English language learning and minority student populations.

"They are precisely the groups failing to meet the standards," said Mariani, who opposes a state opt out.

Among identified "new costs" was an estimated \$19 million annually for increased testing, to be borne by the state and school districts.

Unknown were annual costs to improve training of school paraprofessionals to meet new federal requirements and school district costs to align course curricula with new state standards in math, reading, and science.

The \$231 million in federal education funding the state will receive in 2004 includes \$118 million in Title I funding for school districts with a high percentage of students from low-income families.

Estimates from the U.S. Department of Education, according to the audit, show the state's federal dollars linked to No Child Left Behind will decline to \$216 million in fiscal year 2005, with Title I funding down \$14 million based on the state's 2000 census data.

Nonetheless, the audit showed a \$42 million increase in federal funding to the state for the years 2002-05, but warned as new federal requirements are implemented, "it is quite possible" state and school district costs will exceed federal revenues.

"The federal history is under-funding education," said Rep. Lyndon Carlson (DFL-Crystal) in an interview, while citing special education funding as an example. A federal law passed in 1973 promised states 40 percent funding of new requirements for special education students, which Carlson said has never been realized.

"That's why dealing with No Child Left Behind, some of us get pretty cautious," Carlson said. "We're going to incur major costs." 🐼

★ AGRICULTURE

Farm advancements

Technology upgrades to dairy farms may be eligible for certain grant funds, under a bill approved by the House Jobs and Economic Development Finance Committee Feb. 26.

Rep. Dean Urdahl (R-Grove City), the sponsor of HF1667, told the committee that dairy industry representatives have said they need help with economic development. The intention of the bill, he said, is for small- and medium-sized farms to use the grants.

The bill authorizes the commissioners of the Agriculture and Employment and Economic Development departments to establish an eligibility process and make funds available to regional and statewide development organizations.

According to the bill, grant funds may be used to acquire, construct, or improve buildings or facilities, or otherwise acquire equipment for dairy animal housing, confinement, animal feeding, milk production, and waste management if related to dairy animals.

Among the potential items that grants could be used for are free-stall barns, fences, watering facilities, milking parlors, milk storage and cooling facilities, and equipment used to produce energy.

Wayne Marzolf, acting director of the Agriculture Finance division of the Agriculture Department, said the department is supportive of the bill, saying it would be complementary to the types of small and limited funds already available to dairy farmers, which total about \$800,000.

Joe Egge, executive director of Meeker County Development Corporation and Meeker County Economic Development Authority, said the state and local economic base is built on industries such as agriculture and traditionally those businesses have been ignored in funding for economic development. This program, he said, would help Minnesota dairy farmers modernize their facilities.

The bill now moves to the House Floor.

A Senate companion (SF1941), sponsored by Sen. Steve Dille (R-Dassel), awaits action in the Senate Agriculture, Veterans, and Gaming Committee.

Financial aid for farmers

Making a public-private farm improvement loan program more attractive for borrowers is the aim of a bill approved Feb. 26 by the House Agriculture and Rural Development Finance Committee.

Sponsored by Rep. Jeff Anderson (R-Austin), HF2267 would increase loan principal maximum amounts covered by the state Rural Finance Authority, and also change the net worth asset criteria for eligible borrowers.

"Since 1986, this program has helped 2,200 small and beginning farmers," Anderson said. "The changes should make the program available to a few more."

The bill now moves to the House Ways and Means Committee.

The authority works with private lenders who will continue to finance a 55 percent share of each loan. The program's primary advantage to farmers is the state authority's ability to offer 10-year loans at fixed interest rates

between 4 percent and 6 percent, depending on the type of loan financed.

If the bill becomes law, the authority's maximum loan share would be \$200,000 to \$275,000 depending on the loan type. Allowable maximums now range from \$125,000 to \$250,000.

Increasing the net worth guidelines to \$350,000 for prospective borrowers, from its current \$274,000, is also expected to increase farmer participation, according to bill supporters. Net worth values are adjusted annually for inflation.

"This is not a case of something that's broken," said David Hoelmer, vice president of AgStar Financial Services in Mankato. "The program is working well but needs improvements." His company is a partner with the authority on 100 loans, Hoelmer said.

Loans also exist for farm debt restructuring and livestock expansion. The state funds the loan program through the sale of general obligation bonds.

The bill's Senate companion (SF2323), sponsored by Sen. Steve Dille (R-Dassel), awaits committee action.

★ BONDING

Bond proceeds

The city of Richfield would like state monies to restore the Riley Lucas Bartholomew House and create a history center next door, but the city is concerned that the state could ultimately disproportionately profit in the process.

To help, HF2096, sponsored by Rep. Paul Thissen (DFL-Mpls), would change the state proportions of proceeds acquired through the current property sale process.

The House Governmental Operations and Veterans Affairs Policy Committee approved the measure March 1 and sent it to the House Capital Investment Committee.

Under current statute, when a property that is partly bought with state bonds is sold, the proceeds are first used to pay the state bond proceeds, then the outstanding debt. Any remaining funds are split between the state and other parties who helped pay for acquisition or betterment of the property.

Todd Nollenberger, a member of the Richfield school board, said that for properties like the Riley Lucas Bartholomew House, the state would then profit without having made contributions over time as the property accrued value.

The bill changes the calculations so that the

RALLY FOR MENTAL HEALTH

PHOTO BY TOM OLMSCHIED

Mireille Bardy, left, a drop-in leader, and Pamela Schuh, right, a center counselor at Mental Health Resources in Minneapolis, applaud during a March 1 rally in the Capitol Rotunda. People with mental illness, families, and providers pointed out the problems in the system and the issues of concern to the mental health community during the rally.

value of the property improved with state money is its fair market value at the time the betterment began.

The Senate companion, SF20977, sponsored by Sen. Jane Ranum (DFL-Mpls), awaits action in the Senate Finance Committee.

BUDGET

Good news, no guarantees

The Department of Finance released a state budget forecast Feb. 27 that shows a slight improvement since November 2003.

New numbers indicate Minnesota's projected deficit for fiscal years 2004 and 2005 has fallen \$25 million to \$160 million for the biennium.

The deficit is the difference between tax revenues and expenditures for education, health and human services, and other state financial obligations through June 30, 2005.

The consensus among economists, said State Economist Tom Stinson, is that "everything's on the table for this to be a very good year."

Jobs will grow but not at the same rate they did in the late 1990s, Stinson said. "That truly was the best economy of our generation and we're not going to see that again."

Nationwide economic growth is expected to be 4.8 percent, the strongest in 20 years.

The good news is Minnesota is outperforming the national economy, Stinson said. The bad news is the state gained many jobs during the summer of 2003 and "now we've been treading water."

The state does have \$631 million, or 2.2 percent of biennial spending, in reserve, although Finance Commissioner Peggy Ingison said economic advisors generally believe reserves should be built up when the economy is good — and 4.8 percent growth is considered good.

The forecast will help House and Senate leadership set budget targets for committee bonding recommendations and supplemental budget requests.

The Legislature and governor are constitutionally required to enact tax and spending bills that will result in a balanced budget at the end of a biennium. The requirement is not explicitly stated, but borrowing money to cover a deficit is prohibited.

Looking ahead to fiscal years 2006 and 2007, current spending in law is projected to exceed revenues by \$441 million.

"Any spending increases beyond those in current law would add to the future budget shortfall," according to the department.

BUSINESS

Tobacco sales penalties

Penalties for retail stores that sell cigarettes and tobacco products to minors would be made uniform statewide, eliminating any city's ability to determine disciplinary actions, under a bill approved March 3.

HF561, sponsored by Chris Gerlach (R-Apple Valley), was approved by the House Civil Law Committee and now moves to the House floor.

In 2003, the bill was approved by three House committees, but stalled awaiting action by the full House. Rules dictate such bills are returned to committee.

Legislators heard business owners testify in 2003 that some municipalities' fines and license revocations were so strict as to threaten their livelihood.

However, public health officials and local government representatives said that allowing cities to set stiffer penalties leads to greater diligence on the part of clerks checking purchasers' identifications, which therefore decreases teen smoking.

Current law allows each city to exceed state-mandated minimum fines to businesses and sales clerks. Also left to local control is the number of days a business's tobacco license may be suspended, if a suspension is applied.

Under the bill, a first violation would bring a fine between \$75 and \$500 to the business. Subsequent violations within 24 months would carry higher penalties, with the stiffest being a fine between \$250 and \$5,000 and a license revocation of up to seven days.

"The bill pre-empts local control and we would be opposed to that," said Jennifer O'Rourke, a government liaison with the League of Minnesota Cities.

Added Matt Flory, government relations liaison for the American Cancer Society, "Local control makes the law effective."

Gerlach said he has addressed concerns raised last year. The 2004 bill reinstates minimum fines, which he said was never his intent to eliminate. The crux of the issue, he emphasized, is not the minimum fines, but the maximum.

But Rep. Ron Latz (DFL-St. Louis Park) questioned why the bill did not state a minimum license revocation period. Allowing revocations of either "up to" three days or "up to" seven days could allow a city to choose only one day, he said.

"I don't think that's going to be a problem," Gerlach responded.

The Senate companion bill (SF992), sponsored by Sen. David Knutson (R-Burnsville), awaits committee action.

CONSUMERS

No attorney fees

Two efforts to grant homeowners attorney fees when successfully suing their homebuilders for defects failed March 3 in the House Civil Law Committee.

The amendments pertained to HF1801, sponsored by Rep. Karen Klinzing (R-Woodbury). It addresses situations where homeowners can't get their builder, or the builder's insurance company, to rectify serious defects, such as moisture and mold problems. Many homes beset by such problems were built in the 1990s.

Originally, the bill would have awarded the homeowner costs and reasonable attorney fees if declared the prevailing party in a lawsuit. However, the House Commerce, Jobs, and Economic Development Policy Committee amended the bill to allow attorney fees only if the builder refused, without a "good faith basis," to make the repairs under the warranty. The amendment was considered a victory for homebuilders and insurance companies.

Rep. Thomas Pugh (DFL-South St. Paul) attempted to reverse the commerce committee's action through an amendment restoring the bill's original language, thereby weighing in on the side of the homeowners.

Not allowing the courts to award attorney fees could consume 10 percent or more of a \$300,000 verdict, Pugh said. "You can never get square" if you're an owner whose home requires substantial repairs. The amendment failed by one vote.

A second amendment, offered by Rep. Eric Lipman (R-Lake Elmo), would have allowed attorney fees if the court found that the loser's case was "not substantially justified." It, too, failed by one vote.

Sheila Asleson, a member of the Homeowners Against Deficient Dwellings, said she wanted the attorney fees language reinstated. She spent \$20,000 on her home, which was less than two years old, to address mold problems that forced a temporary move.

"There is no one to stand up for the homeowners," Asleson said.

Speaking against the bill was Michael Noonan, vice president of Rottlund Homes in Roseville. Awarding attorney fees would encourage lawsuits, he said.

The bill was approved and moves to the House State Government Finance Committee. Its companion (SF2248), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits action.



For information on discussions to help reduce cramming on telephone bills, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ EDUCATION

Epinephrine use

Students at risk from severe allergic reactions would be allowed to carry a needed treatment with them in school, under a bill discussed March 2 by the House Education Policy Committee.

Sponsored by Rep. Karen Klinzing (R-Woodbury), HF1915 would provide for student use, with a parent's permission, of an epinephrine auto-injector while in school.

Epinephrine is a form of adrenaline that relieves temporary shortness of breath, chest tightness, and wheezing due to bronchial asthma. It reverses the symptoms of an anaphylactic reaction, which can be caused by food, insect stings, medication, or latex.

The committee held the bill for consideration of amendments at an unspecified date.

Supporters said some school districts don't allow highly allergic students to carry epinephrine auto-injectors as a precaution against other students taking them. They testified that a student's risk of anaphylaxis, which could be fatal if not treated, requires that capable students be allowed to carry epinephrine, rather than leave the treatment device with the school nurse.

"Epinephrine should be no further away from a child than a spare tire is from a car," said Dr. Allan Stillerman, an allergy/asthma

specialist and member of the Anaphylaxis and Food Allergy Association of Minnesota.

Nathan Klein, 10, of Woodbury, said immediate access to epinephrine "has saved my mom's and my sister's lives." Klein said he has several allergies and asthma.

Storing the auto-injector, marketed as a prescription drug called an EpiPen, with the school nurse "doesn't work," Klein said. "It's not hard to learn how to use an EpiPen."

The drug can be self-injected into the outer thigh. According to the national Anaphylaxis and Food Allergy Association Web site, food-induced anaphylaxis is believed to cause 30,000 trips to hospital emergency rooms and between 150 and 200 deaths annually.

The bill would require parents to submit annual written authorization for a student to carry epinephrine and require a school nurse to assess a student's ability to safely use an auto-injector in a school setting.

A companion bill (SF1880), sponsored by Sen. Mady Reiter (R-Shoreview), awaits committee action.

Safer colors

Whether they're wearing blaze orange or fluorescent yellow-green, the message from school safety patrols helping someone across the street will remain, "Stop."

A bill (HF2587), sponsored by Rep. Nora Slawik (DFL-Maplewood), would bring state Department of Public Safety rules regarding the color of vests, sashes, ponchos, and "Sam Browne belts" worn by school safety patrol students in line with current fashion.

The House Education Policy Committee didn't act on the bill following a March 2 hearing due to a procedural question. The bill does not cite a state law to be changed, only a rule.

"Schools are already doing this," Slawik said. "It's fairly simple but important."

The American Automobile Association provides vests, belts, badges, flags, and training materials to volunteer safety patrols from elementary, middle, and junior high schools.

Gail Weinholzer, public affairs director for Minnesota AAA, said the color switch from blaze orange to fluorescent yellow-green has been ongoing since the late 1990s to match roadside school zone signs. National safety studies have shown the more reflective bright yellow-green is easier for drivers to see, Weinholzer said.

Also testifying in support of the bill were Kate Osterman, 10, and Tawny Steinmeyer, 11, safety patrol volunteers from New Hope Elementary School.

"The new color makes us safer because people can see us better," said Kate, the daughter of Rep. Lynne Osterman (R-New Hope).

"It's important that all the schools in



Tawny Steinmeyer, left, and Kate Osterman, right, school safety patrol officers at New Hope Elementary School in New Hope, rehearse their testimony at the back of a hearing room before testifying in front the House Education Policy Committee March 2. The girls support a bill that would change colors for school safety patrol belts.

Minnesota do this," Tawny added.

AAA has sponsored school safety patrols nationwide since 1926, according to the organization's Web site. "Sam Browne belts," are named after Sir Samuel James Browne (1824-1901), a British general. They have a shoulder strap that runs diagonally across the chest and were once a common part of police and military uniforms.

The bill also covers the color of school safety patrol flags, which can be blaze orange, fluorescent yellow, or yellow-green with a yellow octagon bearing the word "Stop" in black letters.

A companion bill (SF2118), sponsored by Sen. Sharon Marko (DFL-Cottage Grove), awaits committee action.

Referendum ballot questions

A bill providing for an easier-to-read school ballot question and restoration of four school district operating levies was heard March 2 by the House Education Finance Committee.

Sponsored by Rep. Alice Seagren (R-Bloomington), the committee chair, HF2140 would simplify the state-required language for a school operating referendum ballot question. It would also restore cuts enacted by the 2003 Legislature to the building/land lease, unemployment insurance, legal judgment, and safe schools levies used by school districts for some administrative and personnel costs.

The bill will be considered for inclusion in the committee's omnibus finance bill.

Scott Croonquist, executive director of the Association of Metropolitan School Districts, said the funding restoration component of the bill would bring a \$15 million enhancement to 26 member districts in his organization if the levies were restored to the levels that existed prior to 2004.

Restoring the levies would be of "minimal cost to the state," Croonquist said.

Restoration of the lease levy authority to the former \$100 per pupil maximum would help



Nathan Klein, 10, of Woodbury, who has asthma and food allergies, testifies March 2 before the House Education Policy Committee in support of a bill that would allow students to carry an epinephrine auto-injector while in school.

growing districts such as Rochester meet their facility needs, said Mike Pieper, director of business services for the Rochester School District.

The levy amount was lowered last year to 90 percent of the actual cost of a building/land lease, or \$90 per pupil, whatever is less.

The unemployment insurance and legal judgment levies were each limited by the 2003 Legislature, to 90 percent of the amount above \$10 per pupil unit, and the safe schools levy was reduced by \$3 to \$27 per pupil unit.

Alan Hopeman, executive director of finance and business services for the Wayzata School District, supports the ballot language changes in the bill.

State requirements for school operating referendum ballot questions include complex market value percentage formulas and difficult-to-understand wording similar to "per resident marginal cost pupil unit."

"There's confusion among voters over the ballot language," Hopeman said. "We've found people don't understand it."

The bill would simplify ballot language, remove a requirement to print an estimated referendum tax rate on the ballot, and remove required language that states the money "is used to finance school operations."

Hopeman said the latter language causes confusion with school building maintenance versus other school operations a ballot question could address.

The ballot would still be required to show the actual dollar amount of a tax increase on typical property types.

A companion bill (SF2059), sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), awaits committee action.

Districts working together

As declining enrollment continues to pinch rural school district budgets, finding ways to share the cost of non-instructional services may free additional dollars for education.

That was the message supporters of HF1999 brought to the House Education Finance Committee Feb. 26.

Sponsored by Rep. Tony Cornish (R-Good Thunder), the bill would create planning grants for school districts, charter schools, and service cooperatives to study the feasibility and savings potential of sharing transportation, purchasing and payroll functions, community education, building maintenance, and food service.

The bill will be considered for inclusion in the committee's omnibus finance bill.

Approximately a dozen school innovation and cooperative planning grants would be awarded by the state Department of Education, said Greg Marcus, the department's government relations director. Instruction would

not be among services to be shared.

Mary Ann Nelson, assistant education commissioner, said that at the end of the 2000-01 school year half of the state's school districts had declining enrollments. The bill's intent, Nelson said, "is to get at the resistance some districts have" about shared service agreements. The bill is among a number of education initiatives proposed by Gov. Tim Pawlenty.

"Rural districts want to become more efficient and keep more money in our classrooms," said Vernae Hasbargen, director of legislative action for the Minnesota Rural Education Association. The bill would expand cooperative purchasing, practiced by some districts, into other areas, she said.

Lloyd Styrwoll, superintendent of Grand Rapids schools, said his district is studying shared services with smaller neighboring districts because Grand Rapids has lost 1,000 students during the past 10 years.

School district consolidation is "politically charged" due to community identity and potential job losses, which is why shared services need to be considered, Styrwoll said. "These are things that need to happen on behalf of our very survival."

"Why do we need this?" asked Rep. Barb Goodwin (DFL-Columbia Heights). "A lot of this is already available in (current) law." Goodwin said she supports the idea behind the bill but asked that money to fund the grants not be taken from instruction.

The bill did not specify a general fund amount to support the grants.

A Senate companion (SF2240), sponsored by Sen. Michelle Fischbach (R-Paynesville), awaits committee action.

EMPLOYMENT

Clarifying workers' compensation

The House Commerce, Jobs, and Economic Development Policy Committee approved a bill dealing with workers' compensation Feb. 26 and sent it to the House floor.

"The bill has been agreed to by labor, business, and both sides of the aisle," said Rep. Tony Sertich (DFL-Chisholm), the sponsor of HF2235.

The bulk of the 89-page bill, an initiative from the Department of Employment and Economic Development, deals with house-keeping and technical changes, addressing topics such as electronic transmission.

Lawmakers' discussion focused on one section of the bill, which defines what qualifies as a "good reason" for quitting a job for the purpose of receiving workers' compensation.

The only good reason for quitting specifically

defined by the bill would be sexual harassment. Any other reason would have to be evaluated based on the facts of a case and on whether a "reasonable person" would quit in that situation.

"The bill makes it clear that we look at each case individually," said Lee Nelson, director of unemployment insurance legal affairs for the department. Each case would be decided based on its merit, he said.

Rep. Barbara Goodwin (DFL-Columbia Heights) asked whether the bill would increase the burden of proof on the employee.

According to nonpartisan House research information, the bill suggested could go either way, but it would give a person the chance to give more evidence than the current law provides.

Sertich said it is his intent "to broaden, not limit" the situations in which employees may receive workers' compensation by offering case-by-case hearings.

ENERGY

Studying renewable energy

The House Regulated Industries Committee reviewed a number of proposals March 3 that would change the way renewable energy initiatives are funded, supported, or mandated by the state.

The general consensus reached by lawmakers, utility representatives, wind energy generators, and energy conservation advocates was that an interim study to set a statewide course for renewable energy initiatives would be best.

Xcel Energy contributes nearly \$16 million per year to an account known as the Renewable Development Fund that finances renewable energy production, research, and development. The fund was established by legislation relating to spent cask storage at the Prairie Island nuclear power plant.

Renewable technology types eligible for funding include wind, biomass, solar, water power, and fuel cells.

HF2451, sponsored by Rep. Dean Simpson (R-New York Mills), would change the structure of the board that oversees renewable project expenditures, expand the scope of eligible projects beyond the area served by the utility, and require the board to annually transfer unencumbered funds to a separate renewable energy account under the Department of Commerce.

Renewable energy board members reminded committee members that only Xcel ratepayers contribute to the fund.

"If it's a statewide fund we're after, everyone should contribute," said Bill Grant, who is also associate executive director for the Izaak Walton League.

Another bill (HF1734) that looks to the fund

for support would boost the overall availability of renewable energy production incentives to wind energy conversion system operators. The measure is sponsored by Rep. Elaine Harder (R-Jackson).

In addition to a waiting list for incentive eligibility, some small wind energy providers said they are having trouble connecting to the energy grid.

Providers in southwest Minnesota are concerned with achieving access to transmission lines "in an aggregated manner, not an aggravated manner like we are now," said Mark Willers, a Rock County turbine owner and Minwind president.

HF2268, sponsored by Rep. Doug Magnus (R-Slayton), would require utilities to act as agents for certain wind energy developers seeking to connect with the utility's system.

The bill also would create a renewable energy development director position at the Department of Commerce to advocate for the completion of renewable energy projects.

Under HF2202, sponsored by Rep. Torrey Westrom (R-Elbow Lake), electric utilities not living up to legal requirements to meet certain renewable energy objectives would be required to allocate 5 percent of funds that would otherwise be spent on conservation improvements to construct an electric generating plant using renewable fuels or invest in similar qualifying projects.

The topics addressed in the bills will be considered for inclusion in a study. There are no Senate companion bills.

Bonding for biomass

Biomass, organic matter that is available on a renewable basis for conversion to energy, is one of Minnesota's underutilized resources, House Regulated Industries Committee members were told March 3.

A bill (HF2490) sponsored by Rep. Bob Gunther (R-Fairmont) would direct \$1 million in bond proceeds to the Department of Commerce to fund grants for four to five biomass-fueled heating and cooling systems at facilities owned by cities, state colleges, or universities.

Under the bill, eligible biomass includes sustainably harvested forest and agricultural residues, waste wood, biogas created when organic matter breaks down, mill residues, and dedicated energy crops.

The bill explicitly states that the biomass fuel source must be procured in an environmentally sustainable matter.

Grant money could be used for engineering and feasibility studies, surveys, and other planning activities. Existing community energy systems seeking to make upgrades or launch new projects would also be eligible.

A successful combined heat and power plant fueled by wood waste at the St. Paul District Energy facility heats and cools the State Capitol, said Shalini Gupta, a research assistant with Minnesotans for an Energy Efficient Economy.

Minnesota ranks fifth in the nation for biomass availability, she said.

The committee approved the measure and it now moves to the House Jobs and Economic Development Finance Committee.

A Senate companion bill (SF1975), sponsored by Sen. Richard Cohen (DFL-St. Paul), awaits action in the Senate Jobs, Energy, and Community Development Committee.

★ ENVIRONMENT

Phosphorus fertilizer ban

A bill that would extend a partial ban on phosphorus lawn fertilizers to the entire state is headed to the full House.

The House Environment and Natural Resources Policy Committee approved the bill (HF2005) March 3. Current law bans phosphorus lawn fertilizer use in the Twin Cities metropolitan area.

Rep. Denny McNamara (R-Hastings), the bill sponsor, said it is intended to protect lakes and water supplies statewide, because the only purpose the nutrient serves is to make waters green and encourage algae growth.

Under the bill, certain entities may still use phosphorus fertilizers. Golf courses may use it if the staff are trained, certified, and licensed to do so. The Department of Agriculture administers a training program through the University of Minnesota for this purpose.

Already, 350 people out of the 475 affected under the metropolitan area ban have taken the training course.

In addition, phosphorus fertilizer may be used on new lawns to help them establish roots, and soil deemed to be phosphorus deficient may also be supplemented.

Gary Botzek, a board member of the Minnesota Environmental Partnership, said the bill would also help property owners along lakes by maintaining and improving property value.

"We do not want our blue lakes to be turned into green, algae-filled lakes," he said.

The Senate companion bill (SF1999), sponsored by Sen. Dan Sparks (DFL-Austin), awaits committee action.

Deliberating 'voluntary' easements

Negotiations are underway between farm groups and other conservation interests over a project that has been referred to as the centerpiece of Gov. Tim Pawlenty's clean water initiative.

The House Environment and Natural Resources Finance Committee reviewed two bills March 2 that would support a so-called second generation Conservation Reserve Enhancement Program (commonly referred to as CREP), though officials differ over the program's permanent easements.

Both bills were held over for additional discussion and possible inclusion in the committee's bonding recommendations.

The program is a combination of the U.S. Department of Agriculture Conservation Reserve Program and the state Reinvest in Minnesota Reserve, voluntary programs aimed to reduce sedimentation and soil erosion by encouraging landowners to set aside marginal or environmentally sensitive agricultural land along waterways.

The state has successfully enrolled 100,000 acres along the Minnesota River watershed in the enhancement program and this new initiative proposes another 100,000 acres from three watersheds, including basins in southeastern and southwestern Minnesota and the Red River Valley.

Rep. Ray Cox (R-Northfield) is sponsoring a bill (HF2249) that would appropriate \$20 million in bond proceeds and \$3.2 million from the general fund to the Board of Water and Soil Resources for the program.

Under the bill, the money could go toward 35-year or permanent easements at the will of



Bruce Albright, Buffalo-Red River Watershed District administrator, testifies before the House Environment and Natural Resources Finance Committee March 2 in support a bill that would provide funds for Oakport Township flood hazard mitigation.

the landowner, except that wetlands easements, per current law, would be permanent.

A bill sponsored by Rep. William Kuisle (HF2294) would expend the same amount of money but the number of permanent easements is limited.

Under that bill, the funds are directed toward 30-year easements. Wetland easements, which are required by law to be permanent, are limited to 20 percent of the total number of easements acquired, and 5,000 acres of permanent easements may be purchased in the Red River watershed for flood control.

The Minnesota Farm Bureau Federation's support for conservation "ought not be questioned," said Al Christopherson, farm bureau president, but the group is opposed to permanent easements.

A lot can change over the course of even 10 years, including land use and new technology, he said. "In Farm Bureau's view, an easement that lasts more than one generation is indeed permanent."

It's not voluntary if the next generation is paying taxes on something they don't get revenue from, Christopherson said.

The Senate companion to the Cox bill (SF2145), sponsored by Sen. Rod Skoe (DFL-Clearbrook), awaits committee action. The Kuisle-sponsored bill does not have a Senate companion.

Restoring state park forests

Rep. David Dill (DFL-Crane Lake) is sponsoring a bill (HF2450) that would direct \$1 million to the Department of Natural Resources for accelerated forest restoration projects at state parks along the North Shore of Lake Superior.

The House Environment and Natural Resources Finance Committee heard the request March 2 and will consider it for possible inclusion in its bonding recommendations.

After intensive logging of white pines and other timber in the Arrowhead region until the 1920s or so, there were major fires in young forests along the North Shore that scorched the soil and burned the seeds, Dill said. Birch trees accounted for much of the new growth.

The state has since created several state parks in the area and those parklands are in need of forest regeneration efforts, he said.

State parks are more than camping areas and trails, Dill said. "They are also a forest and should be managed like forests" to achieve wildlife and species diversity.

Parks that would be eligible for restoration funding include Cascade River, George H. Crosby Manitou, Gooseberry Falls, Grand Portage, Judge C.R. Magney, Split Rock Light-house, Temperance River, and Tettegouche.

The bill encourages the department's parks division to seek innovative forest management techniques and partner with the forestry division, University of Minnesota, tribal officials, and county land managers, Dill said.

"I've watched the North Shore parks over my increasingly long life span deteriorate in terms of their forest cover," said Steve Thorne, a Minnesota Center for Environmental Advocacy board member.

As the birch trees slowly decay, the undergrowth converts to grass and brush rather than a thrifty stand of spruce or pine, he said.

"It's our billboard to the world," Thorne said. "We have an opportunity to make it a demonstration area for the way that particular type of forest should be managed."

The bill focuses on methods that would be appropriate for the conditions in each park, whether it's mechanical thinning, underplanting, or other cutting edge management techniques, Thorne said.

Gov. Tim Pawlenty did not recommend funding for these forest restoration efforts.

"Right now, I will make my pitch to have this be our highest priority of anything we're doing," said Rep. Phyllis Kahn (DFL-Mpls).

A Senate companion bill (SF2363), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits action in the Senate Finance Committee.

Updating DNR statutes

The House Environment and Natural Resources Policy Committee approved a technical bill Feb. 26 that aims to clean up statutes governing the Department of Natural Resources.

Among the department activities covered in HF2212, sponsored by Rep. Dennis Ozment (R-Rosemount), are electronic licensing, snowmobile safety training and youth supervision, and motorboat noise regulation.

Electronic licensing is a relatively new system, and the bill would clarify license filing fee collections between the department and approved agents and clean up language currently on the books that refers to it as a pilot program.

The bill would also grant the department authority to refund license fees to hunters and anglers called to active military service before they can enjoy the open season, and to family members of those who die before a season opener.

Another licensing provision would allow charter boat operators to issue one-day fishing licenses.

The bill attempts to address some confusion over supervision requirements for young snowmobilers on both private and public lands.

Current law states that without a snowmobile safety certificate, a person under the age of 14 may operate a snowmobile on public land, public easements, or water or grant-in-

aid trails only if accompanied by an adult on the same or an accompanying vehicle.

Under the proposal, an adult supervision clause is added that would place the adult "in a position to manage, direct, and oversee," according to the department, but the adult would not necessarily have to ride along.

Another provision would clarify in law that 16- and 17-year-olds are eligible to take the adult snowmobile safety course offered by the department.

The bill would specify that the department could test motorboats and marine engines for noise violations at idle. Current law only prescribes pass-by tests at certain distances.

This is a standard idle measurement that noise experts have agreed upon, said Kim Elverum, department boat and water safety coordinator. The idle reading is easier to use because "we don't have to have boats flying by," he explained.

The bill now moves to the House Governmental Operations and Veterans Affairs Policy Committee.

A Senate companion bill (SF2216), sponsored by Sen. John Marty (DFL-Roseville), awaits action in the Senate Environment and Natural Resources Committee.

Transporting invasive species

A bill that would clarify definitions relating to exotic and invasive species, increase penalties for transporting them, and limit activities in infested waters was approved by the House Environment and Natural Resources Policy Committee March 3.

Much of the bill (HF2363), sponsored by Rep. Denny McNamara (R-Hastings), merely clarifies the accepted definitions of invasive species in aquatic contexts, including Eurasian water milfoil, zebra mussels, and others.

Under the bill, sport gill netting for whitefish and trouts would be prohibited in waters designated as infested due to invasive fish or invertebrates.

Also, limitations would be placed on bait harvesting and commercial fishing in waters infested by Eurasian milfoil. Specifically, bait harvesters could only use minnow traps up to 16 inches wide and 32 inches long. Harvesters must allow nets used in infested waters to dry for at least 10 days or must freeze them for at least two days before they can be used in non-infested waters.

The bill also clarifies the process for commercial fishers who incidentally catch invasive species, including the Asian carp that are being found in Minnesota, to dispose of them properly.

In addition, the bill would increase criminal penalties for intentionally transporting

prohibited invasive species to a gross misdemeanor, which carries a fine of up to \$1,000. The bill would authorize conservation officers to issue warnings or civil citations to boaters who fail to drain their boats or otherwise transport invasive species incidentally.

The bill would also raise civil penalty maximums from \$100 to \$250 for transporting prohibited species.

Members expressed concern regarding the increased penalties. If a conservation officer spotted a clump of milfoil left accidentally on his boat trailer, asked Committee Chair, Rep. Tom Hackbarth (R-Cedar), could he be charged with a gross misdemeanor and fined.

Jay Rendall, exotic species coordinator with the Department of Natural Resources, said that would violate the provisions of the bill but the bill also provides for civil remedies in such cases. He testified that the intent of the bill was for penalties to reflect the gravity of damage related to transporting such species.

Considering the permanent damage to the body of water, Rendall said, "a \$1,000 penalty seems low."

Rep. Jean Wagenius (DFL-Mpls) suggested an administrative remedy might be appropriate in these situations when the motive isn't to penalize but to repair the damage.

"What we're after is getting things back to the way they should be," she said.

The bill now moves to the House Governmental Operations and Veterans Affairs Policy Committee. Its companion (SF2211), sponsored by Sen. Wes Skoglund (DFL-Mpls), received the approval of one committee and awaits action in another.



For information on DNR provisions regulating electronic licensing and snowmobile certificates, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ GAMBLING

Citizen approval needed

Residents would get to choose whether a casino-style gambling facility could be built in their city under a bill, sponsored by Rep. Ann Lenczewski (DFL-Bloomington).

The bill (HF1741) allows voters to prohibit a state-operated or state-licensed gambling facility in a city unless the voters have approved the facility in a referendum.

Approved by the House Governmental Operations and Veterans Affairs Policy Committee on March 3, the bill now goes to the House Floor.

By bill definition, a gambling facility does not include a racetrack or a facility where charitable gaming occurs.

Lenczewski said Bloomington has concerns about a casino being built near the Mall of America, which could occur under a bill (HF2571) sponsored by Rep. Lynda Boudreau (R-Faribault).

If Boudreau's bill hadn't been designed with Bloomington in mind, said Lenczewski, her bill would not be before the committee.

Taxpayers helped pay \$108 million for the development of the mall, and now others want to reap the rewards of the facility's success by building a casino in the area, said Lenczewski.

Rep. Alice Seagren (R-Bloomington), a bill co-sponsor, said the area is family friendly and a casino would not be "appropriate for our community."

An amendment by Rep. Loren Solberg (DFL-Grand Rapids) would make the cost of holding a referendum the responsibility of the municipality. The bill originally had the state picking up the cost for cities.

The Senate companion (SF1591), sponsored

by Sen. Jane Ranum (DFL-Mpls), awaits action in the Senate Agriculture, Veterans, and Gaming Committee.



For information on a bill to legalize sports tipboard gambling, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ GAME & FISH

Bound for the taxidermist

The threat of chronic wasting disease transmission to Minnesota's wild deer and elk population prompted the 2003 Legislature to place certain restrictions on hunter-harvested carcass importations.

Under the law, hunters are prohibited from bringing cervidae carcasses into the state unless the meat is cut and wrapped or no portions of the spinal cord and brain tissue remain. Health officials generally believe the abnormal proteins that cause the disease accumulate in those tissues.

These protection measures have caused difficulties for some businesses that process meat or prepare animal skins, House Environment and Natural Resources Policy Committee members were told Feb. 26.

A bill (HF2055) sponsored by Rep. Dan Severson (R-Sauk Rapids) would allow hunters to once again import deer and elk carcasses as long as they could provide verifiable evidence to conservation officers that the remains were destined for a taxidermist or meat processor.

"The reaction last year was to shut the borders down to anyone bringing a carcass in," Severson said. This resulted in a tough financial year for taxidermists in his district, he said, and some experienced a 15 percent loss in business.

The concern surrounded the possibility that hunters would be butchering and disposing carcasses "in the back 40," said Ed Boggess, assistant chief of the Department of Natural Resources wildlife section. The department is amenable to revisiting the issue, Boggess said, because licensed commercial facilities have appropriate disposal methods.

Some representatives suggested that the verification process should be in writing, given the need to trace hunters and hunting locations in the event of a disease outbreak.

"I believe we should have a paper trail," said Rep. Rebecca Otto (DFL-Marine on St. Croix).

Severson said he wants to be sure to equip conservation officers with an enforceable law and the specifics of "verifiable" could be further debated.

RACING & GAMING



PHOTO BY TOM OLMSCHIED

Randy Sampson, president and CEO of Canterbury Park Holding Corp., testifies before the House Governmental Operations and Veterans Affairs Policy Committee March 3 in support of a bill that would provide gaming machines at the Shakopee horse racing facility.

The proposal will be considered for possible inclusion in an omnibus game and fish bill.

A Senate companion bill (SF1777), sponsored by Sen. Michelle Fischbach (R-Paynesville), awaits committee action.

★ GREATER MINNESOTA

Dollars for Duluth zoo

The only accredited zoo in Greater Minnesota is looking to add a couple of exhibits containing unique and endangered animals and make some other capital improvements with a boost from the state and a local match.

Rep. Mike Jaros (DFL-Duluth) is sponsoring a bill (HF1747) that would provide the Lake Superior Zoo in Duluth with \$400,000 in bonding funds to continue with its master plan for development. The money would leverage a match of \$400,000 from the city.

The House Environment and Natural Resources Finance Committee reviewed the proposal March 2.

The Lake Superior Zoo was near and dear to the heart of late Rep. Willard Munger, Jaros said. "The last thing he told me to do was to take care of the zoo."

Specializing in northern animals, the zoo serves approximately 135,000 visitors annually, said zoo director Mike Janis. "Duluth is not exactly a kind climate for animals like giraffes and elephants."

The master plan includes developing red panda and meerkat exhibits, constructing an observation deck over a waterfall, installing restrooms, and beginning a woodland trail.

Referring to the exhibits at the Minnesota Zoo, Rep. Phyllis Kahn (DFL-Mpls) asked why duplicate exhibits such as meerkats and red pandas that are already in place there.

Red pandas are so critically endangered that a zoo management group has asked the Duluth zoo for assistance, Janis said. The Duluth climate is appropriate to the survival of the pandas, he said.

Furthermore, the exhibit designs would be considerably different, Janis said. "We're two-and-a-half hours away and... serving a geographical niche." He also compared their request to the Minnesota Zoo's request, saying it was only a fraction of what the Apple Valley facility would receive.

The request will be considered for possible inclusion in the committee's capital investment recommendations.

A Senate companion (SF1664), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits committee action.

★ HEALTH

Patient confidentiality

A bill that would change current law relating to minors' consent for health care received considerable scrutiny at the March 3 meeting of the House Health and Human Resources Policy Committee.

Current law, which has been in effect since the 1970s, permits minors to seek medical treatment and be assured of confidentiality. Parents may not view those medical records without their child's consent.

HF352, sponsored by Rep. Tim Wilkin (R-Eagan), would give parents full access to their children's health records. The bill was amended, approved, and sent to the House floor.

Current law "is not sound public policy," said Teresa Stanton Collett, a law professor at St. Thomas University. "It represents a flawed understanding of adolescent needs and family dynamics."

"No one cares more for my children than me," said Evelyn Eubanks, a mother from Minneapolis. She called the current law "counter-productive and destructive."

"I think the system works very well," said



Evelyn Eubanks of Minneapolis testifies before the House Health and Human Services Policy Committee in support of a bill that would allow parents to view their child's medical records without the child's consent.

Dr. Christopher Reif, a family physician in Richfield. He said without minor consent and teen confidentiality he fears many adolescents would not seek help when they need it.

"I embrace parental involvement," said Dr. Chuck Oberg, president of the American Academy of Pediatrics. "My concern is for minors who are not in healthy relationships with their parents. Current law helps us see these patients."

Asked Rep. Fran Bradley (R-Rochester): "What percentage of families (is) so dysfunctional that we need this wedge between parents and teens?"

"When teens feel they can turn to their parents first, they do, and they will," said Dr. Edward Ehlinger, director of Boynton Health Services at the University of Minnesota. He said confidentiality gets teens "in the door" so they can be diagnosed and treated early.

Research has shown that access to confidential health care does not increase teen participation in high-risk behaviors, Ehlinger said.

Two amendments received committee approval.

One offered by Rep. Neva Walker (DFL-Mpls) deletes the section of the bill that takes the right of consent away from minor parents regarding their own children's medical care.

The other, from Rep. Michael Paymar (DFL-St. Paul), makes an exception if the minor is a victim of incest, in which case the minor would be permitted to obtain confidential medical treatment. It would also delete the section repealing the right of a minor to obtain medical care but without guarantee of confidentiality.

A Senate companion (SF570), sponsored by Sen. Sean Nienow (R-Cambridge), awaits committee action.

Facility regulation

A bill relating to the regulation of outpatient facilities for surgery and diagnostic imaging hit a rough spot in the House Health and Human Services Policy Committee March 1 as advocates of hospital interests and clinical interests did battle before a committee that seemed as much in disagreement as the testifiers.

HF2127, sponsored by Committee Chair, Rep. Lynda Boudreau (R-Faribault), was approved and sent to the House Health and Human Services Finance Committee. A Senate companion (SF2080), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits committee action.

Among provisions of the bill are requirements for licensure of diagnostic imaging and outpatient surgery facilities, adverse health event reporting by these facilities, and disclosure to patients regarding the financial interests of health care providers in these facilities.



Thomas Thompson from St. Mary's Health Center in Detroit Lakes testifies before the House Health and Human Services Policy Committee March 1 about a bill related to the regulation of outpatient surgical centers and diagnostic imaging facilities.

Proponents said hospitals operate on a narrow margin and need the income from surgery and diagnostic services to provide funding for charity cases, emergency room care, and reinvestment.

"This bill truly creates a level playing field," said Randy Ulseth, administrator of the Kanabec Hospital in Mora. He said it would ensure that outpatient centers can't "cherry pick" the most profitable parts of the business.

"This proposal appears to be protectionism, pure and simple," said Jim Million of Fridley. Outpatient facilities provide "better access, expertise, personalized attention, and lower cost," he said. Million, testifying as a patient, also serves as chair for the Minnesota Chamber of Commerce task force on health policy.

Robert Brigham, a senior administrator for the Mayo Health System, said the system supports much of the bill but opposes the section that would require governmental pre-licensure review for outpatient facilities.

Rep. Fran Bradley (R-Rochester) suggested removing the "troublesome" section, revising it, and bringing it back for consideration before the finance committee. Boudreau agreed and committed to working with the entities to rework it.

With that section withdrawn, Rep. Jim Abeler (R-Anoka) withdrew an amendment that would convene a task force. "I do not trust the process this bill has gone through," he said.

"We all need a chance to state our thoughts."

Bradley, chair of the finance committee, said he expected committee members and representatives of the Minnesota Hospital Association and the Minnesota Medical Association to rework the bill before he would be willing to hear it in his committee.

Bonding recommendations

The House Health and Human Services Finance Committee approved bonding requests totaling \$36.8 million March 2, agreeing to the ranking proposed by Committee Chair, Rep. Fran Bradley (R-Rochester).

The House Capital Investment Committee received and discussed the recommendations March 3 but made no decision regarding them.

The top six of 14 items are those recommended by the governor for new facilities for the sex offender program and for repairs, redevelopment, or asset preservation for various projects for veterans homes and regional treatment centers.

Topping that list is a \$1.1 million drainpipe replacement project at the veterans home in Minneapolis. According to a report from the Veterans Home Board, more than 50 percent of pipes are failing due to corrosion.

The second priority is \$3 million for planning and designing new secure facilities for an expanded sex offender program at the St. Peter Regional Treatment Center.

The following projects, in descending order of priority, were recommended by both the committee and the governor:

- \$6 million for general repairs and maintenance at various veterans homes statewide;
- \$6.2 million for redevelopment, reuse, and demolition projects at five regional treatment centers;
- \$1 million for roof repairs at various state facilities; and
- \$4 million for repair and maintenance projects at regional treatment centers.

In addition, the committee recommended bonding for seven veterans home projects, not recommended by the governor. Funding of veterans home projects has the added advantage of leveraging federal funding. Recommended projects, in descending order, are:

- \$1 million for an adult day care facility at the Minneapolis home (HF1521);
- \$1.3 million for renovating clinical space at Silver Bay (HF1521);
- \$282,000 for an addition to the Alzheimer unit at Luverne (HF1521, HF2306);
- \$1.6 million for dining and kitchen renovations at Minneapolis (HF1521);
- \$2.3 million for a special care unit at Fergus Falls (HF1521);
- \$3.6 million to establish a veterans nursing

home on the Willmar Regional Treatment Center campus (HF2315); and

- \$4 million to purchase the former Minnesota Correctional Facility in Sauk Centre for use as a state veterans home (HF2441).

In addition, the committee recommended \$1.4 million in bonding for the Hennepin County Medical Center to expand and renovate its crisis intervention center (HF2112), another project not on the governor's list.



For information on the findings of the Minnesota Citizens Forum on Health Care Costs, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ HIGHER EDUCATION

Riot penalties

College students taking part in a riot could run the risk of losing state funding for their educational costs, under a bill approved by the House Higher Education Finance Committee.

HF1730, sponsored by Rep. Carla Nelson (R-Rochester), would make students at a postsecondary institution convicted of property damage or violence in connection with a riot ineligible for awards from state grant programs and they must pay the highest applicable tuition rate, including that charged to non-Minnesota students.

Nelson told the committee March 1 that the provision is similar to one the House approved as part of the committee's omnibus finance bill last year but was removed in conference committee. "The difference is that this bill has a limit of one year versus a lifetime ban, as was the case last year," she said, noting this bill would make it easier to track students and would not as severely penalize those who want to return to school later in life.

"The message is that we will not use taxpayer money to fund students who riot," she said.

Both the University of Minnesota and Minnesota State Colleges and Universities system already have student codes of conduct. In some cases suspensions and expulsions are in order.

For example, of the 22 students arrested in connection with the fall 2003 riot at Minnesota State University, Mankato, 14 were sanctioned with penalties ranging from probation to a one-semester suspension.

Jeff Thompson, vice president of the Minnesota State College Student Association, spoke against the bill, as did Sam Edmunds, state chair of the Minnesota State University Student Association. Edmunds said the bill would disproportionately affect lower income students that have

a greater reliance on state aid, it would be a double punishment, and students should not be held to a higher standard than non-students who are part of an uprising.

"You can't take money away from citizens that they don't get," Nelson responded.

Also critical was Rep. Ron Latz (DFL-St. Louis Park), who said the bill was not drafted "narrow enough" because it leaves a number of unanswered questions, including who determines what is done in "connection with a riot."

Nelson said she would be willing to work with any dissenters to address their concerns before the bill, which has no Senate companion, moves next to the House Civil Law Committee.

Bonding recommendations

The House Higher Education Finance Committee approved a list of nearly \$430.4 million in bonding requests March 3 and forwarded it to the House Capital Investment Committee.

All items requested by the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU) system are included. The MnSCU request was \$274.9 million and the university request was \$155.5 million. Gov. Tim Pawlenty recommended \$88.6 million and \$76.6 million respectively.

Some committee members had concerns with the ranking of projects because the list does not mirror that of the systems. Members ranked the projects, and committee staff compiled the choices for the final list.

Rep. Lyndon Carlson (DFL-Crystal) said he feared that if the committee ranked the projects, it could lead to a previous time when people used political pressure to get what they wanted, which ultimately led to "less than the best request we could make."

Countered Rep. Denny McNamara (R-Hastings), "In some cases I saw something that I thought was more important. I don't want to just say that we took what was given to us."

Atop the MnSCU list is \$100 million for scheduled repairs and maintenance, compared to \$49 million recommended by Pawlenty, followed by science renovations at Winona State University (\$10.2 million) and Minnesota State University, Moorhead (\$9.7 million), a technology center renovation at Century College in White Bear Lake (\$4.5 million), and renovation of the former library at St. Cloud State University into classroom space (\$2.9 million). All four were included in the governor's bonding proposal.

The top nine MnSCU items mirror the system's recommendation.

Scheduled repairs and maintenance tops the university's list at \$90 million (the governor rec-

ommended \$38 million), followed by \$9.6 million for educational facility renewal at the Academic Health Center on the Minneapolis campus, \$9.3 million for renovation of the life sciences building at Duluth, \$13.3 million for renovation of a vacant building into an Education Sciences Building on the Minneapolis campus, and a \$16.8 million Kolthoff Hall renovation on the Minneapolis campus. The governor recommended all but the health center funding, which was fifth on the university's priority list, behind the other three projects.

Two other projects heard by the committee were given a positive recommendation: \$18 million for an arena at Bemidji State University and \$20 million for a biotechnology and genomics lab in Rochester, recommended by the governor. Committee Chair, Rep. Doug Stang (R-Cold Spring) said those should be respectively funded through the Amateur Sports Commission and the House Jobs and Economic Development Finance Committee.

Doctoral degrees

Students may ultimately be able to pursue an advanced degree at a Minnesota State Colleges and Universities (MnSCU) institution, under a bill heard by the House Higher Education Finance Committee.

The measure (HF2337), sponsored by Rep. Marty Seifert (R-Marshall), would permit the system to prepare a report for submission to the Legislature that would detail the development and offerings of applied doctoral level programs and degrees. A report must be submitted by Jan. 15, 2007.

"This simply lets the schools discuss the idea," Seifert said. MnSCU would pay all costs associated with the study.

Under current law, the planning or development of doctoral level programs is prohibited until the House and Senate education committees, the Senate Finance Committee, and the House Ways and Means Committee have given a recommendation.

A moratorium was initiated on the development of such programs by the then chancellor of the State College Board in 1969. "The prohibition occurred with enactment of a statute defining the mission of the state universities in a way that excludes the awarding of doctoral degrees," said Mitchell Rubinstein, MnSCU director of academic programs. That took place in 1991.

Seifert said such programs would expand opportunities for students in Greater Minnesota, many of whom would otherwise go online for the schooling necessary for an advanced degree. The University of Minnesota and many private colleges already offer doctoral degrees.

"There has been an increased demand in a number of professional areas," said Dennis Nunes, dean of the School of Graduate Studies at St. Cloud State University, who listed speech pathologists, mental health practitioners, and school administrators as examples. Nunes said these professions demand highly prepared individuals, especially in rural parts of the state.

The Inter-Faculty Organization supports the bill, said Russ Stanton, director of government relations. "The faculty views this as a way to teach highly motivated students."

The bill will be considered for inclusion in an omnibus bill. Sponsored by Sen. John Hottinger (DFL-St. Peter), a companion bill, SF2276, awaits action by the Senate Finance Committee.

★ HOUSING

Services rendered

The House Commerce, Jobs, and Economic Development Policy Committee approved a bill Feb. 26 that would allow manufactured home park owners to collect fees for water and sewer usage.

Headed to the House floor, HF2227 would give park owners authority to install water meters for each household and bill according to usage.

Several park residents spoke against the bill, suggesting that installing meters and charging for usage is tantamount to breaking lease agreements that include water and sewage in the rent. They fear eviction if they could not afford the utility charges.

"This bill attacks the integrity of lease agreements," said Jim Paist, executive director of All Parks Alliance for Change. He said the bill violates manufactured home park laws and hurts low-income individuals.

Metering rewards residents who conserve, said Mark Lambert, owner of several manufactured home parks. He argued that metering helps find problems like running toilets. Without metering, he said, costs from such problems are spread over all residents, whether or not they are responsible.

"The goal is not to enrich park owners but to establish a fair set of rules," said Rep. Chris Gerlach (R-Apple Valley), the bill sponsor.

Current state law already allows park owners to charge residents for utility services. If there are no devices installed that accurately meter each household's usage, the park has to charge each household the same amount for the service.

Under the proposal only actual usage could be billed, and the billing statements would have to show both usage and the rate charged. Administrative costs and the cost of installing

meters could not be billed to residents.

The bill would require that park owners who install meters must either reduce the monthly rent or waive the next regularly scheduled rent increase if current lease agreements include utilities. Meters would have to be visible to residents, and billing must be either monthly or quarterly so charges can't stack up.

"The bill offers some good protections," said Ron Giteck, an attorney with the state Attorney General's Office. He said the office supports the bill because metering results in lower usage.

A companion bill (SF2268), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits committee action.



For information on affordable, life-cycle housing, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ INDUSTRY

Production tax exemption

Members of the House Taxes Committee heard a bill Feb. 26 that would clarify state law regarding the ore production tax. The bill (HF2083), which will be considered for possible inclusion in the omnibus tax bill, would specifically help a Minnesota company that is researching and developing a new value-added iron ore production technology.

The bill would provide "short-term tax relief ... between the research stage and the commercial production stage," said Rep. David Dill (DFL-Crane Lake), the bill's sponsor.

The Mesabi Nugget Research Project is working to develop the new technology at North Shore Mining in Silver Bay. The process creates concentrated iron nuggets by using scrap and salvage steel.

The bill is an initiative of the Iron Range Resources and Rehabilitation Agency, said Jack LaVoy, director of marketing, communications, and external affairs. "We believe this is the dawn of a whole new generation of iron production on the Iron Range."

Larry Lehtinen, president of Mesabi Nugget, said the \$30 million research project set for completion in September will lead to a \$200 million to \$250 million investment in about two years as the company moves to develop two production facilities at North Shore Mining. The facilities will support an estimated 600 jobs, he said.

HF2083 would amend existing law to address taxes due during developmental phases of a project. Current law provides a two-year

exemption from ore production taxes for new facilities, which would theoretically cover any research or developmental stages.

The bill would specifically define commercial production as 50,000 tons per year, which would effectively allow the research and development stage to be as long as necessary. The two-year exemption from production taxes would not kick in until a facility reached the commercial production threshold, under the bill, and a facility would then be subject to a phase-in system where it wouldn't pay 100 percent taxes until the sixth year of commercial production.

Under the bill, once a facility reaches commercial production it remains at that classification, whether its production levels fall below the 50,000-ton threshold or not.

The Mesabi Nugget project represents the first time these laws relating to reduced ore production have been used since their inception in 1995.

Lehtinen estimated the facility would produce about 6,000 tons of iron nuggets in 2004. He called the bill a "critical incentive" to investors.

A Senate companion (SF2105), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits committee action.



For information on a bill that would create a statewide health insurance pool for school employees, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ LOCAL GOVERNMENT

Alternate form of transportation

A local government could back development of an electrically powered personal rapid transit system prototype, under a bill approved March 3 by the House Local Government and Metropolitan Affairs Committee.

Sponsored by Rep. Mark Olson (R-Big Lake), HF1650 would amend state law to allow a city, county, or township to issue bonds and loan money to a public or private entity to design and build the automated transit system.

The bill, which now moves to the House Taxes Committee, could "kick start initiatives in the private sector," Olson said.

Backers of the experimental transit system that moves people in three-passenger, pod-like vehicles along an elevated guideway, are seeking up to \$6 million in local government funds as part of a public-private partnership that would build a 2,200-foot oval loop model to test system operation and safety.

Representatives of the Fridley-based Taxi 2000 Corporation, designers of the system

prototype, testified in support of the bill.

J. Edward Anderson, corporation founder and CEO, said the system is designed for urban areas with population densities of 3,000 to 4,000 people per square mile.

Anderson said downtown Minneapolis could use a personal rapid transit system to connect with the Hiawatha Light-Rail Transit line. "Without a system like this, it will be hard to distribute people downtown without congestion."

One major benefit of the system would be minimal land use, Anderson said, since posts and guideways for the system could be built adjacent to existing freeways.

The system would be "four times as efficient" as personal vehicles, "can use renewable energy, and there would be no road rage," he added.

Rep. Frank Hornstein (DFL-Mpls), who opposes the bill, said construction and operating cost estimates studied in Chicago and Cincinnati were much higher than the system backers' estimate.

"There are many, many issues involved," Hornstein said.

A companion bill (SF1574), sponsored by Sen. Michele Bachmann (R-Stillwater), awaits committee action.

Hazardous materials facility funding

The city of Hopkins would receive aid in its effort to build a new hazardous materials training facility under a bill heard March 2 by the House Judiciary Policy and Finance Committee.

HF2364, sponsored by Rep. Jim Rhodes (R-St. Louis Park), would appropriate \$500,000 in bonds to the city for the facility, which would be part of a new fire station.

One of 11 hazardous materials teams throughout Minnesota is headquartered at the Hopkins Fire Department. As such, the department is responsible for providing training to law enforcement and public safety agencies in 90 cities in a five-county area. The training regards hazardous materials incidents and terrorism awareness.

Fire Chief Don Beckering said the city's current fire station does not allow simulations or large-scale testing of equipment. Training is typically conducted at individual fire stations throughout the region, a task that proves difficult during the winter, he said.

The process would be easier and more effective, Beckering suggested, if training occurred at a dedicated training facility.

Rhodes said the state funds would constitute 10 percent of the project's overall cost, with 90 percent being contributed by the city.

The bill will be considered for inclusion in the committee's bonding recommendations.

Its Senate companion (SF2325), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits committee action.

Plat review

Counties and their civil engineers favor a bill requiring county commissioner review of city and township development proposals that abut county highways.

Cities are opposed to the notion, however.

The bill (HF1913), sponsored by Rep. William Kuisle (R-Rochester), was approved March 3 by the House Transportation Policy Committee.

According to Anoka County Engineer Doug Fischer, current law requires that a city or township solicit comments from county engineers on developers' preliminary or initial plats that would abut county highways. The city and townships are not required to heed the comments, however, which often pertain to perceived traffic problems and restrictions on future highway design and construction.

The bill would require that such plat filings be submitted to the appropriate county board for review and approval. The county commissioners' review would be limited to the amount of right-of-way dedicated to highway purposes, drainage, access, and traffic flow.

At the same time, the bill would repeal current law prohibiting counties from proceeding with county state-aid projects that traverse a city without the city's approval. Kuisle acknowledged that this provision might be overreaching and that he is not "wedded" to it.

The idea of the bill, Kuisle said, is to force counties and cities to work together on highways and access issues.

The Association of Minnesota Counties, the Metropolitan Inter-County Association, and the Minnesota County Engineers Association support the bill.

Against it are the Association of Metropolitan Municipalities and the cities of Fridley, Coon Rapids, and Andover.

"Current law works reasonably well," said David Beudet, Oak Park Heights mayor.

Allowing county boards to review and approve plats would slow the process and remove municipal consent, Beudet added. Some counties, he said, could require the penultimate or last development in an area to provide traffic improvements that benefit not only the residents of that housing project but all the city's drivers. It would be impossible to ensure the benefactors are charged their portion of their improvement.

The bill, which lacks a Senate companion, now moves to the House Local Government and Metropolitan Affairs Committee.

Seeking municipal water permits

The cities of Crystal, Golden Valley, and New Hope, which have operated under a joint water commission since the 1960s, are looking to make a long-term investment in a reliable water source.

Currently the water commission purchases treated water from the city of Minneapolis.

A bill (HF1897) headed for the House floor aims to give the three municipalities some options to ward off rate increases from Minneapolis that city managers say are becoming burdensome for residents. Dan Donahue, New Hope city manager, said rates have increased 179 percent since 1997.

The House Environment and Natural Resources Policy Committee approved the measure, sponsored by Rep. Lynne Osterman (R-New Hope), March 2.

Though they will continue to actively negotiate with Minneapolis, feasibility studies have shown drilling an independent groundwater supply from the Prairie du Chien/Jordan aquifer and building a treatment system would be a cheaper option, Donahue said.

Legislative approval is necessary before any permit requests to draw more than an average of 2 million gallons per day in a 30-day period are processed by the Department of Natural Resources.

Osterman noted that the three cities could drill individually without coming to the Legislature.

Rep. Jean Wagenius (DFL-Mpls) questioned the regional consequences to the aquifer and whether the additional draw would be sustainable.

It's not fair that these three cities would be asked to "shoulder the burden of regional choices," said Golden Valley Mayor Linda Loomis.

Ultimately, the decision to grant the permit rests with the department.

A Senate companion bill (SF1740), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits action in the Senate Environment and Natural Resources Committee.

METRO AFFAIRS

Alternative transportation

Visually impaired individuals expressed support March 2 for a bill that would allow a taxicab subsidy for those with special transportation needs.

HF1744, sponsored by Rep. Torrey Westrom (R-Elbow Lake), would direct the Metropolitan Council to spend 10 percent of its Metro Mobility expenditures in 2005 on a new program allowing taxis as an alternate form of transportation.

Metro Mobility is a bus service available to

people with disabilities who are unable to or have difficulty using regular transit service. It is offered to passengers who qualify in 89 communities in the Twin Cities metropolitan area.

Westrom, who is blind, said his efforts to get Metro Mobility to make improvements have been refused, even when those improvements would create savings. Metro Mobility services are sometimes frustrating for users, particularly those who have to wait half a day to get to their destination, he told the House Transportation Finance Committee.

"Because I am disabled and have to use Metro Mobility, I must face the possibility of spending eight hours away from my home to attend a two-hour meeting, because of Metro Mobility rules," said Thomas Heintz, legislative coordinator for the American Council of the Blind of Minnesota.

Added Ken Rogers, group president, with a guide dog at his side, "Would you put up with this type of system if you had to rely on it?"

Under the bill, the user would pay \$4 or \$5, Westrom said, as well as 25 percent of the ride's cost. Metro Mobility would pay 75 percent of the remaining cost.

Heintz said that the current Metro Mobility subsidy is \$21 per ride.

The National Multiple Sclerosis Society wrote to the committee to indicate support of taxi use by individuals with disabilities. However, Joel Ulland, public policy director, said his organization has questions about the bill.

For example, he wrote, "It is unknown if the Metropolitan Council contracts with taxi providers, will they be required to go through the extensive driver training programs that federal law requires of special transportation providers?"

Nobody from the Metropolitan Council or Metro Mobility testified.

The bill will be considered for a bonding recommendation. It lacks a Senate companion.

RECREATION

Grooming ice trails

It's not a good idea to drive an 8-ton snowmobile trail groomer on just any frozen lake, but there are places in northern Minnesota where the conditions are right, the House Environment and Natural Resources Policy Committee was told Feb. 26.

Rep. David Dill (DFL-Crane Lake) is sponsoring a bill (HF1832) that would expand state grants-in-aid trail funding eligibility and legal liability immunity to cover ice trails groomed by snowmobile clubs on Lake of the Woods, Rainy, Burntside, Crane, Little Long, Mud, Pelican, Shagawa, and Vermilion lakes.

Currently, the funding and liability protection to assist local trail advocates with construction

and maintenance of snowmobile trails is available only for land trails, with the exception of waters in Voyageurs National Park.

It's an accepted notion that snowmobile trails are on land, but trails do cross waters, Dill said, explaining that there are certain areas in his district where you can't get around on a snowmobile without crossing water.

"We've proven that it can be done safely," he said.

"We really need to be careful," said Laurie Martinson, Department of Natural Resources trails and waterways director. "We're going to focus on parts of the state where we have ice standards to begin with."

Clubs would be required to hire independent third parties to test the ice conditions, she said.

Established by the Legislature in 1973, the grants-in-aid trail program now covers more than 15,000 miles of trails. Reimbursement under the program has been competitive — not all requests are approved — and Dill was asked where the dollars would come from to cover additional miles.

There's time to work out the budget, he said, because the new ice trails would not be eligible for the program until 2005.

The bill now moves to the House Civil Law Committee. A Senate companion (SF1810), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits committee action.

Boosting metro parks funding

Metropolitan regional parks officials are advocating for a level of state capital investment in the system beyond the \$7 million proposed by the governor this year.

Rep. Kathy Tingelstad (R-Andover) is sponsoring a bill (HF2652) that would direct nearly \$10.5 million in bond proceeds toward the acquisition, rehabilitation, and development of regional parks and trails.

The House Environment and Natural Resources Finance Committee reviewed the request March 2 and will consider it for inclusion in its bonding recommendations.

Under the bill, the money would pass through the Department of Natural Resources to the Metropolitan Council. The council plans the regional park system and directs capital funds to park implementing agencies, including Anoka, Carver, Dakota, Ramsey, and Washington counties; the Three Rivers Park District of Hennepin and Scott counties; the cities of Bloomington and St. Paul; and the Minneapolis Park and Recreation Board.

Under the proposal, every \$1,000 in state investment leverages \$670 in Metropolitan Council bonds and provides for an immediate 67 percent return on investment, said John VonDeLinde, Anoka County director of parks

and recreation. The 10 park management partners fully support the bill, he said.

"This is bricks and mortar money," VonDeLinde said. "That translates into jobs for construction workers, manufacturers, and materials suppliers."

The funds would also protect nearly 1,000 acres of open space, attract tourism dollars, and reduce future requests for cash to rehabilitate aging buildings by funding preventive maintenance efforts at current rates, he said.

The bill would also restore resources beyond the governor's priority projects, VonDeLinde said, including shoreline restoration at St. Paul's Como Lake and stabilizing some historic features at Mill Ruins Park in Minneapolis.

A Senate companion (SF2380), sponsored by Sen. Ellen Anderson (DFL-St. Paul), awaits committee action.

TAXES

Credit for long-term care insurance

Individuals who purchase long-term care insurance would be eligible for a higher tax credit, under a bill heard Feb. 26 by the House Taxes Committee.

The bill (HF1968), sponsored by Rep. Paul Kohls (R-Victoria), will be considered for possible inclusion in the omnibus tax bill.

Under current law, individuals who purchase long-term care insurance may receive an income tax credit equal to 25 percent of their monthly premiums paid, but not deducted under itemized deductions for medical care. The limit for that credit is currently \$100 per person or \$200 per married couple.

The bill would raise the limit to \$500 for an individual or \$1,000 for a married couple beginning with tax year 2004.

The motive for the bill, Kohls said, is to encourage individuals to purchase private long-term care insurance in preparation for the future, rather than waiting to acquire it through public entities when they need it.

According to the Revenue Department, more than 43,000 filers claimed the credit in 2002. The department estimates that claims for the credit will grow about 5 percent each year.

"It provides a bit of insight into what tax policy can do and should do to encourage individuals ... to provide for their long-term care needs through the private insurance market," Kohls said.

Though no specific information exists regarding whether tax credits influence insurance purchasing behavior, a study is in the works. Eric Carlson, who has sold long-term care insurance for several years, said that a decrease in price does lead to a 15 percent to 24 percent increase in purchases, and tax credits are essentially a

decrease in price for the consumer.

According to the Department of Revenue, the bill would cost the state between \$12 million and \$14 million over the next three fiscal years.

Sponsored by Sen. Brian LeClair (R-Woodbury), a companion bill (SF15) is moving through the committee process.

TRANSPORTATION



Studying alternatives to gas tax

A road user task force would be developed to establish a new way to collect taxes based on road use under a bill sponsored by Rep. Ron Erhardt (R-Edina).

The House Governmental Operations and Veterans Affairs Policy Committee approved HF2210 March 1 with some changes the House Transportation Policy Committee.

The bill would encourage the Legislature to consider replacing the gas tax with a fee based on the number of miles driven by a vehicle. The task force would examine existing and alternative user tax systems.

Erhardt said the idea is driven by long-term concerns that gas tax revenues will decline due to the advancement of alternative fuel vehicles and improved vehicle mileage.

The task force would "gather studies and make decisions for the best way for highways and bridges to be funded."

- As amended, the task force would include:
- the commissioners of transportation, public safety, revenue or designees from the departments;
 - six citizen members appointed by the governor;
 - an elected county official, a county board member, and an elected township officer, all appointed by the governor;
 - three senators, one of whom must be a member of the minority caucus; and
 - three House members, with one minority caucus member.

The final report must evaluate technology and methods for identifying vehicles, collecting and reporting the miles traveled by a particular vehicle, receiving payments from participants in proposed pilot projects, reliability of technology, ease of use, public acceptance, costs of implementation and administration, and any potential evasion of accurate reporting.

The bill, which has no Senate companion, moves to the House Transportation Finance Committee.



For information on a constitutionally dedicated funding source for transit and a plan to develop a 10-ton road system in the state, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

Monday, March 1

HF2565—Demmer (R)

Transportation Policy

License plates; special veterans license plates authorized.

HF2566—Demmer (R)

Governmental Operations & Veterans Affairs Policy

Veterans outreach events provided, and money appropriated.

HF2567—Abeler (R)

Health & Human Services Policy

Medical assistance prior authorization modified.

HF2568—Hilstrom (DFL)

Judiciary Policy & Finance

Sexual psychopathic personalities and sexually dangerous persons pre-commitment detention funding provided.

HF2569—Hilstrom (DFL)

Judiciary Policy & Finance

Sexual misconduct crime maximum sentences increased, criminal sexual conduct in the sixth degree established, and patterned and predatory offender sentencing law modified.

HF2570—Lenczewski (DFL)

Taxes

Municipalities required to use fiscal disparities proceeds on expenditures that benefit the entire metropolitan area.

HF2571—Boudreau (R)

Education Policy

Casino; merit-based scholarship programs established, casino control commission established, casino license authorized, lawful gambling tax rates reduced, money appropriated, and constitutional amendment proposed.

HF2572—DeLaForest (R)

Civil Law

Class action certification requirements provided.

HF2573—Erickson (R)

Governmental Operations & Veterans Affairs Policy

Teacher retirement plan extended leave of absence programs sunset provided.

HF2574—Hilstrom (DFL)

Judiciary Policy & Finance

Bureau of Criminal Apprehension required to investigate Level III sex offenders who fail to verify their living address.

HF2575—Abeler (R)

Health & Human Services Finance

Child mental health screening limited to available appropriation.

HF2576—Latz (DFL)

Education Finance

School districts reimbursed full cost for each full paid, reduced, and free student lunch that is a special diet based on religious beliefs of the student.

HF2577—DeLaForest (R)

Civil Law

Revisor's bill correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating redundancies; and making technical corrections.

HF2578—Kahn (DFL)

Environment & Natural Resources Finance

Cedar Lake Trail extension funding authorized, bonds issued, and money appropriated.

HF2579—Kelliher (DFL)

Ways & Means

February revenue forecast date adjusted.

HF2580—Strachan (R)

Judiciary Policy & Finance

Aggressive driving crime established, reckless driving increased penalty provided, and driver's license suspension required for either crime.

HF2581—Bradley (R)

Health & Human Services Policy

Medical assistance prohibition on asset transfers for certain charitable gifts exception provided.

HF2582—Abeler (R)

Health & Human Services Finance

Nursing facility and community services payment rates increased, and money appropriated.

HF2583—Slawik (DFL)

Taxes

Charitable contribution subtraction for non-itemizers increased.

HF2584—Huntley (DFL)

Civil Law

Nonprofit health care trust defined, and requirements established for certain agreements and transactions between nonprofit health care trusts and non-charitable entities.

HF2585—Smith (R)

Judiciary Policy & Finance

Recording and registration fees surcharges increased.

HF2586—Cornish (R)

Education Policy

Immunity from liability provided for school district and district employee notification of students with a history of violent behavior.

HF2587—Slawik (DFL)

Education Policy

School safety patrol accessories and flags colors provided.

HF2588—Lenczewski (DFL)

Taxes

Single sales apportionment authorized under the corporate franchise tax.

HF2589—Nelson, M. (R)

Education Finance

Pupil funding restored for pupils that are counted as more than 1.0 pupils in average daily membership.

HF2590—Ellison (DFL)

Judiciary Policy & Finance

Restoration of civil rights and eligibility to vote required for certain offenders.

HF2591—Ellison (DFL)

Taxes

Lead hazard reduction valuation exclusion provided.

HF2592—Jacobson (R)

State Government Finance

St. Paul; Ford Building demolition funding restrictions imposed.

HF2593—Sieben (DFL)

Governmental Operations & Veterans Affairs Policy

Students who are eligible to vote granted time off from school to vote.

HF2594—Anderson, B. (R)

State Government Finance

Camp Ripley National Guard Youth Camp operation and staffing funding provided, and money appropriated.

HF2595—Vandever (R)

Local Government & Metropolitan Affairs

Legislative Commission on Metropolitan Government oversight responsibilities provided.

HF2596—Hackbarth (R)

Environment & Natural Resources Policy

Natural resources specific location data classified.

HF2597—Nelson, P. (R)

Environment & Natural Resources Finance

Natural Resources Department contracts and grants payment terms modified.

HF2598—Otremba (DFL)

Health & Human Services Policy

Prescription cost disclosure by pharmacists required.

HF2599—Otremba (DFL)

Agriculture Policy

Seed availability and competition provided, retained patented seed registration required, fee provided, account created, penalty imposed, and money appropriated.

HF2600—Jacobson (R)

Governmental Operations & Veterans Affairs Policy

Gambling oversight citizens committee created and money appropriated.

HF2601—Dill (DFL)

Taxes

Taconite aids eliminated from local government aid formula, local government aid appropriation increased, homestead credit reimbursement reductions delayed, motor vehicle tax proceeds allocation modified, and transit levies authorized.

HF2602—Johnson, S. (DFL)

Environment & Natural Resources Policy

Mercury switch collection program required by motor vehicle manufacturers.

HF2603—Solberg (DFL)

Ways & Means

State budget compliance with governmental accounting principles reports and recommendations required, and disclosure of impact of inflation on state expenditures required.

HF2604—Murphy (DFL)

Higher Education Finance

University of Minnesota-Duluth parking facility funding provided, bonds issued, and money appropriated.

HF2605—Lindgren (R)

Education Finance

Advance final payment eligibility for certain school districts provided.

HF2606—Lindgren (R)

Environment & Natural Resources Finance

Remediation fund expenditures clarified.

HF2607—Lindgren (R)

Health & Human Services Policy

Child welfare case manager qualifications modified.

HF2608—Dill (DFL)

Health & Human Services Finance
Veterans Homes Board project funding provided, bonds issued, and money appropriated.

HF2609—Thissen (DFL)

Governmental Operations & Veterans Affairs Policy
Affirmative action provisions modified.

HF2610—Zellers (R)

Education Finance
Brooklyn Park; family center funding provided, bonds issued, and money appropriated.

HF2611—Slawik (DFL)

Judiciary Policy & Finance
Local government units and public medical facilities gun ban authorized.

HF2612—Dorman (R)

Health & Human Services Finance
MinnesotaCare tax on wholesale drug distributors repealed.

HF2613—Erhardt (R)

Transportation Policy
Toll roads and bridges future construction authorization repealed.

HF2614—Erhardt (R)

Governmental Operations & Veterans Affairs Policy
Public safety radio communicators defined as essential employees, public safety radio communications operator unit created, and transition provided.

HF2615—Rhodes (R)

Jobs & Economic Development Finance
Minneapolis; Shubert center funding provided, bonds issued, and money appropriated.

HF2616—Mahoney (DFL)

Jobs & Economic Development Finance
Minnesota Partnership for Biotechnology and Medical Genomics collaborative research funded and money appropriated.

HF2617—Mahoney (DFL)

Jobs & Economic Development Finance
Employment and Economic Development Department marketing initiative money appropriated.

HF2618—Mahoney (DFL)

Jobs & Economic Development Finance
University Enterprise Laboratories biotechnology facility funding provided, bonds issued, and money appropriated.

HF2619—Smith (R)

Judiciary Policy & Finance
Public defender representation and access to government data provided, public defense co-payment deposit regulations modified, and appropriation increased.

HF2620—Clark (DFL)

Jobs & Economic Development Finance
Minneapolis; former Sears site improvement bonds issued and money appropriated.

HF2621—Meslow (R)

Judiciary Policy & Finance
DWI offense aggravating factor calculation issues clarified.

HF2622—Smith (R)

Civil Law
Court authority to grant guardians power to consent to administration of neuroleptic medications provided.

HF2623—Westrom (R)

Transportation Policy
Trailers re-categorized for purposes of dealer bond requirements and alternative bond types provided.

HF2624—Solberg (DFL)

State Government Finance
Mount Itasca biathlon and cross-country ski facility improvement bonds issued and money appropriated.

HF2625—Kuisle (R)

Transportation Policy
Transportation property acquisition provided, section marker provisions modified, land conveyances provided, right-of-way acquired, and Route No. 268 of trunk highway system turned back.

HF2626—Lenczewski (DFL)

Governmental Operations & Veterans Affairs Policy
Minneapolis Employees Retirement Fund service credit purchase for prior city employment as a permit employee authorized.

HF2627—Osterman (R)

Transportation Policy
Highway safety rest area and travel information center regulation provisions modified, and money appropriated.

HF2628—Anderson, I. (DFL)

Environment & Natural Resources Policy
Off-highway vehicle operation restrictions modified.

HF2629—Haas (R)

Governmental Operations & Veterans Affairs Policy
Planning office transfer to Department of Administration codified, forward pricing for energy purchases authorized, and Small Business Procurement Advisory Council reinstated.

HF2630—Smith (R)

Judiciary Policy & Finance
Post-conviction relief limited.

HF2631—Tingelstad (R)

Health & Human Services Policy
Human Services Department duties imposed, and foster care provider and prospective adoptive parent rights provided.

HF2632—Tingelstad (R)

Environment & Natural Resources Policy
Aquatic plant permit provisions modified.

HF2633—Gunther (R)

Environment & Natural Resources Policy
Ethanol plant environmental review exemptions provided.

HF2634—Gunther (R)

Jobs & Economic Development Finance
Petroleum inspection fee increased, fee recovery regulated, and money appropriated.

HF2635—Gunther (R)

Jobs & Economic Development Finance
Apprentice training fee due date specified.

HF2636—Erickson (R)

Health & Human Services Finance
Assistive technology money appropriated.

HF2637—Samuelson (R)

Health & Human Services Policy
Childcare, family investment program, long-term care, and health care changes provided.

HF2638—Eastlund (R)

Regulated Industries
On-farm biogas recovery facility definition clarified.

HF2639—Heidgerken (R)

Health & Human Services Finance
Nursing facility designation as metropolitan facility for purposes of medical assistance reimbursement provided.

HF2640—Davids (R)

Commerce, Jobs & Economic Development Policy
Insurance fraud law enforcement agency created, powers and duties prescribed, and insurance assessments to fund insurance fraud prevention account established.

HF2641—Harder (R)

Civil Law
Marriage administrative responsibilities modified and report required.

HF2642—Harder (R)

Civil Law
Parent education program minimum participation level in contested custody or parenting time cases required.

HF2643—Abrams (R)

Taxes
Alternative minimum tax exemption and charitable contribution subtraction modified.

HF2644—Abrams (R)

Taxes
Corporate franchise tax apportionment formula sales factor weight increased.

HF2645—Abrams (R)

Taxes
Corporate franchise tax single sales apportionment provided.

HF2646—Paymar (DFL)

Health & Human Services Policy
Denturist licensure established.

HF2647—Paymar (DFL)

Judiciary Policy & Finance
Crime victim ombudsman office, powers, and duties reestablished and money appropriated.

HF2648—Abeler (R)

Health & Human Services Policy
Clinical trial routine cost coverage required.

HF2649—Buesgens (R)

Commerce, Jobs & Economic Development Policy
Taxi service operator commercial auto policy discounts for drivers completing accident prevention courses required.

HF2650—Kuisle (R)

Taxes
Dependent care individual income tax credit modified.

HF2651—Smith (R)

Judiciary Policy & Finance
Interstate Compact for Adult Offender Supervision amended and interstate compact repeal delayed.

HF2652—Tingelstad (R)
Environment & Natural Resources Finance
Metropolitan regional park acquisition and betterment funding provided, bonds issued, and money appropriated.

HF2653—Howes (R)
Regulated Industries
Propane education and research council sunset date removed.

HF2654—Howes (R)
Education Finance
Independent School District No. 116, Pillager, fund transfer authorized.

HF2655—Abeler (R)
Health & Human Services Policy
Case management services for children with severe emotional disturbances modified.

HF2656—Wagenius (DFL)
Regulated Industries
Greenhouse gas emissions from electric generation facilities state reduction plan development required.

HF2657—Erhardt (R)
Transportation Policy
Noise barrier construction on certain trunk highways required.

HF2658—Swenson (R)
Agriculture Policy
Nuisance claims against certain agriculture operations limited.

HF2659—Swenson (R)
Health & Human Services Policy
Nursing home property reimbursement rate for previously approved moratorium exception project modified.

HF2660—Howes (R)
Environment & Natural Resources Policy
Forest management investment fund established.

HF2661—Howes (R)
Environment & Natural Resources Policy
Timber sales on tax-forfeited land provisions modified.

HF2662—Holberg (R)
Civil Law
Assessor data modified relating to government data practices.

HF2663—Stang (R)
Higher Education Finance
Higher education; telecommunications council sunset extended, Higher Education Services Office data access provided, child care grants modified, education benefits of public safety officers modified, and rules repealed.

HF2664—Lanning (R)
Education Policy
School employee background checks disqualifying crimes specified.

HF2665—Soderstrom (R)
Judiciary Policy & Finance
Lifetime supervision required for certain repeat sex offenders released from prison.

HF2666—Hornstein (DFL)
Governmental Operations & Veterans Affairs Policy
State Board of Investment pilot project authorized allowing additional investments in financial institutions rated outstanding under the Federal Community Reinvestment Act.

HF2667—Hornstein (DFL)
Education Policy
No Child Left Behind Act educational impact evaluation required in addition to evaluation of other state and federal laws requiring student testing.

HF2668—Seagren (R)
Transportation Policy
Child passenger-restraint systems and seat belts requirements modified.

HF2669—Stang (R)
Commerce, Jobs & Economic Development Policy
Financial institution investment authority regulated, and obsolete references to the credit union advisory task force removed.

HF2670—Davids (R)
Health & Human Services Policy
Insurance coverages, fees, forms, disclosures, reports, and premiums regulated.

HF2671—Kuisle (R)
Transportation Policy
Motor carrier provisions modified.

HF2672—Koenen (DFL)
Governmental Operations & Veterans Affairs Policy
Renville; RenVilla Nursing Home employees added to privatization coverage under the Public Employees Retirement Association.

HF2673—Koenen (DFL)
Jobs & Economic Development Finance
Buffalo Lake; municipal garage and city streets reconstruction funding provided for tornado damage, bonds issued, and money appropriated.

HF2674—Koenen (DFL)
Agriculture Policy
Farm tractor clock-hour meter tampering prohibited.

HF2675—Koenen (DFL)
Health & Human Services Finance
Medical assistance cost division provisions modified.

HF2676—Kohls (R)
Civil Law
Human Rights Department provisions modified relating to charge processing, sanctions, and data release; and 180-day hearing repealed.

HF2677—Kohls (R)
Civil Law
Human Rights Act technical changes provided.

HF2678—Hackbarth (R)
Environment & Natural Resources Policy
Off-highway vehicle operation provisions modified, rulemaking exemption provided, and forest classification status review provisions modified.

HF2679—Soderstrom (R)
Health & Human Services Policy
Sexual psychopathic personalities and sexually dangerous persons who have been civilly committed limited from patients' and residents' bill of rights.

HF2680—Nelson, P. (R)
Transportation Policy
License plates; special veterans license plates authorized on certain one-ton trucks.

HF2681—Magnus (R)
Education Finance
Transportation sparsity formula modified relating to education finance, and money appropriated.

HF2682—Fuller (R)
Health & Human Services Finance
Hospital payment adjustment provision modified for diagnostic related group payments.

HF2683—Anderson, J. (R)
Health & Human Services Finance
Low-rate nursing facilities reimbursement rates increased, and reimbursement provided for nursing facility medical liability insurance costs.

HF2684—Krinkie (R)
Regulated Industries
Energy reliability utility assessments implemented retroactively.

HF2685—Davids (R)
Commerce, Jobs & Economic Development Policy
Ovarian cancer surveillance tests included in medical insurance coverage for women at risk for ovarian cancer.

HF2686—Davids (R)
Commerce, Jobs & Economic Development Policy
Workers' Compensation Reinsurance Association regulated on the same basis as other domestic insurance companies.

HF2687—Haas (R)
Governmental Operations & Veterans Affairs Policy
Campaign corporate spending restrictions modified.

HF2688—McNamara (R)
Health & Human Services Policy
Minnesota Veterans Home - Hastings leave authority extended.

Wednesday, March 3

HF2689—Dempsey (R)
Taxes
Electric utility property value determination rule amendment and new rules prohibition enacted.

HF2690—Rhodes (R)
Education Policy
Personal and family financial management and investment education included as an elective for high school graduation.

HF2691—Bradley (R)
Health & Human Services Policy
Disability Council authorized to meet by telephone or electronic means.

HF2692—Johnson, J. (R)
Taxes
Property tax refund early payment authorized on returns filed electronically.

HF2693—Penas (R)
Higher Education Finance
Northland Community and Technical College remodeling and expansion projects funded, bonds issued, and money appropriated.

HF2694—Wilkin (R)
Local Government & Metropolitan Affairs
Metropolitan Airports Commission membership confirmation required, and duties and compensation range of chair increased.

HF2695—Tingelstad (R)
Resources Policy
Individual sewage treatment system programs requirements modified, account established, and money appropriated.

HF2696—Hornstein (DFL)
Taxes
Car sharing income tax credit provided.

HF2697—Strachan (R)**Judiciary Policy & Finance**

County jails authorized to purchase prescription drugs from foreign nations, bids for health care insurance coverage provided for inmates, and report to legislature required.

HF2698—Klinzing (R)**Transportation Policy**

Residential roadway definition modified to remove length limitation.

HF2699—Kuisle (R)**Taxes**

Aggregate material removal operator definition exceptions provided.

HF2700—Lesch (DFL)**Judiciary Policy & Finance**

Methamphetamine-related crimes established, restitution required in certain situations involving controlled substances, methamphetamine awareness and education account established, criminal penalties imposed, and money appropriated.

HF2701—Dempsey (R)**Taxes**

Electric generation facility property tax exemption provided.

HF2702—Otremba (DFL)**Health & Human Services Policy**

Family planning agencies authorized to refuse to offer certain family planning services.

HF2703—Sertich (DFL)**Local Government & Metropolitan Affairs**

Iron Range; county funding for a museum operated by the Iron Range Resources and Rehabilitation Agency required.

HF2704—Ozment (R)**Judiciary Policy & Finance**

Cigarettes; fire-resistant standards rule adoption required, and expedited process authorized for rule adoption.

HF2705—Dorman (R)**Taxes**

Albert Lea sales tax authorized.

HF2706—Hoppe (R)**Environment & Natural Resources Policy**

Environmental advisory councils extended.

HF2707—Boudreau (R)**Taxes**

Electric generation facility property tax exemption provided.

HF2708—Tingelstad (R)**Judiciary Policy & Finance**

Unlawful trafficking in persons crimes established, restitution required to victims, property forfeiture provided, and criminal penalties imposed.

HF2709—Boudreau (R)**Health & Human Services Policy**

MinnesotaCare limited benefit set optometric services coverage provided.

HF2710—Nelson, P. (R)**Taxes**

Sales tax prepared food definition sunset removed.

HF2711—Nelson, P. (R)**Governmental Operations & Veterans Affairs Policy**

Correctional retirement plan prior service credit payment amounts provided, and funds transferred.

HF2712—Nelson, P. (R)**Transportation Policy**

Cell phone operation prohibited in moving motor vehicle by holder of provisional driver's license or instruction permit.

HF2713—Blaine (R)**Agriculture Policy**

Private manure applicator certification program eliminated.

HF2714—Wagenius (DFL)**Jobs & Economic Development Finance**

Small scale municipal sewage treatment systems funding provided, bonds issued, and money appropriated.

HF2715—Koenen (DFL)**Agriculture & Rural Development Finance**

Agricultural Utilization Research Institute funding provided, and money appropriated.

HF2716—Koenen (DFL)**Agriculture & Rural Development Finance**

Ethanol producer payments provided at the level required by statute, and money appropriated.

HF2717—Koenen (DFL)**Jobs & Economic Development Finance**

Minnesota Technology Inc., funding reinstated.

HF2718—Vandever (R)**Transportation Policy**

Toll collection on highways limited to collection until all construction costs of the facility have been paid.

HF2719—Mahoney (DFL)**Higher Education Finance**

Bioscience endowed chairs funding provided to the University of Minnesota, and money appropriated.

HF2720—Heidgerken (R)**Commerce, Jobs &****Economic Development Policy**

Insurance Guaranty Association Act amended to improve coverage for political subdivisions of the state when their insurance company becomes insolvent.

HF2721—Dorn (DFL)**Education Finance**

Class size ratio determination method restored, and class size reduction revenue allocated.

HF2722—Cox (R)**Environment & Natural Resources Policy**

Wetlands; specifications provided for review and waivers of 401 certification under the federal Clean Water Act, and environmental review modified to take into account relevant local plans.

HF2723—Mahoney (DFL)**Jobs & Economic****Development Finance**

Bioscience industry partnership with the Minnesota State Colleges and Universities provided, and money appropriated.

HF2724—Abeler (R)**Health & Human Services Policy**

Childcare assistance, adoption and child placement, child welfare, economic supports, mental health, and continuing care for the elderly provisions modified.

HF2725—Dorn (DFL)**Education Finance**

School districts subject to the health and safety management cost cap authorized to recoup the cost of defibrillators under the health and safety revenue program.

HF2726—Mahoney (DFL)**Commerce, Jobs &****Economic Development Policy**

Manufactured home park sales notice required.

HF2727—Abeler (R)**Jobs & Economic****Development Finance**

Supported employment program for persons with severe and persistent mental illness funding cuts restored, and money appropriated.

HF2728—Mariani (DFL)**Environment & Natural****Resources Finance**

St. Paul Downtown Airport/Holman Field permanent flood control perimeter dike construction funding provided, bonds issued, and money appropriated.

HF2729—Dorn (DFL)**Taxes**

Electric generation facility sales and use tax exemption provided.

HF2730—Kahn (DFL)**Education Policy**

School board required to lease existing closed school facilities to an eligible charter school sponsor.

HF2731—Sieben (DFL)**Health & Human Services Policy**

Family planning and education increased and expanded, after-school enrichment programs provided, contraceptive information provided, family planning website created, ENABL program modified, and money appropriated.

HF2732—Sieben (DFL)**Commerce, Jobs &****Economic Development Policy**

Organ donors paid leave of absence law made permanent.

HF2733—Sieben (DFL)**Health & Human Services Policy**

Insurance discrimination against medical supplies and equipment providers prohibited.

HF2734—Cox (R)**Regulated Industries**

Hydropower importation from Manitoba study required relating to the development of renewable energy sources and related economic development in Minnesota, and money appropriated.

HF2735—Peterson (DFL)**Jobs & Economic****Development Finance**

Job opportunity building zones for small cities designated.

HF2736—Beard (R)**Regulated Industries**

Brewpubs and small brewers license fees and production level conformity provided.

HF2737—Beard (R)**Transportation Policy**

Municipal airport closure prohibited without legislative approval.

HF2738—Nelson, P. (R)
Local Government & Metropolitan Affairs
Local government alternative annexation process provided.

HF2739—Abeler (R)
Taxes
Anoka County Regional Railroad Authority authorized to exercise economic development authority powers.

HF2740—Boudreau (R)
Health & Human Services Policy
Sign language interpreter services added to medical assistance coverage.

HF2741—Larson (DFL)
Transportation Finance
Deputy motor vehicle registrars authorized to accept credit and debit card payment of motor vehicle taxes and fees.

HF2742—Larson (DFL)
Health & Human Services Finance
Prescription drug discount program eligibility provision modified.

HF2743—Swenson (R)
Agriculture Policy
Farming by business organization restrictions modified.

HF2744—Hilstrom (DFL)
Judiciary Policy & Finance
Level 3 sex offender release one-year notice to counties required.

HF2745—Kahn (DFL)
Local Government & Metropolitan Affairs
Pension deficit bonding referendum required, and draft legislation required for 2005 legislative session.

Thursday, March 4

HF2746—Demmer (R)
Education Policy
Postsecondary enrollment options program student enrollment and counseling requirements modified.

HF2747—Clark (DFL)
Environment & Natural Resources Finance
Lead abatement provisions modified, fee imposed on the sale of paint, and money appropriated.

HF2748—Clark (DFL)
Environment & Natural Resources Finance
Lead abatement provisions modified, fee imposed on the sale of paint, and money appropriated.

HF2749—Westerberg (R)
Commerce, Jobs & Economic Development Policy
Foreclosure consultants and equity purchasers regulated, contract provisions and notice requirements specified, and criminal and civil penalties imposed.

HF2750—Davids (R)
Agriculture Policy
Biodiesel content mandate provisions modified, and money appropriated.

HF2751—Slawik (DFL)
Health & Human Services Policy
Woman's Right to Know Act information required to be medically and factually accurate.

HF2752—Lesch (DFL)
Judiciary Policy & Finance
Model post-conviction DNA analysis act established providing procedures for persons convicted of crimes to establish innocence by petitioning the court for DNA analysis.

HF2753—Tingelstad (R)
Civil Law
Adoption records access modified, services provided, and data classification provided.

HF2754—Greiling (DFL)
Judiciary Policy & Finance
Discharge plans provided for offenders with serious and persistent mental illness that are released from county jails or county regional jails, and money appropriated.

HF2755—Harder (R)
Agriculture & Rural Development Finance
Grain buyers' bonds amount modified.

HF2756—Pelowski (DFL)
Agriculture Policy
Dairy and other nutritional products markets enhanced, and sale of certain beverages in public schools regulated.

HF2757—Greiling (DFL)
Education Finance
All-day kindergarten funding provided.

HF2758—Clark (DFL)
Health & Human Services Finance
Pharmaceutical care demonstration project implemented upon federal approval, and money appropriated.

HF2759—Borrell (R)
Civil Law
Labor relations documents that could reveal employee choice in a representation election classified as protected nonpublic data.

HF2760—Knoblach (R)
Governmental Operations & Veterans Affairs Policy
Gambling; legislative findings provided, attorney general legal actions directed, tribal-state compacts governing video games of chance bases eliminated, and governor directed to seek renegotiation of required new tribal-state compacts.

HF2761—Wagenius (DFL)
Regulated Industries
Wind energy competitive bid exemption provided.

HF2762—Wilkin (R)
Health & Human Services Finance
Minnesota Comprehensive Health Association minimum premium rate increased, reduced rate authorized for participation in a disease management program, Medicare-extended supplement plans phased out, and eligibility provisions clarified.

HF2763—Powell (R)
Civil Law
Motor fuel theft service charge and civil penalty increased, and civil liability clarified as not barring criminal liability.

HF2764—Davids (R)
Regulated Industries
Cable communications law technical and clarifying revisions provided.

HF2765—Olson, M. (R)
Education Policy
Character development education provided and encouraged in schools.

HF2766—Greiling (DFL)
Judiciary Policy & Finance
Model penal code provisions adopted relating to criminal responsibility of persons with a mental disease or defect.

HF2767—Ozment (R)
Environment & Natural Resources Finance
Water and soil resource management program pilot project funding provided, and money appropriated.

HF2768—Anderson, B. (R)
Civil Law
Civil action limitation period modified for personal injury based on sexual abuse against a minor.

HF2769—Koenen (DFL)
Environment & Natural Resources Finance
Minnesota River Trail from Wegdahl to Granite Falls acquisition and development funding provided, bonds issued, and money appropriated.

HF2770—Koenen (DFL)
Environment & Natural Resources Finance
Montevideo flood hazard mitigation grant provided, bonds issued, and money appropriated.

HF2771—Clark (DFL)
Agriculture Policy
Bovine spongiform encephalopathy testing required of all bovine stock slaughtered under the state meat inspection program.

HF2772—Knoblach (R)
Taxes
Income tax education credit and education subtraction provisions modified.

HF2773—Knoblach (R)
Governmental Operations & Veterans Affairs Policy
Minneapolis Teachers Retirement Fund Association investment authority transferred to the Minneapolis school district, and other investment regulation provisions modified.

HF2774—Dill (DFL)
Environment & Natural Resources Policy
Lead fishing tackle awareness and education provided, and grants provided to assist in reducing the use of lead tackle.

HF2775—Dill (DFL)
Environment & Natural Resources Policy
Sales tax portion dedicated to natural resources purposes; heritage enhancement fund, parks and trails fund, and clean water fund established; heritage enhancement council created; and constitutional amendment proposed.

HF2776—Kuisle (R)
Taxes
Nonprofit corporations authorized to manage local special service districts.

HF2777—Brod (R)
Commerce, Jobs & Economic Development Policy
Fire insurance notice requirements prescribed, and township mutual combination policies regulation modified.

HF2778—Bradley (R)
Health & Human Services Policy
Health care benefits, practice guidelines, and provider actions regulated.

HF2779—Borrell (R)
Civil Law
Data privacy provisions modified.

HF2780—Borrell (R)**Taxes**

Property tax refund property taxes payable definition modified.

HF2781—Anderson, B. (R)**Education Finance**

Building lease levy use expanded.

HF2782—Holberg (R)**Transportation Policy**

Drivers' license instruction permits duration extended to two years.

HF2783—Davids (R)**Commerce, Jobs & Economic Development Policy**

Automobile insurers prohibited from owning repair facilities.

HF2784—Walz (R)**Environment & Natural Resources Policy**

Crow Wing County tax-forfeited land sale authorized.

HF2785—Wilkin (R)**Health & Human Services Policy**

Health insurance deemed compliance provided on the basis of accreditation, information made available electronically, and consolidation of health maintenance regulation process established.

HF2786—Demmer (R)**Education Finance**

Teacher contract negotiation during the school year prohibited, and January 15 deadline for settling contracts repealed.

HF2787—Lindgren (R)**Environment & Natural Resources Policy**

Ice houses used for fishing dates and times houses may remain on the ice modified.

HF2788—Hornstein (DFL)**Local Government & Metropolitan Affairs**

Metropolitan Council election provided.

HF2789—Hornstein (DFL)**Taxes**

Fuel-efficient motor vehicles exempted from the motor vehicle sales tax.

HF2790—Olson, M. (R)**Environment & Natural Resources Finance**

Septic system tank fees modified.

HF2791—Knoblach (R)**Taxes**

Duluth sales tax rate modified.

HF2792—Rhodes (R)**Education Finance**

Special education delivery and funding task force established.

HF2793—Hausman (DFL)**Environment & Natural Resources Policy**

Local government funding provided to enforce off-highway vehicle and snowmobile laws and to repair damage caused by off-highway vehicles and snowmobiles, and money appropriated.

HF2794—Hausman (DFL)**Environment & Natural Resources Policy**

Motorized trail grants-in-aid provisions modified, and state-funded motorized recreational trails recommendations implemented.

HF2795—Carlson (DFL)**Higher Education Finance**

State higher education grant program reserve funding provided.

HF2796—Juhnke (DFL)**Agriculture & Rural Development Finance**

Agricultural shared savings loan program interest rates and priority modified.

HF2797—Beard (R)**Transportation Policy**

Highway real estate conveyances required within three months when no longer needed for highway purposes.

HF2798—Holberg (R)**Civil Law**

Marriage defined as a union between one man and one woman, and constitutional amendment proposed.

HF2799—Gunther (R)**Jobs & Economic****Development Finance**

Dislocated worker program provisions modified.

HF2800—Holberg (R)**Governmental Operations & Veterans Affairs Policy**

Information management system compliance with data practices law provided, and classification and access to CriMNet and other criminal justice agency information systems data provided.

HF2801—Nelson, M. (DFL)**Commerce, Jobs & Economic Development Policy**

Homeowner's insurance non-renewals and underwriting regulated, and discriminatory practices in automobile and homeowner's insurance prohibited.

HF2802—Clark (DFL)**Local Government & Metropolitan Affairs**

Housing authority ability to lease townhome and condominium properties to eligible tenants preserved.

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MINNESOTA INDEX

Minnesota State Capitol

Year the current State Capitol opened	1905
Years it took to construct	9
Millions appropriated for construction	\$4.5
Money left when construction was completed	\$7,000
Number of entries in contest for design of current capitol	41
Capitols, other than Minnesota, designed by Cass Gilbert	2
Minnesota State Capitols built before the current facility	2
First Minnesota Legislature to occupy the current Capitol	34th
Length of the building, in feet	434
Width, in feet	229
Exterior diameter, in feet, of the Capitol dome	89
Interior, in feet	60
Capitol height, in feet, from ground to the top of the dome	223
Year the Quadriga (golden sculpture of four horses) was placed on the Capitol	1906
Years it was restored	1994-95
Budget allowed for Quadriga construction	\$35,000
Diameter of the Rotunda, in feet	60
Feet from Rotunda floor to top of inner vaulting	142
Number of bronze statues of Civil War officers on the second floor above the Rotunda	4
Weight, in tons, of each of the eight columns in the open spaces between piers on the second floor	9.5
Column height, in feet	20
Diameter, in feet	3
Approximate weight of the chandelier hanging above the Capitol Rotunda, in pounds	2,000
Length, in feet of chain, attaching it to the dome	28
Pieces of Austrian beaded glass on the chandelier	38,844
Cost of chandelier	\$28,500
Year the first monument, Gov. John A. Johnson, was placed in front of the Capitol steps	1912
Year monument to Gov. Knute Nelson was placed across the steps from the Johnson monument	1928
Estimated number of people who visit the Capitol annually	131,000

Sources: *Minnesota State Capitol, Self-Guided tour*, Minnesota Historical Society; *The Minnesota Capitol, An Official Guide and History*, Minnesota Department of Administration; *North Star Statehouse: An Armchair Guide to the Minnesota State Capitol*, by Thomas O'Sullivan.

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

MARCH 12, 2004
VOLUME 21, NUMBER 6

In this issue:

SEX OFFENDER LAWS

MARRIAGE DEFINITION, CASINOS, AND MORE

HF2803-HF2975

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 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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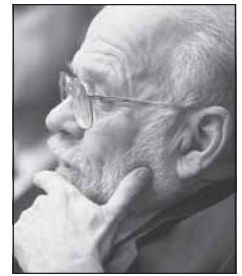
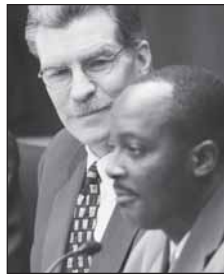
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On the cover: The snow covered statue of former Gov. Knute Nelson as a young Civil War soldier stands guard over the wet snow that hit the Capitol Complex March 5. Nelson was governor from 1893-1895, before serving in the U.S. Senate for 28 years.

—Photo by Tom Olmscheid

Life in prison

Longer sentences, better tracking, review board provisions among House proposals to change sex offender laws

By MIRANDA BRYANT

Sex offenders would be locked up for longer periods — in some cases for life without chance of parole — under a bill approved March 10 by the House Judiciary Policy and Finance Committee.

The bill passed with relatively little public testimony and was forwarded to the House Civil Law Committee. It was one of a handful of bills related to tracking and sentencing sex offenders heard recently by the judiciary committee.

Sponsored by Rep. Kurt Zellers (R-Maple Grove), HF2308 creates a mandatory life sentence without parole for most first-degree sex

next year. By then the emotional nature of the bill, spurred, he said, by the disappearance of a college student, will have subsided.

Dru Sjodin, a Minnesota college student attending the University of North Dakota in Grand Forks, was abducted in November 2003 and is still missing. A Crookston sex offender recently released from a Minnesota prison has been charged with her kidnapping. Several of Sjodin's family and friends testified in a Senate hearing regarding a similar provision.

White said he has regularly paid visits to a sex offender for the past three and a half years at the Stillwater prison through a group he declined to name.

The prisoner admits his guilt, White said, and acknowledges the need for his prison sentence. However, he is deeply sorry for his actions and says he will never commit another sex crime.

"There still is the possibility for redemption somehow, no matter how small it may be," White said.

Rep. Keith

Ellison (DFL-Mpls) said the Sjodin case brought the issue of sex offender sentencing to the public forefront like never before.

"I have my own doubts about whether we'd be here" had the man accused in the Sjodin case been civilly committed to a mental hospital following the completion of his prison sentence, Ellison said.

Strachan said Minnesota's civil commitment process for high-risk sex offenders has many problems, some of which are constitutional. Zellers added that the courts have indicated

they would rule civil commitments as unconstitutional if they continue.

According to nonpartisan House researchers, more than half of the states have life sentences, and in some cases mandatory life sentences, for sex offenders.

The bill would not stop any individual from committing a sex offense, Zellers said in response to a question from Rep. Mary Murphy (DFL-Hermantown).

"As public servants our first and foremost job is public safety," Zellers said. "In some cases we just need to put them in jail."

To be discussed by the committee at a later date is the bill's cost to the state, estimated at between \$17 million and \$18 million in 2007 and 2008, respectively. If approved, the bill would require the work of 180 state employees in 2007 across the corrections department, the court system, and the public defender's office.

Primarily, the bill would impose a life sentence without parole for most first-degree sex crimes, defined as sexual penetration or crimes involving certain sexual contact with victims less than 13 years old. The current maximum penalty is 30 years in prison.

It would also establish that life sentences can be issued for the most serious second-, third-, and fourth-degree criminal sexual conduct crimes, as well as for sexual predatory conduct. The minimum sentence any offender could serve would be two-thirds of the sentence presumed for such a crime, as laid out in guidelines. Individuals released from prison after serving the appropriate sentence would be subject to recommitment for additional offenses. (Second- and fourth-degree sex crimes involve sexual contact while third-degree involves sexual penetration. The current sentences vary from 10 years to 25 years).

The bill would also create the crime of "criminal sexual predatory conduct" in cases where the predatory crime (murder, manslaughter, assault, robbery, kidnapping, false imprisonment, incest, or first-degree burglary) was motivated by the offender's sexual impulses or has criminal sexual conduct as its goal.

A five-member sex-offender review board would also be created, under the bill, to evaluate whether individual sex offenders sentenced under the above-mentioned crimes could be released from prison. The board would be comprised of the state commissioners of corrections and human services and three gubernatorial appointees — a retired judge, a sex offender treatment professional not employed



PHOTO BY TOM OLMSCHIED

James White, left, told the House Judiciary Policy and Finance Committee March 10 that he regularly visits a remorseful sex offender at the Stillwater prison. He urged the committee to delay any action on a bill that would toughen prison sentences for sex offenders. Rep. Kurt Zellers, right, the bill sponsor, listens to his testimony.

crimes, and increases the maximum sentence to life in prison for the most serious first-through fourth-degree sex crimes.

"This is not an over-reaction," said Rep. Steve Strachan (R-Farmington), a career police officer and one of several bill co-sponsors. "This is simply a recognition that sex offenders are as dangerous as murderers."

Strachan's remarks followed testimony by the only member of the public to appear before the committee. James White of St. Paul urged the committee to forgo action on the bill until at least

by the state, and a member of the public.

The bill would also formally expand the types of cases the Department of Corrections must review in deciding whether to refer cases to the counties for possible civil commitment as a sexually dangerous person following completion of a prison sentence.

The bill's Senate companion (SF2484), sponsored by Sen. Dave Kleis (R-St. Cloud), awaits committee action.

A number of other bills, that would also change laws dealing with the state's sex offenders, were also considered and approved by the committee.

Ensuring that high-risk sex offenders moving to Minnesota from other states are subject to risk assessment and community notification laws is the aim of a bill approved March 9.

Sponsored by Rep. Morrie Lanning (R-Moorhead), HF2231 now moves to the House Civil Law Committee. It lacks a Senate companion.

Lanning said 106 registered sex offenders have moved to Minnesota from North Dakota, while only 72 have moved in the opposite direction. He suspected the reason was that Minnesota often doesn't assess the risk status of sex offenders moving here and offenders can evade community notification procedures.

HF2104, sponsored by Strachan, would clarify how homeless sex offenders are to register their whereabouts with law enforcement. It is in response to a 2003 Minnesota Supreme Court case that found a homeless sex offender is not required to register unless the individual resides at a place where mail can be received.

It was approved and sent to the House Civil Law Committee. Its Senate companion (SF1911), sponsored by Sen. Mike McGinn (R-Eagan), awaits committee action.

HF2219, sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center), would allocate \$500,000 for bracelet tracking devices to monitor high-risk sex offenders on supervised release or probation. The bill will be considered for inclusion in the committee omnibus bill. Its Senate companion (SF1893), sponsored by Sen. Wesley Skoglund (DFL-Mpls), awaits committee action.

HF2061, also sponsored by Hilstrom, would allow use of polygraph tests for sex offenders under community supervision as part of their treatment. It too will be considered for inclusion in the committee omnibus bill. Its Senate companion (SF1833), sponsored by Sen. Jane Ranum (DFL-Mpls), awaits committee action.



Correction

An employment story in the March 5 issue of *Session Weekly* misidentified a story related to unemployment insurance as dealing with workers' compensation. We regret any inconvenience this may have caused.



Plowed under

Highway department duty to clear roads during winter evolved over time

In the early 1920s when the state's road system was first developing, transportation officials and engineers learned quickly about maintaining road infrastructure and making sure those roads were usable for the state's residents and businesses.

In that context, the highway snow plowing policies grew largely out of public demands for clear, passable roads and through the need to maintain public safety.

A constitutional amendment passed by voters in 1920 created the state's trunk highway system. It was then left up to Highway Commissioner Charles Babcock, who was also the mastermind behind the trunk highway amendment, and the other officials in the department to manage that system.

Though the roads were being built, there was no budget for snowplowing, according to early reports from the highway department. As a result, snow removal was balanced with summer road maintenance, and the commissioner sided with the summer maintenance plan because traffic counts were down during the winter months.

"In view of the fact that the maintenance funds are barely sufficient to provide for the additional upkeep and maintenance of the roads during the open season," said the 1922 department report, "it soon became evident that following the establishment of the trunk highway system, that the state could not engage in a general or extensive campaign of snow removal work during the winter seasons."

As a result, in the early days, the department only provided snow removal when it needed to smooth the road surface during the freeze-and-thaw months and in situations where a snowy section of highway obstructed travel to other cleared roads.

The only exception involved Highway 1 from Two Harbors to Grand Marais along the North Shore, which served as the main supply route for the residents of Cook and Lake counties.

This policy continued until 1925 when

traffic counts in the winter dictated the need for more removal.

"This (traffic) count shows that the time has arrived and we have now undertaken to keep the entire trunk highway system open throughout the year," wrote Babcock in the 1926 report. Windstorms were the biggest problem.

In that report, Babcock acknowledged that costs for snow removal may be excessive at first, but as officials learned about the best methods, plowing would become more efficient and less costly.

Two years later, the commissioner reported, "The keeping of highways open in winter is not as difficult as might be expected."

By the late 1930s, the growing road system also led to more demands for winter maintenance. So did the shifting weather patterns. The state was paying about \$750,000 per year to remove snow and treat the roads at the end of the decade.

"Public demands are requiring that no matter what the weather conditions are, all highways should be kept open and summer driving conditions should be affected as far as possible," wrote Commissioner M.J. Hoffmann in the 1940 department report.

As the federal government began plans for an interstate highway system and automobiles were able to travel faster and farther, the commissioner again reported that the public demanded more snow removal. And it was more and more expensive. By the winter of 1955-56, snow removal and road treatment cost \$3.6 million and aimed to remove the snow as quickly as possible.

Today, snowplow operators aim to clear the roads within four hours of a storm in the Twin Cities metropolitan area and 11 hours statewide. The state spends \$407 million per biennium on overall maintenance, a small portion of which involves snow removal.

(M. KIBIGER)



A snowplow at the State Highway Department in 1935.

Photo courtesy of the Minnesota Historical Society



Editor's Note: With the first House committee deadline March 12, *Session Weekly* staff have been working day and night to cover all of the important work taking place in the House. However, 24 pages fill up fairly quickly, and a number of those stories did not fit in this week's issue.

We encourage you to visit the Session Weekly Extra page at <http://www.house.leg.state.mn.us/hinfo/swx.asp> to view the stories that didn't make it in this week and every week. This week's features include stories about trespassing laws, biodiesel mandate regulations, kosher foods, higher education concerns, state park boundaries, Asian carp, business registration, governing with common sense, local government costs, corporate income taxes, alternative minimum taxes, and other tax policy issues.

★ AGRICULTURE

Bonding recommendations

The House Agriculture and Rural Development Finance Committee approved bonding requests totaling \$45.9 million March 9 and forwarded the recommendation to the House Capital Investment Committee.

The committee's proposal exceeds Gov. Tim Pawlenty's bonding recommendation by \$5.3 million, primarily by adding the University of Minnesota's \$5.1 million request to renovate a 1907 dairy barn on the St. Paul campus for veterinary school classrooms and an alumni center.

The top priority is \$18 million for Rural Finance Authority loans for beginning and small farmers, livestock expansion, and agricultural improvements.

The committee's second-ranked priority is \$22 million to finance the state's participation in the federal Conservation Reserve Enhancement Program. The voluntary program removes marginal farmland from production near river basins to improve soil erosion and water quality.

Mirroring a bill (HF2294), sponsored by Rep. William Kuisle (R-Rochester), the committee recommendation would increase the proposed conservation acreage to 120,000, and place a 20 percent cap on permanent easements.

The governor's proposal covers 100,000 acres including watersheds from basins in southeastern and southwestern Minnesota and the Red River Valley. It proposes no limit on the number of 35-year or permanent easements.

The length of easements "is a big topic in the countryside," said Thom Petersen, director of government relations for the Minnesota Farmers Union, who testified in support of the committee recommendation.

"A lot of farmers oppose (the program)," he

said, because of potential loss of grazing land, as well as tax base and local economic impacts.

Under a program started during the Ventura administration, the state enrolled 100,000 acres along the Minnesota River watershed in the conservation enhancement program.

The state's second federal application to continue the program is "more targeted to take marginal land," said Chris Radatz, director of government relations for the Minnesota Farm Bureau, "not to take whole farms out." The Farm Bureau also supports the committee recommendation.

The scope and details of the state's application will be determined by Pawlenty.

The recommendation also differs from the governor by proposing \$245,000 for a plant pathology research "growth chamber" to be jointly developed by the University of Minnesota and the state Agriculture Department.

★ CHILDREN

Fee reduction

The House Health and Human Services Finance Committee considered a bill March 4 that would reduce child-care center licensing fees by one-third.

Last year the Legislature increased those fees by 250 percent to 300 percent as one of many measures to reduce the deficit.

The 2003 legislation had "unintended consequences" said Rep. Bud Nornes (R-Fergus Falls), sponsor of HF2094. License fees are based on the number of children cared for by a center, and some centers tried to save money by accepting fewer children.

"These fee increases were mostly passed on to customers," said Ray Frost, a lobbyist for the Minnesota Child-Care Association. He gave as an example New Horizon Child Care, for which annual fees increased by \$40,000 overall.

License fees per facility currently range between \$300 and \$2,000 a year, depending on licensed capacity. The bill would modify that to start at \$200 and top out at \$1,335. If the bill becomes law, the impact on the state government would be \$296,000 per year.

HF2094 will be considered for inclusion in the committee's omnibus bill.

A companion measure (SF2124), sponsored by Sen. Becky Lourey (DFL-Kerrick), awaits action by the Senate Health and Family Security Committee.

Child-care assistance changes

The Health and Human Services Finance Committee considered a bill March 4 that would modify the maximum rate paid for child-care assistance and would limit the number of absent days reimbursed by the state.

"The taxpayers of Minnesota are extraordinarily generous" when it comes to subsidizing childcare, said Committee Chair, Rep. Fran Bradley (R-Rochester), sponsor of HF2241. He said disparities in the current system allow people who receive state aid access to more expensive care than families paying full price can afford.

The bill would limit child-care assistance subsidies to a maximum of the 75th percentile rate in each county, regardless of the type of childcare. In addition, it would limit the number of reimbursable days for absence to 25 per child in a 12-month period, unless the child has a documented medical condition related to the absences.

Rep. Mary Ellen Otremba (DFL-Long Prairie) expressed concern that parents in rural areas would have to travel farther to find child-care at the lower price. She also said the limit on absences will be a burden for some families.

Ray Frost, a lobbyist for the Minnesota Child-Care Association, said the group was agreeable to the 25-day limit on absentee reimbursement but could not accept "rate compression."

"For-profit centers have overhead costs that family daycare providers do not," Frost said. "For the most part, you will have child-care centers no longer taking on sliding fee students."

While only 10 percent of daycare statewide is subsidized, according to nonpartisan House fiscal analysts, the percentages are much higher in the inner city. Mary Anderson, child-care manager with the Minneapolis-Saint Paul YMCA said as many as 90 percent of the children in urban daycare centers are on a sliding fee scale.

"If we cannot be reimbursed at a rate proportionate with our costs, more centers will close," Anderson said. In fact, she said, the child-care center in the downtown St. Paul YMCA is scheduled to close in mid-March.

"The bill would reduce rates to the point that centers like ours could no longer provide safe, effective childcare," said Katie Williams, director of early childhood programs for the YWCA of Minneapolis.

"I see both sides," said Casey Green, director of Child-Care Resource and Referral for Anoka County Community Action. "It bothers us that there are people on the waiting list when there are those who are absent."

The bill, was tabled to await clarification on its fiscal effect. Its Senate companion (SF2723), sponsored by Sen. Sheila Kiscaden (IP-Rochester) awaits action.

★ CONSUMERS

Protection from equity stripping

The House Commerce, Jobs, and Economic Development Policy Committee approved a bill March 9 that would protect people facing home foreclosure from scam artists.

HF2749, sponsored by Rep. Andrew Westerberg (R-Blaine), would regulate “foreclosure consultants” and “equity purchasers,” provide remedies for homeowners, and provide criminal penalties for violators. The bill moves next to the House Civil Law Committee.

In a practice known as “equity stripping,” scam artists, who represent themselves as foreclosure consultants and equity purchasers, prey on people whose homes are in mortgage foreclosure. They promise to find financing and help people stay in their homes. In practice, they keep people waiting until they have no other option, then they get them to sign complicated agreements that result in their losing whatever equity they have built in the home.

In the end, the homeowners no longer own their home, are soon evicted, and the scammer, who now owns the home, sells it at a profit, keeping the homeowners’ equity.

“We were willing to try whatever we could to get our house back,” said Sharon Carpenter, who lost her home through equity stripping. “We did everything wrong.”

Carpenter and her husband fell behind in mortgage payments after he lost his job. She said a “foreclosure consultant” promised to help by buying the house from them, renting it to them, then selling it back after a couple of years. In actuality, he evicted them after they fell behind in payments, and they were forced to move with only 20 minutes notice. She left many of her belongings behind because she had no time to pack them before being evicted.

“The guy sold the house for \$149,900. He bought it from me for \$75,000,” Carpenter said. “I feel taken advantage of.”

Gary Lavasseur, assistant commerce commissioner, said it is almost impossible to unwind one of these transactions after it has taken place. “You’re out of luck,” he said. Homeowners can sue in civil court but it is “very, very difficult.”

John Engelking, a homeowner from Cold Spring, asked lawmakers not to “throw out the baby with the bathwater.” He said after a divorce and a serious illness he fell behind in mortgage payments and used the services of a foreclosure consultant.

“I had no other option,” Engelking said. “I did give up a huge amount of equity. But the point is, I’m still in my home.”

SF2707, sponsored by Sen. Ellen Anderson, (DFL-St. Paul) awaits committee action.

Local liquor lingo

Under current law, liquor licenses are restricted from establishments within 1,000 feet of a state hospital, training school, reformatory, prison, or other institutions supervised by the corrections and human services departments.

The language has caused some confusion over exactly which institutions are included under the liquor control law.

Rep. Andrew Westerberg (R-Blaine) is sponsoring a bill (HF2816) that aims to clarify local liquor laws when they bump up to state prisons.

The House Regulated Industries Committee approved the measure March 10. It now moves to the House floor.

The bill would specify that the restrictions apply to establishments near state training schools, state reformatories, or state prisons.

Municipal jails were not intended to be within the purview of the law, said Steven Michel, Walker city administrator/treasurer.

But without clarification, he said, at least four establishments in the city of Walker could be found to be operating illegally “with some clever lawyering.”

The confusion could affect bars and restaurants across the state, he said, adding that even the Metrodome in Minneapolis has a juvenile facility located within 1,000 feet.

The bill also includes a provision, sponsored by Rep. Mike Jaros (DFL-Duluth) as HF1866, that would allow Wade Stadium in Duluth, with the approval of the Department of Public Safety alcohol enforcement division, to expand their existing liquor license by extending the serving area from enclosed beer stands to the entire stadium.

Another provision, originally offered by Rep. Mark Buesgens (R-Jordan) as HF2004, would allow Elko Speedway to serve liquor on Sundays with local approval.

Senate companion bills to all the bills await committee action.

★ CRIME

Methamphetamine penalties

A debate about whether first-time offenders charged with methamphetamine manufacturing should be automatically sentenced to prison was sparked March 4 by a bill that would strengthen current penalties and introduce new crimes and programs.

The House Judiciary Policy and Finance Committee approved HF1989. It must be presented to numerous other committees with jurisdiction over its subject matter, beginning with the House Civil Law Committee, before returning to the judiciary committee for

possible inclusion in its omnibus bill.

Sponsored by Rep. Doug Fuller (R-Bemidji), the bill would require a mandatory minimum sentence of two years for a first offense of possessing substances with intent to manufacture methamphetamine. Most substances used to “cook” methamphetamine — such as acetone, drain cleaners, batteries, salt, and cold medications containing ephedrine — can be purchased at any retail store.

Rep. Michael Paymar (DFL-St. Paul) objected to the mandatory minimum sentence, stating that no other drugs have such criminal provisions. He referenced one young woman who testified before another House committee about how she changed her life for the better after recovering from methamphetamine addiction. Under this bill, Paymar said, she would have been sent to prison automatically.

“Does that seem like justice to you?” he asked.

The committee voted down his amendment calling for the removal of the mandatory minimum sentence.

The bill would also do the following:

- require criminal restitution when the crime requires an emergency response due to the presence of dangerous chemicals,
- require notification to county health officials of clandestine lab sites in order that dwellings being used as meth labs not be occupied until assessment and remediation has been conducted,
- criminalize certain methamphetamine-production activities that could harm children or vulnerable adults,
- create a meth lab cleanup revolving fund, allowing counties and cities to apply for loans to remediate contaminated sites, and
- create criminal penalties for purchasing more than three packages or more than nine grams of any methamphetamine precursor drugs, such as those including pseudoephedrine or phenylpropanolamine. Such drugs are often found in cold medications.

According to the Minnesota Department of Health, there were 18 methamphetamine labs reported in 1999. That number skyrocketed to 425 in 2003.

The bill’s Senate companion (SF1580), sponsored by Sen. Julie Rosen (R-Fairmont), awaits committee action.

Prison guard safety

A procedure to draw blood samples from uncooperative jail and prison inmates who have exposed guards to their bodily fluids would be created, under a bill approved March 10 by the House Judiciary Policy and Finance Committee.

HF2339 would allow a blood sample to be

taken from an inmate to test for blood borne pathogens without going through a lengthy court procedure.

Robert A. Johnson, a lobbyist for Teamsters Local 320, said inmates often fight with, spit at, bite, and throw feces at corrections employees. "Working in jail facilities has become more and more of a volatile environment," he said.

Under current law, a blood sample may be drawn from an incarcerated individual to test for disease, such as Hepatitis C and HIV, if a corrections employee were exposed to a significant degree. If the inmate refuses to allow the sample, the court may be petitioned to allow the draw. However, Johnson said, the procedure can take five to six months.

"Psychologically, this officer is going through a lot of anguish as a result of not knowing," Johnson said.

Under the bill, an expedited method could be employed to obtain the blood sample. The correctional facility administrator would be required to attest that a voluntary sample was solicited; a doctor determined a significant exposure occurred; the corrections employee provided a blood sample for testing; and that a blood sample is necessary to determine the proper course of treatment for the employee.

Furthermore, the administrator would need to find that the interests of the state and the employee are greater than those of the inmate in such cases.

A successful amendment offered by Rep. Eric Lipman (R-Lake Elmo) clarified that the sample may be used only to determine proper treatment for the employee. It may not be used to prosecute additional crimes, for example, if drug use was indicated by the inmate's blood sample.

However, any findings of HIV is required to be reported to the state Department of Health, according to Mary McComb, with the Department of Corrections' legal services division.

The bill, sponsored by the committee chair, Rep. Steve Smith (R-Mound), now moves to the House floor. Its companion, SF2640, sponsored by Sen. Leo Foley (DFL-Coon Rapids), awaits committee action.

Protecting service animals

Individuals whose dogs harm service dogs, commonly used by people with disabilities, would be charged with a crime and ordered to pay restitution, under a bill approved March 5.

Sponsored by Rep. Paul Kohls (R-Victoria), HF1817 was approved by the House Judiciary Policy and Finance Committee. It applies to service animal dogs that are trained or are being trained to work or perform tasks for an individual with a disability. It does not apply to police dogs, which are covered under separate statutes.



Phil Kragne, president of Minnesota Guide Dog Users, accompanied by his seeing-eye dog, Wanetta, testifies before the House Judiciary Policy and Finance Committee March 5 in support of a bill that would provide criminal charges for individuals whose dogs harm service animal dogs, commonly used by people with disabilities.

Twenty-seven states, including Minnesota, have laws providing service animals with protection against harm by humans, Kohls said. But there are no laws addressing injuries to a service dog imposed by another canine.

An individual with a disability may not be able to recognize a pending attack or be able to stop it once an attack commences, Kohls explained.

Phil Kragne, president of Minnesota Guide Dog Users, accompanied by his seeing-eye dog, Wanetta, said that his organization's members are very concerned about dogs interfering with their service animals.

Costs resulting from injuries could include veterinarian bills, lost wages due to recovery and care for the injured dog, and in some cases the replacement of the canine, which involves further training. At times the damage to the service animal is psychological, requiring that the dog be retired, Kragne added.

"The cost to the individual can be enormous," Kragne said.

As originally written, the bill would not have included a criminal component. But in order

to seek restitution, that provision was required, Kohls said.

The criminal provision applies when a dog owner intentionally or negligently permits the dog to run uncontrolled off the owner's premises or fails to keep the dog properly confined and controlled.

The bill now moves to the House floor. The Senate companion bill (SF1614), sponsored by Sen. Chuck Wiger (DFL-North St. Paul), was approved by one committee and awaits action by a second.

Orders for protection

A bill (HF1944) that would extend protection orders for domestic violence victims when their abusers are about to be released from jail or prison passed the House 129-0 March 4.

"Personal safety is a prime concern," said sponsor Rep. Steve Smith (R-Mound) on the House floor.

Under current law, protection orders may only be extended for three reasons: violation of a past order, fear of physical harm, or actual acts of harassment or stalking. Orders are valid for a set period of time, which is often one year, and occasionally two years.

However, courts cannot extend orders indefinitely. And they are limited in extending or granting orders when the abuser is released from jail or prison because the victim can't establish that there has been contact necessitating protection.

Smith said the bill is supported by the Minnesota Coalition for Battered Women, the Domestic Abuse Project in Minneapolis, the St. Paul Domestic Abuse Intervention Project, and the Watch Project in Minneapolis.

The bill now goes to the Senate where Sen. Don Betzold (DFL-Fridley) is the sponsor.

★ DEVELOPMENT

Additional tax-free zone

A new tax-free zone would be created to spur international air cargo transportation in Minnesota, under a bill approved March 10.

HF2298, sponsored by Rep. Ron Abrams (R-Minnetonka), would create an international economic development zone somewhere within 60 miles of the Minneapolis-St. Paul International Airport. Rosemount was mentioned before the House Transportation Finance Committee as a possible location.

Qualifying businesses within the zone could forgo many taxes, including commercial and industrial property taxes, individual income taxes, and corporate franchise taxes.

Modeled after legislation passed in 2003 to create tax-free business zones in Greater

Minnesota, the international economic development zone would increase and restore competitiveness in global markets, according to supporters.

Morrie Anderson, representing the Greater Metropolitan Area Foreign Trade Zone, said that air cargo in Minnesota represents only 1 percent of the weight of all products shipped, but 50 percent of the value. However, while Chicago has 52 weekly international freighter flights, Minnesota's largest airport has none.

Gov. Tim Pawlenty said in his 2004 State of the State address that access to the global market for Minnesota businesses must be improved through the creation of a large-scale regional distribution center.

"Too many businesses have to ship through Chicago, which drives up their transportation costs," Pawlenty said.

Some legislators wondered whether the demand exists for a regional distribution center, referring to a study by the Metropolitan Airport Commission. Anderson said some businesses interviewed for that study were likely reluctant to admit what they have already done — moved their distribution activities elsewhere to access international air cargo routes.

Abrams said he's convinced there are developers willing to build the necessary 1 million square-foot building. "But for these incentives, the opportunity goes away," he said. "I'm willing to take the chance that it actually works."

Rep. Al Juhnke (DFL-Willmar) said that regional airports such as those in Willmar, St. Cloud, and Rochester should be consulted and considered as "feeder" hubs for the proposed regional distribution center.

The bill moves next to the House Taxes Committee. Its Senate companion (SF1801), sponsored by Sen. Ann Rest (DFL-New Hope), passed one committee and awaits action by a second.

★ EDUCATION

Setting educational standards

The House Education Policy Committee approved proposed K-12 public school academic standards in science and social studies March 4.

Sponsored by Rep. Barb Sykora (R-Excelsior), HF2558 would require the education commissioner to adopt standards identical to drafts the Education Department issued for science on Dec. 19, 2003, and for social studies on Feb. 17, 2004.

The bill now moves to the House Governmental Operations and Veterans Affairs Policy Committee.

Education committee members, many of whom are current and former teachers, debated

the social studies standards — which include history, geography, economics, government, and citizenship — for nearly two hours. There was no debate on the science standards.

An amendment by Rep. Jim Davnie (DFL-Mpls) to totally redraft the social studies standards was defeated.

"The existing draft can't be saved," Davnie said. "This was made with political goals in mind, not education goals in mind."

Rep. Lynn Wardlow (R-Eagan), who supported the amendment, said he was "conflicted" by proposed knowledge testing benchmarks in the standards. "There are still some attitudes, values, and beliefs in there," he said. "You can't test those."

An amendment by Rep. Ron Latz (DFL-St. Louis Park) to delay the standards for a fiscal impact note on school district implementation costs was also defeated.

The state should fully fund class curriculum

KINDERGARTEN FOR ALL



PHOTO BY TOM OLMSCHIED

JoAnne McCabe, right, a Madelia School Board member and president of the Minnesota School Boards Association, testifies for a bill that would require children under age 7 to complete kindergarten before being admitted to first grade. Her testimony came before the House Education Policy Committee March 9. Grace Schwab, governmental relations director for the association, left, also answered questions from the committee.

changes, including textbook purchases, Latz said. "It ought not to come out of already severely stressed school district budgets."

"There's a lot of flexibility," Sykora said regarding school district integration of the standards in existing curricula. "The science standards will be the only ones implemented in this biennium (2004-05)," she said.

Under the bill, social studies standards would be implemented in the 2005-06 school year. The proposed standards will replace Profile of Learning graduation requirements, which the 2003 Legislature repealed.

Statewide tests, based on the science standards, are required by federal law beginning in the 2007-08 school year. Students must take science tests once during each grade span between 3 and 5, 6 and 9, and 10 and 12.

There is no federal or state test required for social studies.

SF2780, sponsored by Sen. David Hann, (R-Eden Prairie), awaits committee action.

Bonding recommendations

The House Education Finance Committee March 4 approved six bonding requests totaling \$30.3 million and forwarded the recommendation to the House Capital Investment Committee.

The request for local education building and renovation projects is \$4.2 million less than Gov. Tim Pawlenty's proposal.

The largest project, ranked fifth by the committee, is \$16.7 million for a new Red Lake Middle School, \$5.4 million less than the governor, and half of the Red Lake School District's \$33.4 million request for the middle school, a high school addition, and renovations.

"I don't see the fairness of it," said Rep. Scott Newman (R-Hutchinson), who questioned the amount of bonding money the Red Lake district has received in recent years. "There are very significant amounts of money to that particular school district, and others are getting nothing."

"Red Lake has no tax base," said Rep. Alice Seagren (R-Bloomington), the committee chair.

Since 1992, Red Lake — the only public school district in the state on an Indian Reservation — has received \$33.5 million for new school construction and building improvements. The district has extremely low property values, according to an Education Department analysis of the district's bonding request. Most of the district land is owned in common by tribal members.

The committee approved an amendment by Rep. Len Biernat (DFL-Mpls) to add \$4.2 million to its recommendation for the proposed Colin Powell Youth Center in south Minneapolis.

The state funding, backed by Pawlenty, would

partially finance a \$12.7 million after-school recreation and training center to be operated by a collaborative of seven publicly and privately funded youth-serving organizations.

Ranked first among the committee recommendations is \$4.2 million to finance building and maintenance improvements at the Minnesota State Academies for blind and deaf students in Faribault. A building roof replacement, classroom and dining hall air quality improvements, and a gymnasium fire protection sprinkler system are among planned projects.

The second ranked bonding request is \$1 million to complete land acquisition for the existing Crosswinds Middle School in Woodbury, part of the East Metro Integration District.

Ranked third is \$3 million for library capital improvement grants. Half of the bonding money must continue to be used to improve access to library buildings for handicapped individuals. The remaining \$1.5 million could be used toward library building construction or renovations.

School funding geographic differential

Providing public education costs more in the Twin Cities metropolitan area, a fact one legislator believes the state should recognize in its basic funding formula for school districts.

That's the idea behind an "education price index," a measure of relative wage rates across the state, as proposed in HF581, sponsored by Rep. Barb Sykora (R-Excelsior).

Heard March 9 by the House Education Finance Committee, the bill was held over for possible inclusion in the committee's omnibus bill.

The bill would increase school district revenue for those districts located in regions with higher wage rates by applying the proposed index to the state's basic education aid formula of \$4,601 per pupil.

The Education Department and Department of Employment and Economic Development would annually determine the index. School districts would be placed in an education price index region.

The bill, which has no Senate companion, would not eliminate any existing state school aid formulas, Sykora said. "We would add this to our water tank full of special formulas."

"Higher labor costs are not recognized" in state education funding, said Scott Croonquist, executive director of the Association of Metropolitan School Districts, a group that represents 26 districts.

Housing costs and higher overall wage rates in the private sector mean it's expensive to live and work in the Twin Cities metropolitan area, Croonquist said. That drives a higher cost differential that af-

fects the price of public education.

"The cost differential is the missing piece of the (state funding) puzzle," said Ken Dragseth, Edina Public Schools superintendent. "It directly affects how we deliver services."

When all state formulas are considered, he said Edina ranks 77th among more than 340 school districts in the state receiving \$5,977 per pupil funding.

"Our dollar won't go as far as one for an outstate district," said Dennis Peterson, Minnetonka Public Schools superintendent.

Several Greater Minnesota representatives challenged the suburban superintendents.

"Rural districts are pinched, too," said Rep. Bud Heidgerken (R-Freeport). Tax reform enacted by the 2001 Legislature removed high value lake property and some farmland from school district property tax rolls, he said.

Incomes aren't adequate in rural areas to support schools, and "housing is not an investment," said Rep. Kent Eken (DFL-Twin Valley). "We get hit much harder."

Money for schools

Congress should increase a user reservation fee in a popular canoe wilderness area that would raise an estimated \$93,000 annually for Minnesota public schools.

That would at least begin addressing federal compensation for 87,000 acres of school trust lands located in the Boundary Waters Canoe Area Wilderness, according to a resolution approved March 9 by the House Education Policy Committee.

Sponsored by Rep. Barb Sykora (R-Excelsior), the committee chair, HF2242 urges the federal government to work with the state toward a permanent solution regarding compensation for school trust lands, which became part of the federal wilderness area more than 25 years ago.

The bill, also approved by the House Environment and Natural Resources Policy Committee March 11, goes to the House floor.

"This is a small drop of water in the pond," Sykora said, referring to a proposed \$3 increase in the wilderness area's \$12 reservation fee.

Friends of the Boundary Waters Wilderness, a group supporting the bill, estimated that the \$3 increase could yield \$93,000 annually for the state's Permanent School Fund.

The fund provides annual financial support for public school districts from lease and fee revenues generated on 3.5 million acres of state-held school trust and mineral rights lands.

The Department of Natural Resources manages the school trust lands that Minnesota has held since statehood.

The bill urges the state's congressional delegation to initiate a federal land trade with the

state, a payment for the school trust acreage, or a combination of the two, Sykora said.

Sarah Strommen, political director of the wilderness friends group, said a federal payment of \$10 million discussed in 1997 for the trust lands was stopped by "some state legislators who wanted to discuss more options."

Neither a "massive exchange" of state land within the wilderness area for federal land outside of it, nor a federal buyout are "good, feasible options," Strommen said. "The land exchange carries enormous transaction costs, and the lack of federal acquisition funds hinders a timely purchase."

Memorial resolutions passed by the Legislature don't require the governor's signature and are sent directly to the state's congressional delegation if passed by both the House and Senate.

The Senate version (SF2222), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits action on the Senate floor.

★ EMPLOYMENT

Affirmative action provisions

State affirmative action provisions would become more in line with federal law, under a bill approved by the House Governmental Operations and Veterans Affairs Policy Committee March 8.

Sponsored by Rep. Paul Thissen (DFL-Mpls), HF2609 calls for the commissioner of employee relations to establish goals for each of the federal Equal Employment Opportunity categories applicable to state employment. However, it reduces the number of factors used in setting state affirmative action goals from five to two.

The remaining factors would be the percentage of members of each protected class in the recruiting area who have necessary skills, and the availability for promotion or transfer of members of protected classes in the recruiting area population.

Areas that would be omitted include:

- the extent of unemployment of members of protected classes in the recruiting area population,
- the existence of training programs in needed skill areas offered by employing agencies and other institutions, and
- the expected number of available positions to be filled.

Thissen said the bill is an attempt to streamline paperwork and reporting for the Department of Employee Relations.

The bill also defines "goal unit" for the purposes of affirmative action as "the group of jobs in an agency or agency subdivision to one of the federal Equal Employment Opportunity occupation categories applicable to state employment."

There was no opposition to the bill, which now goes to the House floor.

A Senate companion, SF2376, sponsored by Sen. Chuck Wiger (DFL-North St. Paul), awaits action on the Senate floor.

Contract negotiations

A bill that would prohibit teacher contract negotiations during the school year was initially defeated March 9 by the House Education Policy Committee but approved on a second vote.

Sponsored by Rep. Randy Demmer (R-Hayfield), HF2786 would prohibit a school board from negotiating an employment contract with the teachers' union between the first day and last day of the school year.

The bill, which now moves to the House Education Finance Committee, would also eliminate a Jan. 15 agreement deadline for teacher contracts. That deadline was suspended for the 2004-05 biennium by the 2003 Legislature.

The bill, which has no Senate companion, initially failed on a tie vote, but Demmer moved later in the meeting to reconsider the vote. It then advanced.

"I really see (the bill) as a pro-kid initiative," said Demmer, a former school board member. "It's bad policy to have this stuff going on while school's going on."

Rep. Dean Urdahl (R-Grove City), a high school history teacher, opposed the bill.

"If (teachers) don't settle, they go to next June," he said. "You'd never recapture (any wage increase) in a settlement. In this system, everything would be with the school board."

Grace Schwab, director of government relations for the Minnesota School Boards Association, said the group supported repeal of the Jan. 15 contract deadline, but was neutral on the bill as a whole.

Jan Alswager, manager of government relations for Education Minnesota, the state teachers union, also opposed the bill. Without a contract deadline, she said, settlements are "pushed back and back and back."

Summer scheduling conflicts, and the inconsistent date districts learn of state aid allocations would squeeze the time needed to reach a contract, Alswager said, if bargaining were restricted as the bill proposed.

At the beginning of the 2003-04 school year, 19 local teacher agreements had been settled, but 321 had not yet been, she said.

Two years earlier, when there was also no Jan. 15 deadline, just 89 of the state's 341 districts had reached settlements by that date. In 2000, 98 percent of school districts had settled their contracts when there was a deadline.

ENERGY



Hope for hydrogen

The University of Minnesota recently began a \$20 million renewable energy research initiative. Scientists, engineers, and industry personnel are advocating for a way to boost collaborative efforts between the university and state, federal, and private partners.

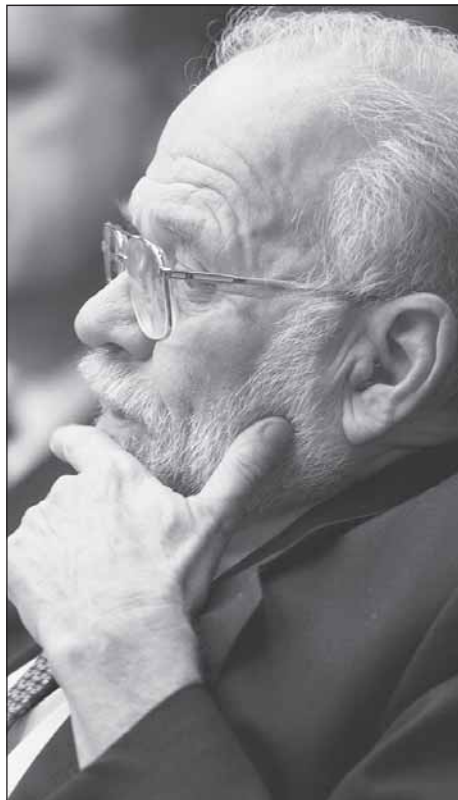
Rep. Al Juhnke (DFL-Willmar) is sponsoring a bill (HF2229) that would provide funding for research into creating hydrogen from ethanol to be used to produce affordable energy.

The bill would direct an as-yet undetermined sum to the Department of Agriculture for grants to the University of Minnesota or other eligible entities to continue research on making hydrogen from ethanol and ultimately create a demonstration project using the hydrogen to supply electricity to selected Minnesota consumers.

The House Agriculture Policy Committee approved the measure March 10. It now moves to the House Agriculture and Rural Development Finance Committee.

Lawmakers heard an overview of the science behind the ethanol conversion process from Lanny Schmidt, a chemical engineering professor at the university.

The initiative is organized into different



Lanny Schmidt, a chemical engineering professor at the University of Minnesota, testifies before the House Agriculture Policy Committee March 10 in support of a bill that would provide funding to research the production of hydrogen from ethanol to be used to create affordable electricity.

groups to examine hydrogen, energy efficiency, bio-products and bio-energy, and environmental policy, Schmidt said.

The timeline of a total switch from fossil fuels to renewable sources is unclear, he said, but the state does have an abundance of organic material from which to eventually derive renewable energy.

"Somebody has said the Upper Midwest is the Saudi Arabia of biomass," Schmidt said. "I think that's a cool phrase."

In order to make renewable energy successful, he said, you need an available resource, a solid supply infrastructure, a distributed rather than centralized system, and an affordable product at the end.

The university should involve itself solely in pre-competitive research, Schmidt said, and the collaborative partners should take it from there.

A companion bill (SF2521), sponsored by Senate Majority Leader Dean Johnson (DFL-Willmar), awaits committee action.

Reviewing renewable energy

The House Regulated Industries Committee has reviewed several renewable energy initiatives this year that the committee chair, Rep. Torrey Westrom (R-Elbow Lake), has bundled into intellectual fodder for an interim advisory group.

Westrom is sponsoring a bill (HF2806) that would create a renewable energy working group to advise lawmakers on a number of policy and funding issues facing the Legislature, regulators, and the energy industry.

The committee approved the measure March 10. It now moves to the House Governmental Operations and Veterans Affairs Policy Committee.

The 18-member task force would include one representative from the following groups: investor-owned utilities, municipal electric utilities, cooperative electric associations, environmental advocates, developers of large-scale wind energy projects, community energy developers, local governments, business customers, biomass or other renewable energy projects, the residential utility unit of the Minnesota Attorney General's Office, the Department of Commerce, and the Midwest Independent System Operator.

Under the bill, members would be appointed by the chairs of the Legislative Electric Energy Task Force and the chairs of the House and Senate committees with primary jurisdiction over energy policy. Staff would be supplied by the House and Senate research department employees who assist the legislative energy task force with bill drafting and policy analysis.

The working group's expenses not subject to task force approval would be capped at \$10,000.

The group would be charged with the following tasks:

- compile an inventory of existing and developing renewable energy projects in the state,
- determine the extent to which current and future electric transmission capacity in Minnesota may be a constraint to the development of both conventional and renewable electricity production, and
- recommend how existing state policies and programs to develop renewable energy could be amended, coordinated, and integrated.

The bill, which has no Senate companion, requests the report from the group by Dec. 1, 2004.

★ ENVIRONMENT

Bonding recommendations

The House Environment and Natural Resources Finance Committee finalized a bonding proposal March 4 that would direct nearly \$144.4 million toward the state's environmental efforts.

The request, which matches the bottom line of the governor's recommendations with a few shifts in priorities, now moves to the House Capital Investment Committee. It includes the following agencies and capital investment levels.

The Department of Natural Resources would receive the largest portion, \$70.2 million.

Some of the larger budget items include \$23.6 million for flood hazard mitigation grant projects, \$12 million for critical habitat acquisition, and \$5.8 million for state park building development. The department's capital investment outlays also include myriad other items such as science and natural area acquisition, stream protection, state park reforestation, and a grant to the Lake Superior Zoo in Duluth.

The Board of Water and Soil Resources would receive nearly \$24.4 million plus \$2 million from the general fund to enroll 100,000 acres from three watersheds, including basins in southeastern and southwestern Minnesota and the Red River Valley, in a Conservation Reserve Enhancement Program. The program is a voluntary arrangement aimed to reduce sedimentation and soil erosion by encouraging landowners to set aside marginal or environmentally sensitive agricultural land along waterways.

The board also would receive nearly \$4.4 million for local government road wetland replacement projects.

A little more than \$20 million is earmarked for the Minnesota Zoological Gardens, including \$18 million for new exhibits, \$2 million for scheduled repairs and maintenance, and

approximately \$1 million in fiscal year 2005 as the state assumes debt service on the zoo's marine education center.

The Pollution Control Agency would receive \$14 million to keep on track with remedial design and construction work at 11 sites involved in the Closed Landfill Program.

Under the program, the state assumes responsibility for the clean-up process at qualified closed, publicly owned, solid waste landfills in an attempt to protect groundwater and air quality and reduce liability exposure for landfill owners, operators and waste generators.

Remedial construction work includes designing and building covers, gas release prevention systems, and ground water treatment systems.

The Metropolitan Council would receive \$7 million to put toward the acquisition, rehabilitation, and development of metropolitan regional parks and trails.

And, the Office of Environmental Assistance is slated to receive \$5.8 million to provide grants to help cities, counties, solid waste management districts, and sanitary districts implement integrated solid waste management systems.

★ FAMILY

Defining marriage

A bill that could ultimately let state voters decide whether to limit the definition of marriage in Minnesota to that between a man and a woman cleared its first hurdle March 9.

The House Civil Law Committee approved HF2798 as did the House Ways and Means Committee March 11. It now moves to the House rules committee.

The bill, sponsored by the committee chair, Rep. Mary Liz Holberg (R-Lakeville), proposes

that an amendment to the state constitution be placed before voters in November.

The question would read: "Shall the Minnesota Constitution be amended to provide that marriage or its legal equivalent is limited to only the union of one man and one woman?" The bill would preclude civil unions in Minnesota without a separate constitutional amendment.

With hundreds of people interested in attending the committee meeting, unusual measures were taken to control access. Admission tickets were issued and overflow seating was arranged in a separate room equipped with a television monitor. Public testimony was strictly limited to give each side equal time.

Teresa Collett, a law professor at the University of St. Thomas, briefed legislators on marriage legislation in other states and countries, stating that the "current attack" on the Defense of Marriage Act has accelerated at an unprecedented pace. Legislation has been introduced in more than 35 states to define marriage in the traditional way, according to stateline.org.

"I do not want this state in the business of issuing love licenses," Collett said.

Ann DeGroot, executive director of Outfront Minnesota, said that prohibiting gay marriage disallows all but heterosexuals from the 1,138 civil benefits for married couples.

"We are asking you to not put our families and our relationships in harm's way," DeGroot said.

Mike Fry of Minneapolis testified that he and his partner, George, were married in February in San Francisco. "Whether our relationship is sin or is sacrament ... is not up to you," he said.

Brian Walker of Brooklyn Center said that without the bill, the state's constitution would most certainly be challenged, leaving the matter to the state Supreme Court. "This cannot be left up to the whims of court justices," Walker said.

The bill's Senate companion (SF2715), sponsored by Sen. Michele Bachmann (R-Stillwater), awaits committee action.



Before a packed committee room, the House Civil Law Committee approved a bill March 9 proposing a constitutional amendment that, if approved at the polls in November, would limit the definition of marriage to that between a man and a woman.

★ GAMBLING

Helping problem gamblers

The House Health and Human Services Finance Committee considered a bill March 9 intended to “jump start” a program to increase public awareness of problem gambling and the resources available to those affected by it.

HF1977, sponsored by Rep. Laura Brod (R-New Prague), would make a one-time appropriation of \$75,000 from the state lottery prize fund to the commissioner of human services for a grant to the Northstar Problem Gambling Alliance.

The bill will be considered for inclusion in the committee finance bill. A companion bill (SF2146), sponsored by Sen. Thomas Neuville (R-Northfield), awaits a hearing in the Senate Agriculture, Veterans, and Gaming Committee.

The bill would require the alliance to:

- increase public awareness of problem gambling,
- promote the widespread availability of treatment for problem gamblers and their families, and
- encourage education, research, and prevention.

The \$75,000 grant would be contingent on an equal amount of matching funds from other sources.

The University of Minnesota has one of the finest research programs in the country for dealing with problem gambling, said Lance Holthusen, executive director of the alliance. “But it’s mostly under-funded.”

The alliance, located in the Sibley County community of Arlington, is a non-profit organization that represents all those with a vested interest in gambling, those who provide help for problem gamblers, and researchers examining problem gambling.

“Given their differences, the commonality that brings all these people to the same table is a concern for the problem gambler,” Holthusen said.

“Gambling addiction hasn’t been addressed as much as alcohol and other addictions,” said Marjorie Rapp, an attorney with Bridgport Family Law Center in St. Paul. She said the effects of untreated gambling addiction are similar to other addictions. They include divorce, child neglect and abuse, depression, suicide, and crime.

Among the efforts of the alliance, Rapp said, is the formation of a judicial task force that will work toward creation of a gambling court.

The Department of Human Services has also been working on gambling addiction. Its Compulsive Gambling Treatment Program was established in 1989. It also has a hotline for problem gamblers.

“This bill is not meant to duplicate what’s being done at the department but to supplement it,” Brod said.

Rep. Fran Bradley (R-Rochester), the committee chair, asked for a specific breakdown of how the funds were to be used. Holthusen said he would provide those details.

Tribal casino plan

A proposed casino that would be a partnership between the state and one or more American Indian tribal governments was approved by the House Governmental Operations and Veterans Affairs Policy Committee March 5.

Sponsored by Rep. Bill Haas (R-Champlin), HF2135 would permit the Minnesota State Lottery to operate gaming machines at a facility in the Twin Cities metropolitan area and would also allow the operation of a card club. Currently, Canterbury Park in Shakopee is the only facility on non-Indian lands allowed to have a card club.

Haas said the bill is about equity and economic development.

Doyle Turner, chair of the White Earth Reservation, told members of the poverty-like conditions on the Indian reservation. He said a casino would provide the funds to build infrastructure and provide economic development. Haas added that proceeds would help move people off welfare dependence and provide skilled jobs.

Opponents of the bill include the Mille Lacs Band of Ojibwe, who operate Grand Casino Mille Lacs and Grand Casino Hinckley. Tribal

representatives claim that the majority of the clientele visit from the Twin Cities metropolitan area and a new casino would reduce the number of visitors.

Under the plan state revenue from the machines would come from a 20 percent tax on gross revenue, with the Red Lake Nation and White Earth Band of American Indians receiving 60 percent of the revenues.

A gaming fund in the state treasury would be established, under the bill, with the monies divided as follows:

- 3 percent deposited in a gaming facility proceeds fund, to be equally divided between the city and county where the casino is located;
- 1.5 percent to the Department of Education for the Indian education program and for schools in Minneapolis, St. Paul, Bemidji, and Duluth;
- 1.5 percent to the Department of Human Services for programs and services for minorities and urban American Indians;
- 1.5 percent to the Department of Employment and Economic Development for a grant to a nonprofit organization that provides loans and business education to minorities and urban Indians;
- 1.5 percent to the housing finance agency for affordable housing for minorities and urban American Indians;
- 1 percent to the Department of Human Services for a compulsive gambling treatment program, with the department



Gordy Adams, Jr. left, from the Boise Fort Reservation, testifies before the House Governmental Operations and Veterans Affairs Policy Committee March 5 in opposition to a number of bills that would provide for a state-run casino. Doyle Turner, right, chair of the White Earth Reservation, spoke in favor of one such measure.

required to provide culturally sensitive approaches to gambling treatment for minorities and American Indian communities, and

- 90 percent to the general fund.

The bill now goes to the House State Government Finance Committee. A companion bill (SF2015), sponsored by Sen. Sandra Pappas (DFL-St. Paul), awaits action in the Senate Agriculture, Veterans, and Gaming Committee.

Simulcasting and a card room

Minnesotans wanting to bet on the ponies or legally play some poker could have a new place to go, under a bill approved by the House Governmental Operations and Veterans Affairs Policy Committee March 5.

Sponsored by Rep. Jim Abeler (R-Anoka), HF1208 would permit a proposed harness racing facility in Anoka County to offer simulcasting of any type of horse racing and operate a card club.

Originally the bill called for a constitutional amendment to allow casinos at racing facilities, but Abeler amended the bill to include only simulcasting and a card club.

The card room would allow for additional purses, in the first year, of approximately \$823,000, with an additional \$704,000 from simulcasting, said Greg Budach, representing Minnesota Harness Racing, Inc. Additionally, the new track would give standardbred horses, used in harness racing, a venue to show their product.

Budach said harness racing isn't given an opportunity to race at Canterbury Park in Shakopee, and he "doesn't believe it's going to hurt Canterbury at all."

Currently, harness racing occurs at county fairs and similar events, because purses are not large enough to support Canterbury-type races, he said.

Cort Holten, representing the Minnesota Horsemen's Benevolent and Protective Association, testified against the proposal. He said the direct competition of standardbred versus thoroughbred racing at a new track would be a "fatal blow" to thoroughbred racing in Minnesota.

Also testifying against the measure were representatives from the Mille Lacs Band of Ojibwe. A card club would create a direct competitor to the gaming business at the two Grand Casinos it operates and take away patrons. And allowing the new facility could lend itself to further gaming expansion down the road.

Rep. Phyllis Kahn (DFL-Mpls) successfully offered an amendment that would allow for a taxation study by the revenue commissioner.

The study would include:

- types of revenue received by card clubs and amounts,

- current uses of revenue,
- taxation of card club and pari-mutuel wagering revenues in other states, and
- alternative methods of taxing card club revenues, and the effect of each on state revenues, card club and racetrack operations, and the racing and breeding industry in Minnesota.

The bill now moves to the House State Government Finance Committee. A Senate companion (SF909), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits action in the Senate Agriculture, Veterans, and Gaming Committee.

Lottery oversight

Several changes to state lottery operations would occur under a bill approved by the House Governmental Operations and Veteran's Affairs Policy Committee March 8.

Rep. Tim Wilkin (R-Eagan), the sponsor of HF2199, said the bill is in response to a recent legislative auditor's evaluation of the lottery. That report found concerns in a number of areas, including: promotional spending, the amount of leased space, and staffing levels.

One change, under the bill, would give the governor the responsibility for appointing the state lottery director.

The bill also would require the director to submit a budget in compliance with the rules, format, and instructions established by the commissioner of finance and would create a task force to study and make recommendations regarding the future organization of the lottery.

Additionally, the bill lowers the operating expenses for fiscal years 2004 and 2005 to \$27.4 million from \$43.5 million. The expenses must not come from a direct function of lottery sales, which include the cost of lottery prizes, monies paid to lottery retailers as sales commissions or other compensation, costs to produce and deliver scratch game tickets, and amounts paid to an outside vendor to operate and maintain an online gaming system.

Rep. Phyllis Kahn (DFL-Mpls) successfully offered an amendment, suggested by the Minnesota Center of Environmental Advocacy, that added two items — the intent that the lottery maximize proceeds to state beneficiaries as identified by the constitution and the Legislature and that the director is accountable for returning the maximum proceeds to the state.

The bill now goes to the House State Government Finance Committee. A Senate companion (SF2181), sponsored by Sen. Ann Rest (DFL-New Hope), awaits action on the Senate floor.

Private casino proceeds

A plan that would propose a change to the state constitution and provide scholarship money for college students from private casino proceeds was heard March 5 by the House Governmental Operations and Veterans Affairs Policy Committee.

The committee deferred action on HF2571, sponsored by Rep. Lynda Boudreau (R-Faribault), with no firm plans on when the bill might be taken up again.

The bill would establish \$2,500 scholarships for all students with a 3.0 grade-point average attending four-year schools, and annual vocational technical school scholarships of \$2,000 would be available for students with a 2.0 grade-point average.

Additionally, Boudreau told committee members her proposal is one of the few casino proposals before the Legislature this session that would also provide strict oversight of casino operations. That would be accomplished through the establishment of a casino control commission and a casino control board.

The commission would issue one private casino license through an application process. A license would be good for up to 20 years, with renewal available every 10 years thereafter.

However, before any of this could occur, voter approval would be needed.

The proposal calls for voters in the 2004 general election to decide whether the state constitution should be changed to allow for the Legislature to license, tax, and regulate a non-Indian private gaming casino with revenues dedicated to scholarships and other purposes.

Under the bill, the casino must be built in the Twin Cities metropolitan area, within one mile of an interstate highway, and could be as large as 200,000 square feet.

Testifying against the measure were representatives from the Mille Lacs Band of Ojibwe, who operate Grand Casino Mille Lacs and Grand Casino Hinckley. Tribal representatives claim that the majority of their clientele visit from the Twin Cities metropolitan area and a casino there would reduce the number of visitors to their gaming facilities.

Boudreau's bill has no Senate companion.

★ GAME & FISH

Managing Lake Mille Lacs

Under a federal court order to share in resource management, the 1837 Ceded Territory Fisheries Committee comprised of state and tribal biologists meets to determine the appropriate harvest levels for Lake Mille Lacs.

Some resort owners and other local anglers have objected to those meetings being closed

to the public, saying the fisheries committee is violating state open meeting laws.

A bill (HF2069), sponsored by Rep. Sondra Erickson (R-Princeton), would require that the fisheries committee open its doors for observation to a limited number of people.

The House Environment and Natural Resources Policy Committee approved the measure March 4. It now moves to the House floor.

Under the bill, those permitted to attend the meetings would be:

- three representatives from the media, including one from the Lake Mille Lacs area and two others chosen by the Department of Natural Resources through a lottery process;
- two members of the Lake Mille Lacs Fisheries Input Group, a group comprised of local business interests and anglers;
- House and Senate environment and natural resources policy committee chairs; and
- a biologist who is not an employee of the department.

The department biologists do not have the appropriate negotiating skills, said Linda Eno, a Mille Lacs resort owner. "They're negotiating my livelihood and the state of Minnesota's resources away."

Opponents expressed concerns that the open meeting requirements could infringe upon the federal court order or sovereign treaty rights.

A Senate companion bill (SF1998), sponsored by Sen. Betsy Wergin (R-Princeton), awaits committee action.

Data privacy for habitat management

The Department of Natural Resources collects a variety of information on the state's plant and animal species in the course of daily habitat management and ecological services work.

A bill, sponsored by Rep. Tom Hackbarth (R-Cedar), would classify as nonpublic specific data relating to the location of protected or endangered animals and plants if disclosure would hinder management or species survival.

The House Environment and Natural Resources Policy Committee approved the measure March 9. It now moves to the House Civil Law Committee.

Under the bill (HF2596), the department is granted authority to use the classification on so-called "specific location data" that identifies the sites of protected wild animals and endangered or threatened plants and animals, or those of special concern.

These species could include game and fish that are protected by certain hunting and angling seasons or by the manner in which they are taken. The department maintains a list of threatened and endangered plants and animals

that currently includes eastern spotted skunks, paddlefish, and prairie milkweed.

The bill specifies that the department could release nonpublic data if disclosure would aid the environmental review process, research, education, conservation planning, or provide information to landowners that promotes plant and animal protection.

The bill also would allow the department to ask people to include a justification for receiving specific location data.

Richard Neumeister, a citizen lobbyist interested in data privacy issues, expressed concerns about handing the department discretionary power to decline a request without putting in place an appeals process.

A companion bill (SF2589), sponsored by Sen. Don Betzold (DFL-Fridley), awaits Senate Judiciary Committee action.

★ HEALTH

Smoke-free facilities

A ban on smoking in state treatment facilities that went into effect on Jan. 1, 2004 has been upheld. The House Health and Human Services Policy Committee voted March 8 against a bill that would have rescinded the 2003 legislation.

HF2312, sponsored by Rep. Connie Ruth (R-Owatonna), would have allowed patients at state-owned chemical dependency and mental health facilities to smoke in designated areas in accordance with policies that would be set by program administrators.

Calling the ban imposed by the 2003 Legislature "ill-advised," Dr. Joseph Wilson, a psychiatrist from Owatonna, said he was concerned by evidence that some patients who need treatment avoid it when they find out they can't smoke in the facility.

"I'm somewhat sheepish about testifying in favor of smoking," said Dr. Thomas Keul, a Minneapolis psychiatrist, "but I feel I'm testifying in favor of my patients." He said the ban has been counterproductive and has brought new problems such as contraband and a black market for cigarettes.

Rep. Bud Nornes (R-Fergus Falls) said he supported "reasonableness" in the matter of smoking in state facilities. He said the ban has created additional work for the staff of these facilities, who have had to become "policemen."

Dr. Maureen Hackett, a Minneapolis forensic psychiatrist, called the 2003 law "a giant step forward." She reminded the committee that it was supported by the Minnesota Medical Association, the Minnesota Psychiatric Society, and the Minnesota Department of Human Services.

"Unfortunately, less than two months since implementation of the change, there is a rush to judgment about its worthiness," Hackett said.

The Department of Human Services supports retaining the 2003 law, according to Mike Tessneer, the department's chief executive officer.

Aggie Leitheiser, an assistant health commissioner said the department is "anti-smoking," although it has no formal position on this particular bill.

"At some point you have to make your facilities safe," Hackett said. "Whatever medical condition (patients) are in there for is going to be exacerbated by smoking."

A companion bill (SF1827), sponsored by Sen. Don Betzold (DFL-Fridley), awaits committee action.

Giving life

For Melissa Roberts, the issue was a "no-brainer": her mother needed a kidney transplant to stay alive and she knew it was the right thing for her to do.

But if it weren't for the support of her family, employee benefits she receives through Hennepin County, and a grant to offset costs, she said she wouldn't have been able to afford the costs associated with paying the bills while she was out of work for six weeks following the procedure.

To answer these concerns, the House Taxes Committee heard two bills March 4 that would allow individuals to deduct up to \$10,000 for travel, lodging, and lost wages related to organ donations for transplantation. Valid donations, under the bills, include all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow.

The bills will be considered for inclusion in the omnibus tax bill.

The first (HF2048), sponsored by House Majority Leader Erik Paulsen (R-Eden Prairie), would allow a deduction of up to \$10,000. The other (HF2278), sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights), would allow a maximum deduction of \$7,500. The proposal would allow an income subtraction for expenses that are not deducted under the federal medical expense deduction.

Recipients and donors asked committee members to consider the cost associated with the donation, which sometimes is more difficult to withstand than the physical setbacks associated with organ donation.

Cheryl Jacobs, a social worker with the donor program at Fairview-University Medical Center, said the financial concerns and time away from employment is often a disincentive to donation. She said that's even the case for family members, who are perfect matches for donations.



Keith Fahnhorst, left, a former University of Minnesota and San Francisco 49ers football player, listens to Aphon Nnaji as he testifies before the House Taxes Committee March 4 for a bill that would allow an income tax deduction to help with organ donation expenses. Fahnhorst, who received a kidney from Nnaji one year ago, also testified for the bill.

"Many donors choose not to donate because they simply can't afford it," she said. The tax deduction is "easing the financial burden and consequences."

Dr. John Najarian, a world-renowned transplant specialist from the University of Minnesota, said that living donor transplantation is better and less expensive in the long run because the recipients receive the donation when they're still healthy and can stand the surgery, rather than when their condition is critical.

Keith Fahnhorst, a former football player with both the University of Minnesota and the San Francisco 49ers, received a kidney a year ago from a man he met at a bible study. Aphon Nnaji said he was laid off from his job at the time and had a toddler at home to care for, while his wife was on bed rest for a difficult pregnancy.

"You can imagine the tremendous pressure

trying to do what we considered the right thing – to save a life," Nnaji said.

"It's hard to ask people for a kidney," Fahnhorst said. "It's not something that comes up in everyday conversation. ... How do you thank someone for that gift?"

The Senate companion to Paulsen's bill (SF2171), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits committee action. The Atkins bill has no companion.

Drug tax elimination

The House Health and Human Services Finance Committee considered a bill March 9 that would eliminate the MinnesotaCare tax on wholesale drugs and help small-town pharmacists.

Rep. Dan Dorman (R-Albert Lea), the sponsor of HF2612, said the Canadian drug providers on RxConnect, the governor's Internet drug site, do not have to pay the provider tax, which puts Minnesota pharmacies at a disadvantage.

"It seems to me, if it's a good enough policy for the Canadian folks, then it's a good enough policy for our folks," Dorman said.

The provider tax is a state tax on wholesale revenues from hospitals, surgical centers, and wholesale drug distributors. It helps fund MinnesotaCare, which provides state-subsidized health care for low-income Minnesotans. Wholesale drug distributors pass the expense of the provider tax on to pharmacies at the time they purchase drug inventory.

Pharmacists have expressed concern over the drive to encourage people to purchase drugs from Canada, said Liz Carpenter, a lobbyist for the Minnesota Pharmacists Association, who pointed out that pharmacies operate on a 2 percent to 3 percent profit margin. "Pharmacists are not the drivers of drug costs," she said.

Rep. Thomas Huntley (DFL-Duluth) said the revenue loss from this bill would be about \$98 million, approximately one-fourth of the Health Care Access Fund. "How many kids do you want to kick off MinnesotaCare?" he asked.

Dorman admitted the conundrum, but he said some kind of change was needed. He said he would be willing to look at other ways to finance the fund, possibly through a tobacco tax.

"I'm very sympathetic," said Rep. Fran Bradley (R-Rochester), the committee chair. "However, we do have a responsibility to maintain the Health Care Access Fund." He said the fund could not sustain this kind of reduction.

At Bradley's request, the committee sent the bill to the House Taxes Committee without recommendation.

The bill has no Senate companion.

Cost changes

A bill that would affect hospitals treating patients funded by the General Assistance Medical Care program was presented to the House Health and Human Services Finance Committee March 4. It will be considered for inclusion in the committee's omnibus bill.

HF2269, sponsored by Rep. Thomas Huntley (DFL-Duluth), would make two changes in current law. First, it would allow hospitals to request payment for General Assistance Medical Care the next business day on behalf of patients who are unable to make the request themselves. Second, it would reduce the hospital inpatient co-payment for patients who qualify for the program's catastrophic care from \$1,000 to \$100.

In 2003, legislators changed the deadline for submission of program applications to the actual day the hospital service is provided. According to Robert Aliperto, director of patient financial services for Fairview Health Services, many hospitals are finding it hard to adhere to the ruling, especially small rural hospitals that don't have 24-hour billing departments.

For these hospitals, if a patient is admitted Friday after 5 p.m., there is "no hope of payment," he said.

The program primarily serves people who have annual incomes of less than 75 percent of federal poverty guidelines, —\$6,735 for an individual and \$13,800 for a family of four — and assets of less than \$1,000. Catastrophic coverage was established for those who earn between 75 percent and 175 percent of those guidelines, which is less than \$16,000 per year for an individual.

"A \$1,000 co-pay is simply unaffordable," said Aliperto. As a result, it is "just more uncompensated care for the hospital." He said a co-pay of \$100 was high enough to discourage over-utilization of the hospital emergency room.

Extending the deadline for requesting program coverage would incur no cost to the state. However, changing the co-pay would cost the state approximately \$567,000 the first year and \$756,000 in following years.

Rep. Lynda Boudreau (R-Faribault) said she supported the bill philosophically but could not support the co-pay change at this time because of a funding shortage.

A companion bill (SF2269), sponsored by Sen. Becky Lourey (DFL-Kerrick), awaits action in the Senate Finance Committee.

★ LOCAL GOVERNMENT

Employee compensation levels

A bill that would repeal a state limit on local government employee salaries failed to pass the House Local Government and Metropolitan

Affairs Committee March 10.

Sponsored by Rep. Ron Erhardt (R-Edina), HF1759 would repeal the statutory limit on compensation for political subdivision employees.

The salary cap limits compensation for employees of statutory and home rule charter cities, counties, and towns, among other political subdivisions, to 95 percent of the governor's annual salary, which is currently \$125,000.

Representatives of a county organization and the League of Minnesota Cities testified in support of the bill.

"Minnesota is the only state in the (United States) with a local government salary cap," said Kevin Frazell, the league's director of member services. The cap is an impediment to attracting a wider variety of applicants, including younger people, for local government management positions, he said.

Nancy Schouweiler, chair of the Dakota County Board of Commissioners and representing the Association of Minnesota Counties, said the cap interferes with local government control.

"A county board should be able to set salaries, and not be controlled by the Department of Employee Relations or the Legislature," she said.

Since the salary cap took effect in 1977, the Legislature has amended the law numerous times to provide exemptions for school districts, medical doctors, and employees of publicly owned hospitals, clinics, or health maintenance organizations.

Noting the exemptions, Rep. Karen Klinzing (R-Woodbury) asked, "Why haven't we entertained the option of increasing the governor's salary?"

Schouweiler said if increasing the governor's salary would provide more money to counties to work with, they would support it.

Paul Larson, deputy commissioner of employee relations, opposed the bill.

Removing the cap "would have an upward spiral effect," on local government salaries, he said. "Times are tough. We didn't have a dime," Larson said in reference to increasing salaries for the majority of state employees.

The employee relations commissioner can waive the cap when a local government requests it. Waivers were approved for the newly appointed Minneapolis police chief and last year for the Bloomington city manager.

The bill's Senate companion (SF2713), sponsored by Sen. Steve Kelley (DFL-Hopkins) awaits committee action.

Speeding tickets

A bill that would expand issuance of local speeding violations to cities and counties statewide ran into a roadblock March 10 before the House Local Government and Metropolitan

Affairs Committee.

Sponsored by Rep. Char Samuelson (R-New Brighton), HF2243 would allow statutory cities and counties to adopt ordinances creating administrative penalties for drivers exceeding road speed limits by 10 mph or less.

"I have problems with this bill," said Rep. Jerry Dempsey (R-Red Wing), the committee chair, who ended discussion of the bill by effectively tabling it. State law allows home rule local governments to enact administrative penalties or local speeding fines.

Samuelson said 50 cities use the ordinance authority to "do what they can do to ensure safety."

Officials from New Brighton and White Bear Lake, which use administrative fines to control speeders, testified in support of the bill.

The bill was opposed by Pat McCormack, acting director of driver and vehicle services for the Department of Public Safety, and Bill Gillespie, executive director of the Minnesota Police and Peace Officers Association.

Local administrative penalties against drivers are not reported to the state, like other speeding citations, McCormack said. That could result in "masking" a driver's record, she added, and put the state in violation of federal regulations for issuing commercial drivers licenses.

A companion bill (SF1951) by Sen. Michelle Fischbach (R-Paynesville) awaits committee action.

Planetarium funding

Two years after failing to procure bonding funds for a new planetarium, a pair of Minneapolis legislators and a top city official are trying again in 2004.

Mayor R.T. Rybak told the House Jobs and Economic Development Finance Committee March 9 that a \$24 million funding request for the Minnesota Planetarium and Space Discovery Center is the number one bonding priority for the city.

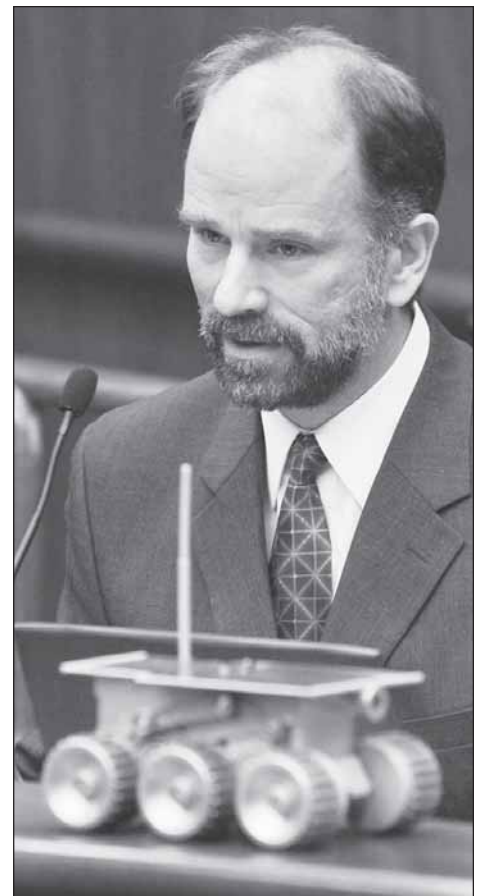
That request is contained in HF2146, sponsored by Rep. Margaret Anderson Kelliher (DFL-Mpls).

The city plans for the planetarium to be part of the new library in downtown Minneapolis. The new facility, according to the Minneapolis Public Library Web site, is expected to open in the spring of 2006.

The new planetarium would provide an "opportunity for kids and adults to connect with the night sky," said Kelliher.

Rybak explained that the state funding would go to support programs at the planetarium, not for construction of the facility. The opportunity would be a good example of one that pays off over time, he said.

Robert Bonadurer, director of the



Planetarium Director Robert Bonadurer testifies before the House Jobs and Economic Development Finance Committee March 9 in support of a bill that would provide money for a new planetarium in Minneapolis. A scale model of a Mars rover sits on the table.

Minnesota Planetarium Society, said students in Minnesota need to be literate in science and the new building would help educate students.

The bill will be considered for inclusion in the committee's bonding recommendations.

In 2002, a bill sponsored by Kelliher and Sen. Linda Berglin (DFL-Mpls) would have appropriated \$30 million to help construct and equip a new planetarium. As part of the Legislature's omnibus bill, \$9.5 million was allocated for the project. However, former Gov. Jesse Ventura used a line-item veto to abolish the funds.

This year's Senate companion (SF1995), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits action in the Senate Finance Committee.

Refusing to join

The House passed a bill March 4 that would allow Lake Elmo to maintain rural population densities by refusing to become part of a regional sewer system. The vote was 82-47.

Sponsored by Rep. Eric Lipman (R-Lake Elmo), HF1737 would allow the Washington County community to implement its own long-term comprehensive plan that was rejected by

the Metropolitan Council in 2002. The council is the regional planning agency serving the Twin Cities seven-county metropolitan area.

The development dispute is in litigation before the Minnesota Supreme Court.

"The Legislature has an interest in its own statute beyond what the Supreme Court may or may not do," said Lipman, who maintained the 1977 law creating the regional agency allows the city's right to pursue its own development plan.

Opponents of the bill said it should not be considered while the legal dispute is pending. The bill includes the wording, "Notwithstanding any law or determination to the contrary."

"Hold your horses to see what the Supreme Court is going to say," said Rep. Carlos Mariani (DFL-St. Paul). "This (bill) opens potential chaos for us in the future."

"We may well moot the case," Lipman said. "This bill is needed now more than ever to avoid senseless litigation."

The city appealed the case to the Supreme Court following an adverse state Court of Appeals decision.

Metropolitan Council representatives testified against the bill in the House Local Government and Metropolitan Affairs Committee.

"This bill hurts the council's ability to coordinate between adjacent communities," said Ann Beckman, acting director of planning and growth management.

She said the agency tries to strike a balance between "local control and the need for regional infrastructure."

A small area of Lake Elmo is served by a regional sewer system. The majority of the city is on individual septic systems or wetlands treatment systems. The issue in dispute is the city's connection to a planned sewer system.

The bill now awaits action in the Senate State and Local Government Operations Committee. Its Senate sponsor is Sen. Brian LeClair (R-Woodbury).

★ METRO AFFAIRS

MAC chair salary

A salary limit change affecting the chair of the Metropolitan Airports Commission could provide a \$35,000 raise for the political appointee, under a bill approved March 9 by the House Local Government and Metropolitan Affairs Committee.

Sponsored by Rep. Tim Wilkin (R-Eagan), HF2694 would change the salary state law permits for the chair of the 15-member commission from 25 percent to 85 percent of the governor's \$125,000 salary.

Vicki Grunseth was appointed chair of the commission by Gov. Tim Pawlenty in January 2003.

The bill, which now moves to the House Governmental Operations and Veterans Affairs Policy Committee, would also specify certain duties for the commission chair and make appointments to the commission subject to the advice and consent of the Senate.

Wilkin said Grunseth now makes about \$21,000, and the bill could potentially provide a \$35,000 salary increase to be consistent with salaries of other gubernatorial political appointees like the Metropolitan Council chair, but still far below the maximum amount allowed, which would be \$106,250.

"This is commensurate with the job we request of the chair," Wilkin said. "The job is very big."

Operation of Minneapolis-St. Paul International Airport and a number of reliever airports in the state is supervised by an executive director and professional staff hired by the commission.

The commission is primarily funded through airline charges, airport concessions, and fees and does not receive a state appropriation.

Glenn Weibel, a corporate pilot from Cannon Falls, testified in opposition to the bill. "It doesn't make sense," said Weibel, who chairs the Reliever Airport Advisory Council, a voluntary position.

"Do not add expense or procedures that will tie the hands of a system run by true aviation professionals," he said.

Vivian Starr, a member of the Anoka County Aviation Association, also opposed the bill. "Please ask yourselves, 'Why and why now?'"

The bill would specify five duties of the commission chair, including presiding at meetings, meeting with local elected officials and the Legislature, and serving as principal spokesperson for the commission.

Wilkin said the bill would largely codify the chair's existing responsibilities.

A companion bill (SF2336), sponsored by Sen. Linda Higgins (DFL-Mpls) awaits committee action.

★ RECREATION

Riding certain wetlands

Lawmakers are considering rolling back some restrictions on off-highway vehicle use on certain types of wetlands that were put in place by the 2003 Legislature.

A bill (HF2678), sponsored by Rep. Tom Hackbarth (R-Cedar), would remove type 8 wetlands from any restrictions and allow for riding on frozen type 3, 4, and 5 wetlands. These new rules would apply on public lands and private lands where the rider has permission from the landowner.

The House Environment and Natural

Resources Policy Committee approved the bill March 5 and sent it to the House Governmental Operations and Veterans Affairs Policy Committee.

The wetland types addressed in the bill are classified by the Department of Natural Resources under the following explanations.

- Type 3 — A shallow marsh often covered with 6 inches or more of water, usually waterlogged during the growing season. Vegetation includes grasses, cattails, and various other marsh plants.
- Type 4 — A deep marsh usually covered with 6 inches to 3 feet or more of water during growing season. Vegetation includes bulrush, cattails, and wild rice.
- Type 5 — Shallow open water usually covered with less than 10-foot-deep water, includes shallow ponds and reservoirs. Vegetation is similar to type 4.
- Type 8 — Bogs, where the water table is at or near the surface. Vegetation includes moss and stunted black spruce and tamarack.

The bill also would provide a number of exemptions from the restrictions for off-highway vehicles used for farming, military, fire, emergency, law enforcement, government, or pipeline and utility work purposes and certain forestry applications.

Under the bill, a vehicle safety and conservation grant program is authorized and motorcycle registration decal requirements are addressed.

Certain use of the vehicles for big game hunting and trapping also is provided.

And the bill would mandate a report by March 1, 2005, from the departments of natural resources, revenue, and transportation on the amount of unrefunded gasoline tax attributable to all-terrain vehicle use in the state.

As amended by the committee, the changes in the bill are in line with the big picture but are broader than those the Department of Natural Resources had advocated for, said Mark Holsten, deputy commissioner.

Opponents, including citizens and conservation groups, said they recognized the land use issues but objected to broadening the use on wetlands when certain special use permits are available.

Though not identified as companion bills, several off-highway vehicle operation restriction bills (SF1673, SF1711, SF1776) await action in the Senate Environment and Natural Resources Committee.

★ SAFETY

Fire resistant cigarettes

Fires started by unattended cigarettes are the number one cause of fire deaths in Minnesota. A bill that would mandate the sale of fire

resistant cigarettes squeaked through the House Commerce, Jobs, and Economic Development Policy Committee March 10.

HF2704, sponsored by Rep. Dennis Ozment (R-Rosemount), would require the commissioner of public safety to adopt rules similar to those adopted by New York for fire resistant cigarettes by Jan. 1, 2005, or six months after the New York state rules go into effect, whichever comes first.

The vote appeared to be a draw, but the committee chair, Rep. Gregory Davids (R-Preston), called for reconsideration, and then it passed by two votes. The bill will now go to the House Civil Law Committee. A Senate companion (SF1791), sponsored by Sen. John Marty (DFL-Roseville), awaits committee action.

Ozment, a retired fire captain, and Marty sponsored a similar bill in 2001 and 2002. It failed to pass, and at the time Davids said he would reconsider the bill if nothing was done at the federal level.

Cigarettes cause only 3 percent of fires in Minnesota, but they cause 40 percent of all fire deaths, according to Tom Brace, executive director of the Minnesota State Fire Chiefs Association.

Ozment said he did not know what fiscal effect the bill might have in terms of loss of taxes, but the savings on firefighting costs and injuries to firefighters "would more than offset it."

New York is the first, and so far the only, state to pass a law requiring the establishment of a fire safety standard for cigarettes, but the law has not yet gone into effect. Canadian provinces and five other states are also currently considering such a law.

The tobacco industry knows how to produce fire resistant cigarettes. In fact, Philip Morris began manufacturing such in 2000, the same year New York passed its law.

"There can't be a fire-safe cigarette as long as it's something you light to smoke," said Jim Goold, an attorney representing R. J. Reynolds Tobacco Company. "There's only so much you can do to stop unsafe and foolish behavior."

Tom Briant, executive director of the Minnesota Wholesale Marketers Association, said retail stores are concerned that people will cross borders to buy their favorite cigarette brands. He said they preferred to see a federal uniform bill.

Regulating exotic animals

Lawmakers are examining the appropriate level of state regulation for ownership of certain large and potentially dangerous animals.

Currently, non-domesticated animals are controlled by local ordinances, and breeding facilities are required to meet U.S. Department of Agriculture animal welfare guidelines for pen sizes, barrier and perimeter fence

specifications, nutrition, and veterinary care.

Rep. Steve Strachan (R-Farmington) is sponsoring a proposal (HF1593) that would impose registration requirements on owners of bears; large cats, such as lions and tigers; and nonhuman primates, including chimpanzees and gorillas.

The House Agriculture Policy Committee approved an amended version of the proposal March 8. The bill now moves to the House Civil Law Committee.

Some health and public safety officials said that animals in private ownership could pose a public safety risk if they were to fall back on predatory instincts.

"This is not an animal rights bill," Strachan said. "This is a public safety bill."

Proponents said the Strachan proposal would reduce the pool of private ownership over time, thereby decreasing the risk of injuries and diseases that could be transmitted to people.

It's not the frequency of calls, but the consequences of responding to a medical emergency caused by an exotic animal, said Steve Borchardt, Olmsted County Sheriff, speaking on behalf of the Minnesota Sheriff's Association.

"Basically, we just think it's a common sense, minimally intrusive regulatory law."

Opponents questioned the degree to which the public is at risk, comparing statistics on exotic species attacks with dog bites and horseback riding injuries.

"They want to regulate us out of business," said Kevin Vogel, owner of Vogel Exotic Animals.

As amended by Rep. Doug Lindgren (R-Bagley), the bill would refer to exotic animals as "regulated," rather than "prohibited;" place the regulatory responsibility with the Board of Animal Health, instead of local authorities, as Strachan had proposed; create a fee structure for board activities; and allow exotic species owners to replace their animals in perpetuity, rather than once as Strachan also had proposed, unless the animal dies of neglect or cruelty.

Animal health board officials questioned whether the fee structure would cover the cost of regulation activities and facilities.

A Senate companion bill (SF1530), sponsored by Sen. Don Betzold (DFL-Fridley), awaits action on the Senate floor.

TAXES



Raising the tobacco tax

The House Health and Human Services Finance Committee approved a bill March 9 that would raise the tax on cigarettes by 29 cents a pack, increase other tobacco products proportionately, and dedicate the revenue from the tax increases to the Minnesota Comprehensive

Health Association to eliminate or reduce its deficit. It would also decrease the MinnesotaCare tax on health care providers from 2 percent to 1.75 percent.

The bill (HF2533), sponsored by Rep. Fran Bradley (R-Rochester), the committee chair, was sent to the House Taxes Committee. A companion bill (SF2468), sponsored by Sen. Sheila Kiscaden (IP-Rochester), awaits committee action.

The health association is a state-operated insurance program for individuals whose health coverage was denied or cancelled due to severe or chronic illness.

Rep. Thomas Huntley (DFL-Duluth) said he supports the bill. "There's only one tax worse than the provider tax and that's the MCHA tax," he said. "And I like raising the price of tobacco because it will stop kids from smoking."

According to the Minnesota Medical Association, more than 90 percent of all smokers began as teens. Studies indicate that a \$1 increase in the per-pack price of cigarettes will result in an 18.5 percent reduction in the number of teens who smoke.

In February 2004, the Minnesota Citizens Forum on Health Care Costs reported a resurgence of smoking in Minnesota, especially among teens, following cutbacks in tobacco prevention funding.

Among that panel's recommendations for improving health and lowering health care costs in Minnesota is a \$1 per pack user fee on cigarettes that would not only serve as a disincentive for smokers or would-be smokers, but would also raise revenue for health-related funding. The current state excise tax on a pack of cigarettes is 48 cents. Bradley's bill would increase that to 77-cents per pack.

Not everyone thinks raising the tobacco tax is such a great idea.

Robert Tennesen, a lobbyist for the tobacco industry, said disparities in the price of tobacco products caused by a tax increase would drive consumers across borders to purchase tobacco. He said the revenue from an increase in the tobacco tax would not be as high as legislators might expect.

Huntley said he did not see that as a problem since it would mean fewer Minnesotans were using tobacco. He said the annual cost to the state from tobacco related illness is \$2.5 billion.

Tax haven countries

Corporations or their subsidiaries would be ineligible to do work with state agencies if they are incorporated in a tax haven country and the United States is the principal market for public trading of the corporation's stock, under a bill approved by the House State Government Finance Committee March 9.

Rep. Bill Hilty (DFL-Finlayson), sponsor of HF914, said the Minnesota Department of Administration had previously entered into contracts totaling approximately \$7,000 with businesses that participate in the practice.

A tax haven country is defined as a country that has no corporate income tax or has a tax rate lower than 10 percent on income that is not derived from that country.

The bill does provide for the commissioner to permit a contract that meets a compelling public interest, which specifically includes providing essential services and ensuring public health and safety.

Hilty said the practice of moving corporations to tax haven countries amounts to companies wanting to belong to the country club by playing 72 holes of golf on a weekend and taking advantage of the tennis courts, but not wanting to pay the dues.

The bill next goes to the House Ways and Means Committee.

A similar bill in 2003 failed to receive House committee approval. A companion bill (SF755), sponsored by Sen. Richard Cohen (DFL-St. Paul), was approved by the Senate last year, but failed to survive a conference committee.

★ TECHNOLOGY

Expanding broadband

Making rural communities and business in Minnesota viable through broadband technology is the goal of a bill heard before the House Jobs and Economic Development Finance Committee March 10.

Sponsored by Rep. Bob Gunther (R-Fairmont), HF2043 would create a grant program for cities to be provided with up to 80 percent of the capital costs of public infrastructure for broadband development projects.

Grant monies, which could not exceed more than \$200,000 in two years for one or more projects, would be used for fiber optic cable, coaxial cable, copper wire, conduit, wireless, and transmission equipment, under the bill.

The bill specifically defines the purpose of the grants "is to keep or enhance jobs in the area by making businesses more competitive through the utilization of broadband services."

Richard Nordvold, director of IT programs with the Blandin Foundation's Broadband Strategy Board, said the bill is of utmost importance for economic development in rural Minnesota. Schools, health care facilities, government agencies, and more would benefit, he said.

The bill will be considered for possible inclusion in a committee omnibus bill. A Senate companion (SF2298), sponsored by Sen. Dallas Sams (DFL-Staples), was approved by one committee and awaits action in a second.

Online access for all

Internet access in rural school districts, often sporadic and of mixed quality, would get a boost under a bill heard March 10 by the House Education Finance Committee.

Sponsored by Rep. Doug Lindgren (R-Bagley), HF2195 would create partial state aid reimbursement for schools' telecommunications and Internet access.

The bill will be considered for inclusion in the committee's omnibus finance bill.

"The Internet is a very critical part of Minnesota schools today," Lindgren said. "In rural areas, many students' only access is through school."

The bill would create telecommunications and Internet access equity aid for school districts, charter schools, and nonpublic schools.

For public schools, the aid would be equal to 90 percent of unreimbursed telecommunication costs exceeding \$15 per pupil. For nonpublic schools, the aid would be the same percentage of unreimbursed costs exceeding \$10 per pupil.

Participating districts would be required to apply for federal Internet funds known as e-rate funds.

Gov. Tim Pawlenty recently recommended \$4.5 million for rural telecommunications access in his proposed 2004-05 state budget adjustments.

Vernae Hasbargen, director of legislative action for the Minnesota Rural Education Association, testified in support of the bill.

State support for schools' telecommunications access has slipped since the Carlson administration and the Legislature provided \$120 million for network infrastructure in the late 1990s, she said. "We feel losing ground and going backwards is not any kind of model."

Stephen Hallan, who manages a telecommunications co-op in central Minnesota, said the state was the only one in the nation that doesn't fund a telecommunications system for K-12 schools.

"Many kids can't afford the Internet at home," said Brittany Jewell, a Pine City High School student, who testified in favor of the bill. The school "is your information outlet," she said.

A companion bill (SF2123), sponsored by Sen. Julie Rosen (R-Fairmont), awaits committee action.

★ TRANSPORTATION

Local airport costs

The minimum local source share of federally funded airport construction or improvements will be reduced under a new law signed by Gov. Tim Pawlenty March 10.

Signed
by
the
governor
★ ★ ★

Effective March 11, 2004, the airport project cost share required of a municipality, political subdivision, or public corporation is reduced from 10 percent to 5 percent.

Federal and state funding will cover the remaining 95 percent of project costs for construction, improvement, maintenance, or operation of an airport.

Rep. Michael Beard (R-Shakopee) and Sen. Keith Langseth (DFL-Glyndon) sponsored the law.

HF1794*/SF1615/CH136

Questioning FAST lane funding

In December 2003, Gov. Tim Pawlenty announced a plan to develop toll facilities on congested metropolitan highways. But some legislators are concerned that so-called FAST lanes aren't being integrated into larger transportation plans and lack legislative oversight.

HF2539, sponsored by Rep. Frank Hornstein (DFL-Mpls), would require the Minnesota Department of Transportation to prepare a toll-road plan before it could proceed with the development of any toll facilities, lanes, or roads. Under the bill, the 20-year plan, including a cost-benefit analysis, would be due by June 30, 2005.

Under Pawlenty's proposal, private developers would submit bids to construct "Freeing Alternatives for Speedy Transportation" (FAST) lanes along highly congested freeways. Motorists desiring a speedier commute could pay a toll for use of the lane.

Once the construction expense is recovered, the lanes would convert to free, general use.

Hornstein said his bill is a means of saying that toll facilities ought to be approached with caution.

However, Rep. Chris DeLaForest (R-Andover) objected to language that would allow toll facilities only in meeting transportation needs that "cannot reasonably be met in any other way."

Such language would bump toll roads to the bottom of any list, DeLaForest said. "You're stacking the deck against one certain modality."

Rep. Alice Hausman (DFL-St. Paul) said she recently learned from the department that toll roads couldn't be built without a state subsidy of between 20 percent and 70 percent.

Dick Stehr, director of the department's engineering service division, said he hoped private developers would fund toll facilities. The state would only commit money already in its transportation plan for toll facilities, he said, and not take funding from other projects.

The bill was approved March 10 by the House Transportation Policy Committee without recommendation and now moves to the House Transportation Finance Committee. Its Senate companion (SF2397), sponsored by Sen. D. Scott Dibble (DFL-Mpls), awaits committee action.

Monday, March 8

HF2803—Huntley (DFL) Education Finance

Retired employee school district aid authorized.

HF2804—Huntley (DFL) Education Finance

Telecommunications and connectivity aid for school districts ongoing funding provided.

HF2805—Simpson (R)
Health & Human Services Policy
Wadena County nursing home beds moratorium exception provided, and money appropriated.

HF2806—Westrom (R)
Regulated Industries
Renewable energy working group established to study renewable energy development in the state, and report required.

HF2807—Knoblach (R)
Jobs & Economic Development Finance
St. Cloud Civic Center expansion funding provided, bonds issued, and money appropriated.

HF2808—Koenen (DFL)
Judiciary Policy & Finance
Criminal bail bond forfeitures and procedures provided.

HF2809—Bernardy (DFL)
Education Finance
Advanced placement and international baccalaureate program appropriation increased.

HF2810—Fuller (R)
Higher Education Finance
Pell grant award calculation modified.

HF2811—Eastlund (R)
Education Finance
Independent School District No. 15, St. Francis, alternative teacher compensation model and teacher academy grant provided, and money appropriated.

HF2812—Kelliher (DFL)
Higher Education Finance
Minneapolis Technical and Community College health care training center and science facility funding provided, bonds issued, and money appropriated.

HF2813—Clark (DFL)
Agriculture & Rural Development Finance
Agricultural chemical response and reimbursement account allocation priority provided, and money appropriated.

HF2814—Nelson, P. (R)
Health & Human Services Policy
Chisago County nursing facility operating payment rates calculated.

HF2815—Beard (R)
Transportation Policy
Remote-control operation of train over highway intersections restricted.

HF2816—Westerberg (R)
Regulated Industries
Liquor retail license location proximity restrictions clarified relating to county jails.

HF2817—Newman (R)
Taxes
National Guard and reserves member benefits funding income tax check-off provided, benefits exempted from taxation, administration by Veterans Affairs Department provided, and money appropriated.

HF2818—Buesgens (R)
Local Government & Metropolitan Affairs
Municipal Housing and Redevelopment Act repealed.

HF2819—Nelson, P. (R)
Local Government & Metropolitan Affairs
Annexation moratorium imposed.

HF2820—Seagren (R)
Education Policy
Enhanced reading requirements provided for certain teachers, literacy specialist licensure provided, and rulemaking authorized.

HF2821—Atkins (DFL)
Taxes
Automated teller machine fees income tax subtraction authorized.

HF2822—Penas (R)
Environment & Natural Resources Policy
State-owned land acquisition limited, and real estate tax payment required on purchased state land.

HF2823—Hausman (DFL)
Regulated Industries
Utilities; providing for the recovery of stranded costs incurred by a thermal energy customer of a facility subject to a qualifying emission reduction program.

HF2824—Pugh (DFL)
Education Policy
International students allowed to participate in varsity and junior varsity sports and competitions sponsored by the Minnesota State High School League.

HF2825—Davnies (DFL)
Education Finance
School board and school principals authorized to negotiate a plan for terminating, demoting, and reinstating principals.

HF2826—Clark (DFL)
Health & Human Services Policy
AIDS prevention grants provided focusing on African-born Minnesotans, and money appropriated.

HF2827—Mullery (DFL)
Governmental Operations & Veterans Affairs Policy
Minneapolis Teachers Retirement Association service credit purchase right authorized of prior school district employment.

HF2828—Ruth (R)
Taxes
Corporate franchise tax sales factor weight in the apportionment formula increased.

HF2829—Koenen (DFL)
Agriculture Policy
Biodiesel production development program established, and money appropriated.

HF2830—Lanning (R)
Taxes
Historic structure rehabilitation income tax credit provided.

HF2831—Thao (DFL)
Health & Human Services Finance
Refugees and asylees exempted from participating in the diversionary work program.

HF2832—Johnson, J. (R)
Education Policy
Internet access software filtering or blocking technology required in schools and libraries, and financial penalties imposed.

HF2833—Rukavina (DFL)
Education Finance
School districts with care and treatment facilities authorized to bill resident school districts of students in care and treatment facilities.

HF2834—Hausman (DFL)
Environment & Natural Resources Policy
Off-highway vehicle trail designation restrictions modified, restitution requirements provided, and money appropriated.

HF2835—Wagenius (DFL)
Taxes
Property tax valuation exclusion provided for new or refurbished individual sewage treatment systems.

HF2836—Pugh (DFL)
Taxes
Movies and television shows production materials exempted from the sales and use tax.

HF2837—Buesgens (R)
Local Government & Metropolitan Affairs
State demographer required to provide demographic data to the Metropolitan Council.

HF2838—Clark (DFL)
Taxes
Property tax exemption limited for property used in certain tax shelter transactions, and political subdivisions prohibited from engaging in tax shelter transactions.

HF2839—Clark (DFL)
Taxes
Biomass electric generation facility property tax exemption provided.

HF2840—Nelson, C. (R)
Jobs & Economic Development Finance
Rochester bioscience core area funding provided, bonds issued, and money appropriated.

HF2841—Stang (R)
Taxes
Sauk River Watershed District increased levy authorized.

HF2842—Harder (R)
Agriculture & Rural Development Finance
University of Minnesota joint plant pathology center funding provided, bonds issued, and money appropriated.

HF2843—Otto (DFL)
Health & Human Services Policy
Wholesale drug distributor requirements modified.

HF2844—Kahn (DFL)
Governmental Operations & Veterans Affairs Policy
Minneapolis Police Relief Association full funding date established, additional health insurance unit for all members provided, and guaranteed pension provision established.

HF2845—Paymar (DFL)
Health & Human Services Finance
Childcare assistance reductions restored and money appropriated.

HF2846—Finstad (R)
Environment & Natural Resources Finance
Lamberton waste-to-energy and material recycling facility bonds issued and money appropriated.

HF2847—Finstad (R)
Education Finance
Independent School District No. 836, Butterfield, fund transfers authorized.

HF2848—Mariani (DFL)
Commerce, Jobs & Economic Development Policy
Meatpacking industry worker rights established.

HF2849—Harder (R)
Health & Human Services Finance
Nursing facility payment rate modified.

HF2850—Newman (R)
Judiciary Policy & Finance
Part-time peace officer restrictions repealed.

HF2851—Mariani (DFL)
Health & Human Services Finance
Intermediate care facility payment system exception for persons with mental retardation and related conditions created.

HF2852—Knoblach (R)
Higher Education Finance
Minnesota State Colleges and Universities Board of Trustees sale of surplus land authorized.

HF2853—Seagren (R)
Education Finance
Advanced placement and international baccalaureate program revenue usage flexibility provided.

HF2854—Rhodes (R)
Environment & Natural Resources Policy
Zoological Board specified duties transferred to Minnesota Zoo Foundation.

HF2855—Howes (R)
Environment & Natural Resources Policy
Shoreland protection program expiration extended.

HF2856—Lipman (R)
Judiciary Policy & Finance
Force and coercion terms clarified relating to criminal sexual conduct crime law, harassment restraining order law modified, and harassment through technological means prohibited.

HF2857—Abeler (R)
Education Finance
Compensatory revenue expenditure by school districts at school sites with low test scores pilot program authorized.

HF2858—Peterson (DFL)
Environment & Natural Resources Policy
Live bait sale license required.

HF2859—Erhardt (R)
Taxes
Metropolitan fiscal disparities program study required.

HF2860—Seagren (R)
Education Finance
Pre-kindergarten through grade 12 education and early childhood and family education budget provisions amended and money appropriated.

HF2861—Wardlow (R)
Commerce, Jobs & Economic Development Policy
Public employee definition modified to include certain teachers, and teacher definition modified.

HF2862—Hackbarth (R)
Regulated Industries
Uniform statewide liquor off-sale hours provided and Sunday on-sale regulated.

HF2863—Buesgens (R)
Education Policy
Land detachment from existing school district for establishing new independent school district determination election provided.

HF2864—Hornstein (DFL)
Agriculture Policy
Kosher food labeling basis clarified.

HF2865—Wilkin (R)
Health & Human Services Finance
State health care program co-payment exemptions provided for individuals whose only income is a personal needs allowance.

HF2866—Huntley (DFL)
Health & Human Services Policy
Required nursing hours in nursing homes increased.

HF2867—Knoblach (R)
Ways & Means
Kindergarten through grade 12 education, general education, early childhood and family education, and health and human services funding provided, and money appropriated.

HF2868—Peterson (DFL)
Local Government & Metropolitan Affairs
Regional development commission services contract with local units of government and other commissions required.

HF2869—Blaine (R)
Agriculture Policy
Beverage availability and sale in public schools regulated.

HF2870—Huntley (DFL)
Health & Human Services Finance
Medical assistance, general assistance medical care, and MinnesotaCare programs modified; health care provider tax rate determination provided; tobacco product tax increased; and money appropriated.

HF2871—Murphy (DFL)
Governmental Operations & Veterans Affairs Policy
Postretirement employment option created for state employees and voluntary hours reduction plan authorized.

HF2872—Murphy (DFL)
Governmental Operations & Veterans Affairs Policy
Health care savings plan provisions modified.

HF2873—Powell (R)
Health & Human Services Policy
MinnesotaCare limited benefit set expanded to include coverage for diabetic supplies and equipment.

HF2874—Ozment (R)
Governmental Operations & Veterans Affairs Policy
State hiring process provisions modified.

HF2875—Zellers (R)
Judiciary Policy & Finance
Specified misdemeanor traffic offenses provided that do not constitute grounds for driver's license revocation or suspension.

HF2876—Meslow (R)
Judiciary Policy & Finance
Sex offender regulation provided, and money appropriated.

HF2877—Lanning (R)
Local Government & Metropolitan Affairs
Watershed district managers compensation increased.

HF2878—Hausman (DFL)
Governmental Operations & Veterans Affairs Policy
Dr. Norman E. Borlaug world food prize day designated.

Wednesday, March 10

HF2879—Ellison (DFL)
Jobs & Economic Development Finance
Minneapolis Hmong American Mutual Assistance Association community center renovations funding provided, and money appropriated.

HF2880—Otremba (DFL)
Transportation Policy
Sport utility vehicles required to have mud flaps.

HF2881—Otremba (DFL)
Agriculture Policy
Cooperatively owned livestock processing plant development and culturally specific livestock processing development programs established, and money appropriated.

HF2882—Otremba (DFL)
Health & Human Services Finance
MinnesotaCare gross income definition modified.

HF2883—Otremba (DFL)
Education Policy
Highly qualified paraprofessional statewide recognition provided based on local assessments.

HF2884—Davids (R)
Jobs & Economic Development Finance
Rushford Institute for Nanotechnology Inc., funding provided, bonds issued, and money appropriated.

HF2885—Nornes (R)
Health & Human Services Policy
Medical assistance coverage clarified for public health nursing services.

HF2886—Haas (R)
Governmental Operations & Veterans Affairs Policy
Volunteer firefighter relief association statewide retirement plan task force created, and money appropriated.

HF2887—Marquart (DFL)
Taxes
Local government aid program modified, market value homestead credit payment reductions provided, metropolitan transit levy and transit aid program established, and money appropriated.

HF2888—Opatz (DFL)
Civil Law
Protection of retirement plan assets of debtors clarified.

HF2889—Westerberg (R)
Commerce, Jobs & Economic Development Policy
No-fault automobile insurance medical, death, and disability compensation adjusted.

HF2890—Demmer (R)
Education Finance
Minnesota State High School League administrative regions authorized to contract with private auditors.

HF2891—Huntley (DFL)
Health & Human Services Policy
Health care conscience and religious liberty protection in health care provided.

HF2892—Paymar (DFL)
Transportation Policy
Seat belt violations designated primary offenses, all passengers required to wear seat belts, petty misdemeanor imposed, and fine proceeds portion dedicated to county detoxification services.

HF2893—Mahoney (DFL)
Civil Law
Child custody presumption in favor of joint physical custody provided.

HF2894—Blaine (R)
Agriculture Policy
Dairy upgrade pilot loan program provided, account established, balances transferred, and money appropriated.

HF2895—Severson (R)
Transportation Policy
License renewal applicants required to pass examinations, and physicians required to report driving-related physical or mental conditions to the public safety commissioner.

HF2896—Severson (R)
Education Finance
Independent School District No. 740, Sartell, garage lease levy extended.

HF2897—Seagren (R)
Commerce, Jobs & Economic Development Policy
No-fault automobile insurance independent medical examinations regulated.

HF2898—Larson (DFL)
Local Government & Metropolitan Affairs
Metropolitan Airports Commission labor provisions required in contracts with concession operators.

HF2899—Peterson (DFL)
Regulated Industries
Wind energy tax incentives study required.

HF2900—Peterson (DFL)
Agriculture Policy
Wind turbine loan program established, and money appropriated.

HF2901—Marquart (DFL)
Environment & Natural Resources Finance
Breckenridge flood hazard mitigation funding provided, bonds issued, and money appropriated.

HF2902—Marquart (DFL)
Education Policy
Postsecondary enrollment options students required to receive a passing grade to remain eligible.

HF2903—Finstad (R)
Health & Human Services Policy
Pharmacy services geographic access standard established.

HF2904—Hornstein (DFL)
Civil Law
Guardian and conservator eligibility modified.

HF2905—Brod (R)
Governmental Operations & Veterans Affairs Policy
State agency heads authorized to contract with national purchasing organizations.

HF2906—Buesgens (R)
Local Government & Metropolitan Affairs
Payroll processing efficiency increased for local governments, and use of electronic time recording systems authorized.

HF2907—Fuller (R)
Governmental Operations & Veterans Affairs Policy
Minnesota State Retirement System general plan deferred annuitant authorized to have employment at Bug-O-Na-Ge-Shig school used for rule of 90 eligibility purposes.

HF2908—Fuller (R)
Governmental Operations & Veterans Affairs Policy
Minnesota State Retirement System general plan coverage authorized for employment at the Bug-O-Na-Ge-Shig school.

HF2909—Marquart (DFL)
Taxes
Detroit Lakes redevelopment districts authorized.

HF2910—Strachan (R)
Judiciary Policy & Finance
Interstate compact for juveniles adopted, advisory council on interstate juvenile supervision created, compact administrator appointed, and money appropriated.

HF2911—Strachan (R)
Judiciary Policy & Finance
Racing of vehicles prohibited, and criminal penalties imposed.

HF2912—Zellers (R)
Commerce, Jobs & Economic Development Policy
Tobacco deliveries and shipments limited.

HF2913—Mahoney (DFL)
Higher Education Finance
University of Minnesota bio-based laboratories funding provided, bonds issued, and money appropriated.

HF2914—Severson (R)
Judiciary Policy & Finance
Motor vehicle hit-and-run offenses petty misdemeanor penalty imposed.

HF2915—Johnson, J. (R)
Commerce, Jobs & Economic Development Policy
Workers' compensation technical changes provided, definition of personal injury clarified, and qualifying employees authorized to opt for alternative benefits.

HF2916—Kelliher (DFL)
Judiciary Policy & Finance
Crime victim service programs, and crime and sexual violence prevention efforts funding provided, and money appropriated.

HF2917—Opatz (DFL)
Judiciary Policy & Finance
Benton, Sherburne, and Stearns county boards maximum medical services provided to prisoners payments specified.

HF2918—Gerlach (R)
Commerce, Jobs & Economic Development Policy
Electronic signature notarization regulated and notary signature electronically fixed, and criminal penalties imposed.

HF2919—Hilty (DFL)
Health & Human Services Finance
Sexually dangerous and sexual psychopathic pre-commitment confinement costs county share decreased.

HF2920—Huntley (DFL)
Commerce, Jobs & Economic Development Policy
Debtor exemptions; workers' compensation claims, personal injury claims, and certain employee benefit provisions modified.

HF2921—Strachan (R)
Transportation Policy
Emergency workers on highways; appropriate reduced speed defined when approaching emergency vehicle, surcharge increased for failure to reduce speed, owner and lessee penalty provided, and driver education required.

HF2922—Greiling (DFL)
Education Finance
Contract alternative program instruction over the age of 21 until graduation authorized for specified students.

HF2923—Gunther (R)
Health & Human Services Policy
Methamphetamine laboratory cleanup revolving fund established, loans authorized to assist counties and cities in conducting cleanup, and money appropriated.

HF2924—Seifert (R)
Jobs & Economic Development Finance
Prevailing wage rate definition modified.

HF2925—Thissen (DFL)
Environment & Natural Resources Policy
State agencies required to report contaminants to the Department of Health, and public notification required when drinking water contaminants exceed certain levels.

HF2926—Gerlach (R)
Commerce, Jobs & Economic Development Policy
Pre-need funeral arrangements regulated.

HF2927—Anderson, I. (DFL)
Regulated Industries
Biomass facilities defined as eligible for renewable energy production incentive.

HF2928—Blaine (R)
Environment & Natural Resources Finance
Game refuge annual payments to counties modified.

HF2929—Abrams (R)
Taxes
Alternative minimum taxable income modified.

HF2930—Vandever (R)
Governmental Operations & Veterans Affairs Policy
Flags in the capitol area required to be flown at half-staff following the death of a firefighter killed in the line of duty.

HF2931—Gunther (R)
Health & Human Services Finance
Martin County nursing facility rate increase determination provided.

HF2932—Anderson, I. (DFL)
State Government Finance
House of Representatives office building design funding provided, bonds issued, and money appropriated.

HF2933—Borrell (R)
Governmental Operations & Veterans Affairs Policy
Attorney general appointment by governor provided.

HF2934—Severson (R)
Judiciary Policy & Finance
Repeat violent felony offenders sentenced to life imprisonment, and third-time violent felony convictions life imprisonment without possibility of release provided.

HF2935—Kelliher (DFL)
Transportation Policy
I-394 parking facilities ownership transferred to the city of Minneapolis.

HF2936—Hausman (DFL)
Local Government & Metropolitan Affairs
St. Paul authorized to contract with a nonprofit organization for management and operation of the RiverCentre complex.

HF2937—Thao (DFL)
Jobs & Economic Development Finance
St. Paul health care education and training center funding provided, bonds issued, and money appropriated.

HF2938—Mahoney (DFL)
Jobs & Economic Development Finance
University of Minnesota and Mayo Clinic joint partnership for research in biotechnology and medical genomics funding provided, and money appropriated.

HF2939—Knoblach (R)
Health & Human Services Finance
Health coverage provided for children with special health needs, and money appropriated.

HF2940—Nelson, M. (DFL)
Environment & Natural Resources Finance
Brooklyn Park; shoreland stabilization along Shingle Creek funding provided, bonds issued, and money appropriated.

HF2941—Samuelson (R)
Health & Human Services Policy
Nursing home regulatory oversight alternatives study required.

HF2942—Samuelson (R)
Health & Human Services Finance
Nursing facility case mix calculations modified.

HF2943—Ellison (DFL)
Judiciary Policy & Finance
Racial profiling; official deprivation of civil rights and pattern of misconduct crimes established, racial profiling prohibited, rural data collection required, information and training required, offenses clarified, and money appropriated.

HF2944—Nelson, M. (DFL)
Commerce, Jobs & Economic Development Policy
Peddlers and door-to-door solicitors regulated.

HF2945—Seifert (R)
Jobs & Economic Development Finance
Historical sites operated by the Minnesota Historical Society reopened, and money appropriated.

HF2946—Wasiluk (DFL)
Environment & Natural Resources Policy
Compost facilities study required.

HF2947—Mahoney (DFL)
Jobs & Economic Development Finance
Workforce development fund assessment increased, and fund use authorized for early childhood programs.

HF2948—Lipman (R)
Commerce, Jobs & Economic Development Policy
E-mail message transmission criminal penalties provided under specified conditions relating to consumer protection.

Thursday, March 11

HF2949—Magnus (R)
Health & Human Services Policy
Nursing home increased surcharge on private pay residents repealed.

HF2950—Westrom (R)
Regulated Industries
Administration Department provision of telecommunications and information services modified.

HF2951—Hausman (DFL)
Jobs & Economic Development Finance
St. Paul Como Park Zoo renovation funding provided, bonds issued, and money appropriated.

HF2952—Lesch (DFL)
Commerce, Jobs & Economic Development Policy
Overtime work payment regulation provided.

HF2953—Cox (R)
Regulated Industries
District court authorized to hear appeals of lesser utility fines.

HF2954—Mahoney (DFL)
Commerce, Jobs & Economic Development Policy
Mechanical/HVAC contractor and employee licensing provided, and money appropriated.

HF2955—Mahoney (DFL)
Commerce, Jobs & Economic Development Policy
Prevailing wage payment required on tax-subsidized power plant construction projects.

HF2956—Slawik (DFL)
Judiciary Policy & Finance
Assault weapon and large capacity ammunition magazine manufacture, transfer, and possession crimes established.

HF2957—Entenza (DFL)
Education Policy
Superintendents required to annually notify the school board where responsibility resides for administering the early childhood family education and school readiness programs.

HF2958—Sykora (R)
Education Finance
School district levy established to pay for the co-location of government services.

HF2959—Sykora (R)
Education Policy
School Administrators Board authorized to amend licensure rules.

HF2960—Kelliher (DFL)
Health & Human Services Policy
Reproductive privacy act adopted.

HF2961—Rukavina (DFL)
Local Government & Metropolitan Affairs
Hoyt Lakes authorized to extend its zoning and subdivision regulations within part of the town of White subject to the town's consent.

HF2962—Juhnke (DFL)
Transportation Finance
Highway fund expenditures required to be divided evenly between the seven-county metropolitan area and the rest of the state.

HF2963—Juhnke (DFL)
Transportation Finance
State airports fund transfer authorized.

HF2964—Juhnke (DFL)
Transportation Finance
Rail service improvement account funding provided, bonds issued, and money appropriated.

HF2965—Westrom (R)
Education Finance
Debt service equalization aid program modified to encourage sound historic preservation and cost-efficient remodeling projects, and review and comment process clarified.

HF2966—Krinkie (R)
Governmental Operations & Veterans Affairs Policy
Disabled peace officers and firefighters continuing health care provisions modified.

HF2967—Wilkin (R)
Health & Human Services Finance
Home and community-based waiver services additional priority category established, and continuing funding provided for persons using the consumer-directed community supports service option.

HF2968—Clark (DFL)
Environment & Natural Resources Policy
Environmental mapping requirements provided and data made available to the public.

HF2969—Demmer (R)
Education Finance
School districts authorized to build school buildings using design-build construction techniques.

HF2970—Bradley (R)
Health & Human Services Policy
Radioactive and nuclear material fees modified, and state agreement with the United States Nuclear Regulatory Commission approved.

HF2971—Finstad (R)
Local Government & Metropolitan Affairs
Property-owner-petitioned annexation acreage limit removed under certain conditions.

HF2972—Zellers (R)
Taxes
Local government aid payments increased for specified cities.

HF2973—Westerberg (R)
Transportation Finance
Trunk Highway 65 improvements funding provided to facilitate bus rapid transit, bonds issued, and money appropriated.

HF2974—Osterman (R)
Governmental Operations & Veterans Affairs Policy
Candidates required to file a list of persons and groups endorsed by the candidate.

HF2975—Peterson (DFL)
Taxes
Cities authorized to establish water sub-metering programs and to finance water programs with revenue obligations.

HF2976 to HF3013, also introduced March 11, will appear in next week's Session Weekly.

SPEAKER OF THE HOUSE: STEVE SVIGGUM
MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Active youth

Average daily leisure hours that American children ages 9-13 spend in front of a screen	4.5
Those that are spent watching television	2.5
U.S. families who have a television, VCR, video game equipment, and a computer	48
Percent of overweight children ages 6-19 in the United States in 2000	15
Percent increase since 1980	300
Preschool children across the country in 2000 that, as a percent, were overweight	10
Percent of all Minnesotans who were overweight or obese in 2001	58
United States average	56
Weekly minutes elementary students should participate in physical education	150
Middle/high school students	225
Percent of Minnesota students in grades 1-6 that reached that level in 2002	13
Percent in grades 7-8	7
Percent in grades 9-12	9
Minnesota schools that required courses in health education, as percent, 2002	97
Percent requiring physical education	97
State schools, as percent in 2002, that required a physical education class for sixth graders	99
10th-graders, as percent	87
High school seniors, as percent	1
Minnesota schools, as percent in 2002, that required a health education class for sixth graders	62
10th-graders, as percent	89
High school seniors, as percent	7
Percent of state elementary schools where there is enough equipment so that the majority of students can be active for more than 50 percent of the class time	94
Percent of middle/high schools	86
Elementary schools, as percent, that provide information about physical activities available in the community	75
Middle/high schools, as percent	70
Percent of Minnesota middle/high school boys participating in interscholastic sports in 2002	43
Percent of girls	41
Schools with intramural activities or clubs for students in 2002, as percent	63.3
Of those, percent that provided transportation home from intramural activities	50.7

Sources: *School Health Profiles, Surveillance for Characteristics of Health Programs Among Secondary Schools*, Centers for Disease Control and Prevention, 2004; *National Centers for Health Statistics*; *State Health Facts Online*; U.S. Department for Health and Human Services; *Health and Physical Education in Minnesota Schools, 2002*, Minnesota Institute of Public Health, Minnesota Department of Health, and Minnesota Department of Education, January 2004.

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

MARCH 19, 2004

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In this issue:

SUPPLEMENTAL BUDGET RECOMMENDED

FELONS' VOTING RIGHTS, GRADUATION STANDARDS, AND MORE

HF2976-HF1105

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 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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On the cover: Activity on the State Office Building stairs will begin to slow as committees complete their business and activity moves over to the House Chamber.

—Photo by Tom Olmscheid

Nip and tuck

Legislators examine governor's plan to balance 2004-05 budget, long-term effects of proposed solutions

By MICHELLE KIBIGER

Finance officials agree that the February budget forecast released at the end of last month did not change much from previous estimates. Nevertheless, it projects a \$160 million hole in the 2004-05 general fund budget that must be filled prior to the close of the fiscal biennium on June 30, 2005.

In addition, the forecast predicted that based on current law, there will also be a deficit of \$441 million at the end of the 2006-07 biennium.

Legislative committees are weighing these concerns, along with other policy initiatives laid out by Gov. Tim Pawlenty in his 2004 supplemental budget requests. And the solution proves to be a difficult one, as many of the one-time shifts that were utilized in the past are no longer available.

"We're pretty much tapped out," Finance Commissioner Peggy Ingison told the House Taxes Committee March 11.

The committee heard the forecast update and governor's supplemental requests March 11 and March 16. Other House committees have also begun discussing the adjustments requested by the governor.

Pawlenty's supplemental budget would erase the deficit for 2004-05, while allowing for some additional spending, but would only account for about \$104 million of the additional deficit projected for 2006-07, leaving the projected deficit at \$338 million by June 30, 2007.

Members of the tax committee expressed

concern that the forecast clearly shows revenues will not exceed expenditures through fiscal year 2007, even though expenditure projections do not account for inflation and revenues do reflect nominal adjustments according to economic expectations.

Ingison acknowledged that the levels of spending in current law cannot be sustained by the revenues.

According to a letter submitted by Ingison to legislative leaders, the 2004-05 budget adjustments include the following:

- \$95 million in targeted and operating budget cuts,
- \$62 million in additional program spending,
- \$50 million in revenue adjustments, and
- \$70 million in transfers from other funds, primarily the health care access fund.

The adjustments would leave the projected budget reserve at \$631 million, though the governor is asking the Legislature to authorize a transfer of \$350 million in reserves to the cash flow account, to accommodate any unanticipated spending that might be required to balance the budget prior to the close of the fiscal biennium.

Without the transfer, said State Budget Director James Schowalter, the state may have to resort to short-term borrowing and allotment, an ac-

tion allowed the executive branch near the end of a fiscal biennium in order to balance the budget as required by the constitution. Without legislative action, the governor cannot use the budget reserve for cash flow purposes.



PHOTO BY TOM OLMSCHIED

Revenue Commissioner Dan Salomone answers questions from members of the House Taxes Committee March 16 regarding Gov. Tim Pawlenty's supplemental budget proposal.

Gov. Pawlenty's supplemental general fund budget net effect, by committee

Health and Human Services	-\$105.9 million
Taxes	-\$46.7 million
Higher Education	-\$19.3 million
State Government	-\$11.2 million
Jobs and Economic Development	-\$7.8 million
Environment and Natural Resources	-\$3 million
Transportation	-\$2.6 million
Agriculture	-\$381,000
Education	\$5.2 million
Capital Investment/Debt Service	\$13.9 million
Judiciary	\$17.9 million
Total	-\$159.8 million

Source: House Fiscal Analysis Department

The biggest chunk of the budget cuts in the governor's plan fall in the health and human services area, a total of nearly \$106 million. Primarily, the cuts would be targeted at trimming reimbursement rates for continuing care providers and reducing payment rates for inpatient, outpatient, and pharmacy services under Medical Assistance and General Assistance Medical Care. Those programs provide state- and federal-funded medical care for low-income individuals.

"This has been a challenge to this agency. We don't take the magnitude of these reductions lightly," said Jane Hardwick, chief financial officer for the Department of Human Services, before the House Health and Human Services Policy Committee March 17.

However, the governor is also proposing new health and human services related to increasing civil commitments of sex offenders, a program run by the Department of Human Services, and to cover additional federal requirements for pregnant women and infants under Medical Assistance.

The governor also proposed across the board 3 percent spending reductions for state agencies and constitutional offices.

On the revenue side, the governor proposes transferring the surplus in the state higher education grant program worth \$15 million, Legislature carry-forward funds worth \$7 million, half of the balance in the 21st Century Minerals Fund at \$5.7 million, and the unclaimed lottery prize account at \$1.3 million.

Susan Heegaard, director of the Higher Education Services Office, told the House Higher Education Finance Committee March 8 that

there may still be grant money for college students despite the transfer, and projections for 2005 did account for tuition increases.

New short-term revenue would be created through several tax-related proposals.

- An extra \$35.6 million in revenue would be created by requiring up-front sales tax payments for car and truck leases, though the revenue boon would only last through 2007 and taper off in subsequent years. Currently, sales taxes are charged monthly on lease agreements.
- An extra \$10.5 million in 2005 and \$3.5 million per year (beyond) would be gained by a change in the way cigarette taxes are collected. Rather than collecting a sales tax on purchases, the proposal would create a gross receipt tax from distributors. Long-term gains are attributed to greater compliance in paying the taxes.
- Nearly \$2 million would be generated in compliance efforts related to income tax paid by foreign operating corporations and in requiring non-Minnesota sellers to collect and pay Minnesota sales tax in order to compete for state contracts. That revenue stream would climb by about \$2 million per year in subsequent years.

Tax committee members expressed concern regarding the upfront lease tax payments. Rep. Tom Rukavina (DFL-Virginia) called the plan a tax shift at best and a tax increase at worst, because individuals would not be eligible for a rebate if they terminated a lease early.

Revenue Commissioner Dan Salomone acknowledged that the measure is a shift and likely would not result in long-term revenue gains. He also addressed the rebate issue, saying a lease termination is something triggered by a taxpayer action and under current law, a lease termination would still require an individual to pay any sales tax associated with the term of the lease.

Nevertheless, the shift caused members concern.

"One of the things that troubles me is that a number of the other one-time shifts can be bought back," said Rep. Ron Abrams (R-Minnetonka), the committee chair, of shifts used to balance the prior budget deficit. "This one is very difficult to buy back."

Lawmakers have until the May 17 constitutional deadline to determine which of Pawlenty's proposals to use in balancing the budget and also to provide alternatives of their own.

STAFF WRITERS MIKE COOK AND MARY KAY WATSON
CONTRIBUTED TO THIS REPORT.



Careful balance

Water management issues in legislative spotlight since statehood

"In my country, whiskey is for drinking and water is for fighting."

Rep. Maxine Penas' (R-Badger) comment drew a chuckle out of House Environment Policy Committee members during a recent hearing about water management. But all kidding aside, the House environment committees have reviewed a number of bills this session relating to disputes over water and drainage rights.

The feuds aren't restricted to Red River Valley country, and the debate is not new to the Legislature.

The federal Swamp Lands Acts of 1850 and 1860 granted 65 million acres of land to western states, including Minnesota. The prevailing attitude of the day was to drain those pesky swamplands, hence the name of the legislation. The state's first Legislature in 1858 passed a law to encourage drainage and develop farmland.

Minnesota would have significantly less valuable cropland without the complex network of drainage tiles and ditches built by state encouragement. Industry, transportation, and construction have benefited from drainage, too, by reclaiming certain lands that might otherwise have been deemed marginal for development purposes.

The state's first comprehensive drainage laws date back to 1883 and 1887. The legislation established a petition process for landowners and granted county boards authority to determine whether creating a ditch was in the public's best interest.

The acts "to enable the owners of lands to drain and reclaim them when the same cannot be done without affecting the lands of others" formed the backbone of a drainage authority system still in place today.

Under the laws, much faith to make accurate on-site decisions was placed with so-called viewers, "consisting of three resident freeholders of the county not interested in the construction of the proposed work and not of kin to any parties interested therein."

These folks assessed the benefits, and ultimately the cost, to landowners of the proposed drainage system. The viewers would submit reports to the county commissioners, with

whom the final decision to establish a ditch rested.

In 1897, a three-member drainage board of commissioners was established by the Legislature. The board was granted the authority over all state drainage ditches, including care, custody, control, and supervision, which incorporated annual inspections and reports to the respective counties in which ditches were located. Under the law, the counties had 60 days after receiving a report to make the appropriate repairs to keep ditches draining

efficiently and free from debris. The counties picked up the tab for the repairs.

The state appropriation for the first two years of the board's activities was \$1,000.

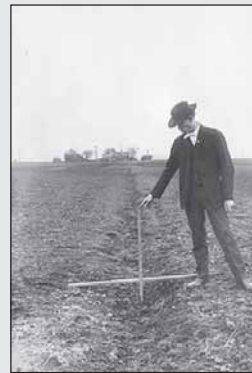
Today, the general responsibility for drainage is vested in counties or joint county authorities, which may grant management powers to watershed districts. The landowner petition process is much like it was 120 years ago with view-

ers and board approval still part of the mix. The Minnesota Board of Soil and Water Resources coordinates county and watershed activities. The board traces its roots back through several incarnations to the original drainage commission.

The most significant changes to the drainage code have occurred in recent decades as lawmakers and drainage authorities have developed a greater understanding of the importance of wetlands to the ecosystem, and public policy has shifted toward conservation. The state's no net loss to wetlands approach under the 1991 Wetland Conservation Act requires more environmental considerations in the drainage petition approval process.

There are several issues facing modern drainage authorities, among them questions over the downstream effects on water quality or quantity, a changing rural landscape as traditional farmland is divided into residential subdivisions, and a lack of knowledge by some newcomers to agricultural areas of the informal system of tile lines running beneath their property.

(N. Wood)



Measuring drainage ditch depth in 1910.

Photo courtesy of the Minnesota Historical Society

★ AGRICULTURE

Restoring Extension services

The House Agriculture and Rural Development Finance Committee approved a bill March 11 that would attempt to restore county-based University of Minnesota Extension services.

Sponsored by Rep. Al Juhnke (DFL-Willmar), HF2272 would require extension educators and services to be located in the county where services are provided.

The bill, which now moves to the House Higher Education Finance Committee, is a response to the university's January 2004 restructuring of the county extension program. Formerly located in each of the state's 87 counties, extension educators are now in 18 regional centers.

"We had no input whatsoever into extension's regional concept," Juhnke said. "It was top-down. All our county offices are diminished."

Among their duties, extension educators conduct agricultural-based research, provide advice to farm families, and help counties organize youth 4-H programs.

Charles Casey, university extension director and dean, and James Mulder, executive director of the Association of Minnesota Counties, testified in opposition to the bill.

"State resources haven't been used to maintain a county extension office," Casey said. "They (extension offices) are not like they were before, but they are there. They are answering questions."

State funding supports extension faculty at the university's St. Paul campus, who provide information to local areas throughout the state. Moving educators back to county offices "would cut the campus research base," Casey said. "We try to strike a balance now."

Mulder said services are the issue, rather than the county extension structure.

"There is no cookie cutter approach that fixes this," he said. "We were asked by the (2003) Legislature to do more with less. Well, the less is those things that weren't mandated and extension is one of them."

Juhnke said he was willing to "change the bill as it moves along."

A companion bill (SF2710), sponsored by Sen. Jim Vickerman (DFL-Tracy), awaits committee action.

Responding to more reductions

The state Department of Agriculture and Board of Animal Health officials said they will try to absorb 3 percent operating budget reductions proposed for fiscal year 2005 without further program cuts.

They discussed Gov. Tim Pawlenty's supplemental budget recommendations March 16 with members of the House Agriculture and Rural Development Finance Committee.

The committee took no action on the governor's proposal to cut about \$500,000 from the department budget and \$84,000 from the board budget.

Potentially offsetting the departmental cuts would be a proposed 10 percent increase in grain fees paid by producers and grain elevator operators, as well as technical adjustments in three other fee-based inspection and certification services.

Combined, the fee increase and changes could provide \$87,000 in revenue.

Several committee members questioned Becky Leschner, department budget director, about potential agriculture program or service cuts. She said the department is looking for "cost savings, not program reductions."

"We don't know what they're saving money on," responded Rep. Al Juhnke (DFL-Willmar). "We won't know until after the fact. I don't know if we've ever done that."

William Hartmann, Board of Animal Health

executive director, said the agency would maintain its core functions, and increase cooperative efforts with federal programs on chronic wasting, mad cow disease, and other potential threats to the state's domestic animals. The diseases "are not causing problems in Minnesota," he said.

Hartmann said he anticipated no layoffs or program cuts.

The governor also proposed a \$200,000 funding boost for protecting plants from "invasive species" such as gypsy moths, ash borers, and other non-native plants, animals, or diseases — byproducts of increased international and interstate trade — that could harm the state's ecosystem.

If approved, the appropriation would allow the department to hire a research scientist, seasonal help to track problem areas, and a public education/information officer.

Bob Fitch, executive director of the Minnesota Nursery and Landscape Association, testified in favor of increased funding for plant protection. "This small investment now will help the state be better prepared," he said.

In 2003, Fitch said seven million ash trees in Michigan urban areas were killed by emerald ash borer, which originated in China. That state spent \$14 million to combat the disease. "Not since Dutch elm disease has our urban forest and related environment faced such dire threats," Fitch said.

FARMAMERICA

PHOTO BY TOM OLMSCHEID

Jerry Rutledge, from left, Jim Tippy, and Bill Hoversten, volunteer board members at the Minnesota Agricultural Interpretive Center (Farmamerica) in Waseca, give a presentation to the House Jobs and Economic Development Finance Committee March 16 in hopes of obtaining funds to improve numerous buildings at the center.

Protecting tile lines

The informal system of agricultural drain tiles that run across property lines has met with development pressures and misunderstandings between city and country cousins in McLeod County and other farming areas, the House Environment and Natural Resources Policy Committee was told March 11.

Tile lines drain surface water from cropland in rural areas. The tiles, which are placed between 4 feet and 6 feet underground, often flow between several farms or parcels of land.

HF2478, sponsored by Rep. Howard Swenson (R-Nicollet), would prohibit landowners from knowingly planting trees over a public or private drain tile used for the drainage of land owned or leased by another person, unless the person planting trees receives permission from everyone who benefits from the drainage system.

The committee approved the measure and sent it to the House floor.

Tile lines have been used in the agricultural community for 60 years to 70 years, said Larry Michaletz, a Lester Prairie agriculture producer. The lines need to drain by gravity, he explained, and tree roots can plug up or destroy the tile.

"With more and more people moving into the countryside, our tile lines are ending up in the backyards next to their houses," said Larry Eide, a McLeod County farmer. "New landowners do not understand how things work in the rural farmland."

Rep. Ray Cox (R-Northfield) asked how the system is currently managed.

"The agreements made with our forefathers have been just verbal," Michaletz said. "Now those lands are being sold off."

It's a legitimate concern, but drainage rights and easements might already be established in current law, said Rep. Dennis Ozment (R-Rosemount).

A Senate companion bill (SF2068), sponsored by Sen. Steve Dille (R-Dassel), awaits committee action.

Proactive pilot program

One of the recommendations of a 2003 Minnesota Pollution Control Agency feedlot program report to the Legislature was to develop a "proactive component to managing feedlots in harmony with social and environmental considerations."

HF2767, sponsored by Rep. Dennis Ozment (R-Rosemount), aims for this proactive component by helping counties establish environmental protection and a better understanding of agency feedlot rules.

The House Environment and Natural Resources Finance Committee reviewed the

proposal March 16. It will be considered for inclusion in the committee's omnibus finance bill.

The bill would appropriate \$150,000 to the Board of Water and Soil Resources to initiate a pilot program for technical and financial assistance to help counties design an environmental protection framework relative to the establishment or expansion of livestock feedlots.

Under the bill, the participating counties are directed to protect surface and groundwater in accordance with current Minnesota rules, enhance wildlife habitat, and implement University of Minnesota odor offset control measures.

Part of the framework would include the use of maps to help counties and local residents identify with agency feedlot rules in a visual way, Ozment said.

The board would be asked to enlist at least three counties and report back to the Legislature by Dec. 31, 2004.

"It applies sound science to environmental considerations in growing our livestock industry here in Minnesota," said Chris Hanson, lending support for the initiative from the Minnesota Milk Producers Association.

A Senate companion (SF2630), sponsored by Sen. Dallas Sams (DFL-Staples), awaits committee action.

★ CHILDREN

Blocking obscene material

Public libraries that fail to install filtering or blocking software to prevent a person under age 18 from accessing obscene or pornographic material on the Internet could temporarily lose state funding, under a bill that may be considered for inclusion in the omnibus education finance bill.

Sponsored by Rep. Jeff Johnson (R-Plymouth), HF2832 would also require all computers at a school site with Internet access to be equipped with software filtering or blocking technology, else the school would risk losing state funds for its library or computer lab.

The bill was heard March 17 by the House Education Finance Committee following March 11 approval by the education policy committee.

"Most of the libraries in Minnesota have already done this," Johnson said, except large library systems, such as those in Hennepin and Ramsey counties.

Ramsey County's library system hasn't installed software to block Web sites because of budget issues, and the technology's effectiveness, said Matt Anderson, a library board trustee, who opposed the bill in testimony before the education policy committee.

"It's a very practical decision for us, an eco-

nomic decision," Anderson said. "It's easy for people to demagogue on one side or the other on what this means."

Johnson said libraries' software costs, or other means of blocking Web access to objectionable material was "not prohibitive." Withholding state funding "could be if the bill passes," he added.

"This is not a debate about pornography in public libraries, which should be prevented," said Elaine Keefe, a lobbyist for the Minnesota Libraries Association. "The (state) law passed four years ago is working well," she said.

As a condition of receiving federal funding or grants for computer related purchases, public libraries must install pornography filters on all computers with Internet access.

John DeRocker of Plymouth, owner of Nexus Information Systems, testified in support of the bill. He said improving technology has made blocking 98 percent effective, with fewer incidents of legitimate information sites being blocked.

The bill, which has no Senate companion, would also repeal a part of existing state law that excused a school site from purchasing Web site filtering technology if the purchase was more than an incidental expense.

Searching for relatives

The House Health and Human Services Policy Committee approved a bill March 11 that would require social service agencies to make more comprehensive searches for relatives in child placement cases.

HF2497, sponsored by Rep. Torrey Westrom (R-Elbow Lake), will go next to the House Civil Law Committee. A Senate companion bill (SF2555), sponsored by Sen. Dallas Sams (DFL-Staples) awaits committee action.

Westrom said the current statute is unclear as to what constitutes a "reasonable" relative search. The bill would add the word "comprehensive" and require a search to include both paternal and maternal relatives.

If an agency fails to comply, it would face a reduction in the county's state children and community services grant allocation of up to 5 percent.

Bruce and Sara Boerner from Holmes City said they were not told by Nicollet County that their niece was the subject of a child protection case. After finding out, they have tried to adopt her, but county social workers recommended she be placed with a foster family with whom she lived since June 2003 because they live closer to her biological mother. Parental rights in the case have been terminated.

"If Nicollet County had done a proper relative search none of this would have happened,"

Sara Boerner said. “We qualify by the state standards to have our niece with us. And she should be given the chance to know us”

“Something went awry in this process,” Westrom said.

The committee adopted two amendments, both offered by Rep. Neva Walker (DFL-Mpls), that would give relatives a better chance of being notified and grant them some flexibility in arranging to accept a child into their home.

Rep. Fran Bradley (R-Rochester) expressed concern that a relative could come forward after adoption or permanent custody is granted and use the amendment language as leverage.

“We want to encourage relatives to come forward as soon as possible because that is best for children,” said Erin Sullivan-Sutton, director of child services for the Department of Human Services. The Walker amendment does not compromise that goal, she said, it just means “you don’t hold it against a relative if their circumstances are that they cannot provide care in the first instance.”

Day care funding

The disparity in rates for child-care services between Greater Minnesota and the Twin Cities metropolitan area is threatening the viability of those services in some communities, according to Rep. Morrie Lanning (R-Moorhead).

Lanning presented a bill (HF2535) to the House Health and Human Services Policy Committee March 11 that would create a grant program to reimburse child-care providers. The committee sent the bill to the House Health and Human Services Finance Committee without recommendation because of uncertainty as to the fiscal effect.

“Many businesses in Greater Minnesota are concerned about the viability of child-care – both in-home and in centers,” Lanning said.

While the state formula for sliding-fee reimbursement for child-care services works well in metropolitan counties, it has had a negative impact on rural counties, according to John Molinaro, vice president for programs of the West Central Initiative Fund in Fergus Falls.

Molinaro said the formula assumes an economic stratification that doesn’t exist in rural counties, where the poorest and wealthiest use the same centers. As a result, rural area child-care providers are locked into “unrealistically low” rates that don’t cover their costs. He said the variance between rural and metropolitan reimbursement rates was as high as 257 percent for centers and 177 percent for in-home care.

Lanning said the intent of his bill is to reduce the gap to help those at the lowest rate.

“If we charged what we need to charge, we’d have to close because no one would come,” said

Tammy Anderson, a Fergus Falls day care provider. “Quality teachers only get \$8 per hour. We’re competing with Burger King and K-Mart. How sad is that?”

Anderson’s child-care center charges \$27 per day. She said the state reimbursement rate dropped from \$27 to \$21. “They didn’t just freeze it — they hacked it,” she said.

Cherie Kotilinek, program administration manager for the Department of Human Services, said the department felt the Legislature’s intent was that they should come up with a 75th percentile cap.

“The intent was to do as little harm as possible,” said Rep. Jim Abeler (R-Anoka). “The Legislature thought they were doing one thing; the department interpreted it a different way.”

“We’re losing centers; we’re losing capacity,” Molinaro said. “People have had to scramble to find day care or drop out of the workforce.”

A companion bill (SF2490), sponsored by Sen. Carrie Ruud (R-Breezy Point), awaits a hearing in the Senate.

★ CONSUMERS

Credit card issuance

The House Commerce, Jobs, and Economic Development Policy Committee considered a bill March 17 that would prohibit financial institutions from issuing financial transaction cards, including credit cards, in a person’s name without the express permission of that person.

HF960, sponsored by Rep. Neva Walker (DFL-Mpls), will be considered for possible inclusion in the committee’s omnibus bill.

“I believe a credit card should only be issued to a person with that person’s permission,” said Russell Erickson, a Minneapolis resident. “I consider my name to be my personal property.”

Erickson related the difficulties he had removing his name from a credit card account that he had not authorized. The issuing company required him to “jump through a lot of hoops” and insisted that he was equally as liable as the other person on the account even though he had never asked for the card, never used it, and did not want it.

Joe Witt, chief executive officer of the Minnesota Banker’s Association, which opposes the measure, said there are situations when people want to be authorized signers, for example, when they don’t qualify for credit on their own, such as college students.

“Federal law is clear that if you are an authorized signer on a card, you are not liable for the debt,” he said.

Rep. Jim Davnie (DFL-Mpls) successfully offered an amendment that would require educational institutions to provide students with an opportunity to opt out of having their names on lists sold or given to credit card issuers.

“I think we recognize that a lot of students are leaving college with a lot of debt,” Davnie said. “Some of that is student loans, but often there’s a lot of credit card debt.”

Pat Martyn, a lobbyist for MBNA, said the

RESTORATION REQUEST



PHOTO BY TOM OLMSCHIED

Surrounded by people with signs, members of the Welfare Rights Committee hold a press conference March 15 outside the governor’s office to call on the Legislature and governor to undo cuts to the Minnesota Family Investment Program and to families living in subsidized housing.

company is in “severe disagreement” that credit cards issued to students cause bankruptcy. “Students have an overwhelming need for a substitute for cash,” he said.

“I don’t see how anyone can argue that what Rep. Walker is trying to do is common sense,” said Rep. Tom Rukavina (DFL-Virginia).

A Senate companion bill (SF83), sponsored by Sen. Linda Berglin (DFL-Mpls), awaits action in the Senate Commerce and Utilities Committee.

★ CRIME

Methamphetamine bill advances

A bill that would address a number of public safety, health, and enforcement concerns regarding the manufacture of the potent drug methamphetamine was approved by the House Civil Law Committee March 12.

The committee considered several amendments relating to the bill’s requirements to report methamphetamine-related activities associated with a property or a vehicle, restitution requirements for rental properties, and limits on the sale of over-the-counter medications used to manufacture the drug.

Substantially, the bill (HF1989), sponsored by Rep. Doug Fuller (R-Bemidji), would institute a two-year mandatory minimum prison sentence for a first offense of possessing substances with intent to manufacture methamphetamine. In addition, it would raise maximum penalties for methamphetamine offenses, and it would require that certain officials be notified of manufacturing activities at a property.

Cleanup funds and other remediation activities would also be provided in the bill.

One amendment would remove the requirement that a property contaminated by methamphetamine manufacturing must report that on the property’s deed. Fuller testified that the requirement would create unnecessary clutter on the actual deed. Instead, he said, the association of realtors is amenable to modifying the seller’s real estate disclosure form to include methamphetamine-related activities.

Under current law, homeowners are required by law to disclose items on the form.

Another amendment would require that a registration authority, such as the Department of Public Safety’s division of driver and vehicle services, have the opportunity to place a notation on the vehicle title before a defendant is able to get his or her vehicle back.

A third amendment would clarify that both local governments and rental property owners could receive court-ordered restitution when an emergency response is required due

to methamphetamine manufacturing. It would also clarify that local governments includes all local units, not just counties.

A final amendment would preclude any local governments from adopting ordinances governing the sale of over-the-counter products containing ephedrine or pseudoephedrine different from the state law provisions. Bruce Anderson, a lobbyist for the Minnesota Retailers Association, testified that a number of retailers have locations across the state but have one central point-of-sale operation. To allow for different communities to have different ordinances would place a burden on the system, he said.

The bill now moves to the House Judiciary Policy and Finance Committee. Its Senate companion (SF1580), sponsored by Sen. Julie Rosen (R-Fairmont), awaits committee action.

Paying for CriMNet

An integrated criminal database that law enforcement officials believe would help nab criminals would be mandated statewide, and paid for through local government participation fees and revenue bonds, under a bill heard March 17.

Sponsored by Rep. Steve Strachan (R-Farmington), HF2282 lays out the funding mechanisms for what is referred to as CriMNet, a system the state has been developing since 1999. CriMNet will eventually allow public safety and criminal justice agencies across the state to access information about offenders and defendants.

Because the system is not fully developed, Chaska police officers can’t immediately access Hibbing criminal records unless the particular document has already been submitted to the state, explained Sen. Julianne Ortman (R-Chanhassen), who is sponsoring the Senate companion bill.

“We want to see CrimNet fully implemented statewide,” Ortman told the House Judiciary Policy and Finance Committee.

HF2282 calls for developing an implementation plan by Dec. 31, 2005 and making the system fully functional by Dec. 31, 2009.

The bill would authorize the state to issue revenue bonds for the system and have the debt service paid by local government per-capita participation fees ranging from \$2,000 to \$25,000. The fees would be paid automatically through deductions from the local government aid the state pays to cities and counties.

Ortman, who has gained support for the bill from several law enforcement agencies, said she offered the unique funding method because neither the state nor local government units can fund the system alone.

However, the bill would leave the final funding mechanism to the Criminal and Juvenile Justice Information Policy Group and its advisory task force. Revenue bonds would not be sold unless the group requests that the state do so.

Rep. Doug Fuller (R-Bemidji) expressed concern that issuing revenue bonds as opposed to capital bonds would eliminate ongoing legislative oversight. However, nonpartisan House Research staff said capital bonds cannot be used to fund CriMNet.

Rep. Michael Paymar (DFL-St. Paul) said it could be a “potential nightmare” deciding participation fees for each city and county.

The bill will be considered for inclusion in the committee omnibus bill. Its Senate companion bill (SF2079) awaits committee action.

★ DEVELOPMENT

No competitive bidding

A proposed multi-use bus public transit facility and private development that may include housing would be built in downtown Minneapolis without having to go through the competitive bidding process, under a bill approved March 16 by the House Transportation Finance Committee.

HF2492, sponsored by Rep. Margaret Anderson Kelliher (DFL-Mpls), was inspired by one component of the Nicollet Hotel Block project, bounded by Third Street South, Washington and Hennepin avenues, and the Nicollet Mall. The property is owned by the city, which envisions a multi-use facility, including a transit layover facility for 26 buses and possible housing units above the structure.

Buses would use the facility when it is necessary to wait before embarking on new runs, Kelliher said. Passengers could also board buses at the location.

Typically, housing and redevelopment authorities are required to solicit competitive bids when projects exceed \$50,000. Under current law, however, an exception can be granted for housing and redevelopment authorities constructing structured parking facilities in conjunction with a development if the project is financed with tax-increment financing or parking ramp bonds.

The bill would extend the exemption to transit facilities.

Kelliher said the exemption is necessary to provide flexibility to potential developers of the Nicollet Hotel Block project. As it now stands, one developer could be awarded the transit facility bid while another is awarded the housing development project, leaving neither a say about the separate but integrated

components. The bill would allow the city to solicit bids on the project as a whole through the request-for-proposals process.

Lee Sheehey, executive director of the Minneapolis Community Development Agency, said the facility would improve traffic movement downtown. Buses, some of which now wait on the street, could wait at the layover facility.

The facility may include parking for the housing development but may not include public parking, Sheehey said in response to a question by Rep. Torrey Westrom (R-Elbow Lake) about downtown parking problems. Several other parking facilities are scheduled to be available soon in the downtown area, added Kelliher.

The bill now moves to the House floor. Its Senate companion (SF2386), sponsored by Sen. D. Scott Dibble (DFL-Mpls), awaits action on the Senate floor.

★ EDUCATION

Staff development

Professional development programs for teachers would become more focused on a particular school's needs, under a bill heard March 15 by the House Education Finance Committee.

Sponsored by Rep. Alice Seagren

(R-Bloomington), HF2860 would bring state requirements for teacher professional development in line with those of the federal No Child Left Behind Act.

The committee will consider the bill, which also includes a number of technical and language changes in K-12 education law, for inclusion in its omnibus bill.

The proposal would require a "results-driven staff development plan" that fosters "quality teaching and student achievement," including addressing achievement gaps among different student groups.

The federal law's staff development criteria, which the bill proposes that the state follow, is "strong," said Greg Marcus, government relations director for the Department of Education. "Like a lot of legislation, there are good things and bad things in No Child Left Behind."

Marcus said the bill would require school district staff development committees "to look at weaknesses of a school before planning to spend money" on teacher and staff development.

An annual report on both the district and school site staff development plans would be required by the Education Department. Under existing law, districts file such reports, but specific schools do not.

In addition, the bill would require a school district to reserve at least 2 percent annually of its basic general education revenue for staff development programs.

A similar requirement in state law was waived for the 2004-05 biennium by the 2003 Legislature in order to provide districts with some flexibility on spending decisions.

Rep. Jim Abeler (R-Anoka) said local school officials like "the freedom to use that 2 percent as they see fit. Why would we presuppose that we would know better?"

Seagren said the bill would not change a district's ability to waive the 2 percent staff development spending requirement, or spend more, provided teachers serving on district advisory staff development committees agree.

Those committees, as well as site staff development committees, must include a majority of teachers, according to the bill.

The bill's companion (SF2638), sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), awaits committee action.

Promoting abstinence

For the third consecutive year, a bill that would require public schools to teach abstinence until marriage in sex education classes is headed to the House floor.

The House Education Policy Committee March 11 approved HF580, sponsored by Rep. Sondra Erickson (R-Princeton).

The bill was included in the House 2003 omnibus education finance bill, but was removed in a conference committee.

Under House rules, the bill returned to the committee at the end of the session.

The bill is "taking nothing away from present law," Erickson said.

It would require a school district that provides health education on prevention of sexually transmitted diseases to also provide students with curriculum and instruction in sexual abstinence premised on risk avoidance.

A motion by Rep. Lyndon Carlson (DFL-Crystal) to refer the bill to the House Education Finance Committee to consider school district implementation costs was defeated.

The bill would not cost schools more, said Rep. Barb Sykora (R-Excelsior), the committee chair. "There are a number of (abstinence) curriculums available that add to what is the course of instruction in sex education now," she said. "This says abstinence can be a part of it."

A companion bill (SF747), sponsored by Sen. Betsy Wergin (R-Princeton), awaits committee action.

Paying to ride

Charging students a trial school bus fee would become a district option under a bill heard March 11 by the House Education Finance Committee.

CRIMINAL TRANSFER



PHOTO BY TOM OLMSCHIED

St. Louis County Sheriff's Deputy Charles Berquist, left, holds a series of newspaper pictures to show the House Capital Investment Committee March 16 how a prisoner has to be unloaded from a department transport van in an unsecured location when a prisoner is taken to court. He and Tony Mancuso, right, director of property management for St. Louis County, were testifying in support of a bill that would establish a county-state partnership to fund capital improvements to county buildings.

Sponsored by Rep. Peter Adolphson (R-Minnetonka), HF2204 would waive a state prohibition on school transportation fees for three years beginning July 1, 2004.

The committee will consider the bill for inclusion in its education finance omnibus bill.

State law requires school districts to provide free transportation to any pupil who lives more than two miles from school, provided the bus ride is to a school in the student's attendance area.

Adolphson's bill is modeled after a transportation fee program the Eden Prairie School District has tried for two years to counter budget cuts.

Because of the state law, the district could only charge a transportation fee to students who live less than two miles from a school. That created an inequity between families charged for transportation and those not charged.

"We're trying to find a way to save money," said Sen. David Hann (R-Eden Prairie). "Assessing a fee equally among all is the intent of the bill." Hann sponsors the Senate companion (SF2107), which awaits committee action.

Patricia Magnuson, executive director of business services for Eden Prairie schools, said the transportation fee has been "relatively successful," but added, "Inequity has been a big issue."

She said free rides are provided to all kindergarten and special education students, plus those students whose families meet school-defined poverty guidelines.

Superintendent Melissa Krull said the district began charging the fee for the 2002-03 school year to raise \$430,000 toward budget balancing. The initial fee was \$190 and was reduced by \$15 for the 2003-04 school year.

Several DFL representatives criticized the trial fee proposal.

"Fees are basically user taxes," said Rep. Kent Eken (DFL-Twin Valley). "Are we going to have book fees next?"

The bill would prohibit districts from denying free transportation to students unable to pay and would require fees to be applied equally to public and non-public students transported within the district.

A district could require fees for students transported to charter schools or to alternative attendance programs, under the bill.

Mental health screening

A bill that would provide optional mental health screening for public school students with a pattern of disciplinary suspensions was approved by the House Education Policy Committee March 11.

Sponsored by Rep. Alice Seagren (R-Bloomington), HF2503 would require a school district's discipline policy to include a procedure for mental health screening for a student

suspended from school for 10 days, either consecutively or cumulatively, within the school year.

The bill moves next to the House floor.

"The parent is in control of this situation," Seagren said. "The parent can say no, but it's raising the issue to the parent."

The initial procedure anticipated in the bill would be a "checklist, not an onerous document," Seagren said. "It's to find out if there could be some other things going on here."

"Acting out and aggression can be symptoms" of mental illness, said Sue Abderholden, executive director of the Minnesota branch of the National Alliance for Mental Health, who testified in support of the bill.

In a written statement, the Student Services Coalition for Effective Education, a statewide group of health and school counseling professionals, also supported the bill.

"We feel that early screening and identification is a proactive approach to prevention. Early intervention is cost effective in reducing more severe problems in the future."

Rep. Rob Eastlund (R-Isanti) asked whether

creating "another classification of students" was necessary. Children's lives are complex, he said. "Doesn't this just happen? We keep slicing the cake thinner and thinner."

"We haven't been doing a very good job" of recognizing mental illness in society, Seagren said.

A companion bill (SF2605), sponsored by Sen. Jane Ranum (DFL-Mpls), awaits committee action.

Pay increase

School board members that are also employed by the district they represent would be allowed to earn \$3,000 more in income, under a bill heard March 11 by the House Education Finance Committee.

Sponsored by Rep. Bud Nornes (R-Fergus Falls), HF2099 would increase from \$5,000 to \$8,000 per fiscal year the maximum allowable amount of a contract between a school board member and the district. The income restriction has not been increased in 12 years, he said.

The bill will be considered for inclusion in the education finance omnibus bill.

Grace Schwab, director of government relations for the Minnesota School Boards Association, said the bill primarily applies to rural school districts where a retired teacher could be a school board member, and also be employed by the district as a substitute teacher.

Substitute bus drivers, part-time library aides, and part-time coaches are other types of jobs a board member could be hired for by a school district, Schwab said.

"This is a big issue in rural districts," she said, where there are fewer candidates for teaching, coaching, and some education-related staff positions.

A board majority must approve the district hire of a school board member.

Asked by Rep. Mark Buesgens (R-Jordan) if board members employed by the district abstain from employment-related votes, Schwab said, "Board members are sensitive to how the public views them."

A companion bill (SF2115), sponsored by Sen. David Tomassoni (DFL-Chisholm), awaits committee action.

Determining transition revenue

A bill that would change the way the state calculates an education revenue fund could result in \$3.5 million for Greater Minnesota school districts, as well as districts bordering Minneapolis and St. Paul.

Sponsored by Rep. Connie Bernardy (DFL-Fridley), HF2169, heard by the House Education Finance Committee March 16, would retroactively increase state transition revenue

UNIFORM GRADES



PHOTO BY TOM OLMSCHIED

Grant Johnson, a senior at Burnsville High School, testifies before the House Education Policy Committee March 11 for a bill that would establish a task force to establish a policy for a uniform statewide public school grading scale.

for more than 200 school districts. The bill would be effective for fiscal year 2004, which ends June 30, 2004.

The committee will consider the proposal for inclusion in its omnibus bill.

"The state budget was balanced on the backs of rural and inner-ring suburban districts," Bernardy said. "We have the stock market education budget now."

Many rural and inner-ring suburban districts lost a disproportionate share of unrestricted classroom funding under the current state budget, Bernardy said. The cut from one state revenue stream was not made up through transition funding, she said.

One-time transition revenue for the 2004-05 biennium was intended to hold school district classroom budgets harmless from changes enacted by the 2003 Legislature in a number of school aid funding formulas.

The shortage of transition revenue particularly affected those districts that had increased numbers of low-income students — defined as those eligible for free or reduced price school lunches — between fiscal years 2003 and 2004.

Schools receive compensatory revenue from the state, based on a head count of low-income students. Many districts didn't receive a transition revenue match for the increase in compensatory revenue they expected for fiscal year 2004, Bernardy said.

The bill would modify the way the state treats compensatory revenue in its calculation for how much transition revenue a district receives.

Amounts districts would receive if the bill became law would vary from about \$2,000 to \$341,000. Such funds would need to come from the general fund.

Wendy Thompson, a parent in the Bemidji school district, testified in support of the bill. "Districts can't afford to lose money due to funding glitches like this," she said.

Because Bemidji had increased numbers of "poverty" students, "that should not mean we lose unrestricted classroom funds," Thompson said.

The bill's companion (SF2924), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits committee action.

Funding community education

Community education programs for youth and adults would receive more funding in fiscal year 2005, under a bill heard March 17 by the House Education Finance Committee.

Sponsored by Rep. Barb Sykora (R-Excelsior), HF1982 would restore \$3.6 million in basic community education funding, with about \$2.4 million coming from the local property tax levy. About 90 percent of

community education revenue is from the local levy.

The committee will consider including the proposal in its omnibus bill.

"This would restore the community education levy taken away last year," Sykora said, referring to the 2003 Legislature's cut of 72 cents from a per capita formula used to determine state funding.

The bill would return the formula to \$5.95 per capita. A state appropriation of slightly more than \$1 million would fund the restored formula.

Sykora said restoring the per capita formula was important because most community education programs work in partnerships with community groups and local governments. "The money is leveraged at about a 4-1 ratio," she said. "One state dollar generates an additional \$4 from partners."

Steve Kerr, community education director for the Anoka-Hennepin School District, testified in support of the bill.

Early Childhood and Family Education and Adult Basic Education programs were among those affected by community education cuts, Kerr said.

For example, he said a youth program supported by community education funds and local communities had 7,000 fewer participants due to funding reductions.

"Community education may be the only option in many communities for (student) after-school activities," Kerr said.

Doug Spray, Montivideo public schools community education director and a representative of the Minnesota Community Education Association, said programs across the state raised fees, cut staff, or did both in response to state cuts.

A companion bill (SF2003), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits committee action.

Holding students back

A policy to end grade promotion of public and charter elementary school students under certain circumstances may be included in the House Education Finance Committee's omnibus bill.

Committee members March 17 reviewed the details of HF2285, sponsored by Rep. Lynn Wardlow (R-Eagan), which would address so-called "social promotion" of students. Schools "must consider" but would not be required to follow the policy outlined in the bill.

"A lot of districts are doing this already," Wardlow said, referring to school retention programs that offer failing students more individual attention, smaller classes, and

different learning environments. "This puts some teeth" in state law, he said.

Under the bill, public and charter schools must consider retaining a kindergarten through sixth grade student without promotion to the next grade when the student has been absent more than 20 percent of class time, tested below his or her grade level on state or district assessments, and failed to master academic skills needed to succeed to the next grade.

Students must meet all three criteria before the school could consider holding them back, Wardlow said.

The bill would also encourage districts to offer "differentiated instruction" for retained students. Such instruction allows teachers to blend group and individual instruction methods to meet the student's needs.

Special education students would be exempt under the bill, which would take effect with the 2005-06 school year.

Parents would have 20 days to appeal a school's decision of not promoting children to the next grade.

"Most districts are doing this, so what's the point of the legislation?" asked Rep. Jim Davnie (DFL-Mpls).

Wardlow said the proposed policy could be cited by a school principal to defend a student retention decision.

"A lot of principals are afraid of the parent pressure and lawsuits," he said "This does force a discussion between the parent and student on retention."

The bill's companion (SF2288), sponsored by Sen. Mike McGinn (R-Eagan), awaits committee action.

ELECTIONS



Voting rights for felons

Convicted felons on supervised release would be able to cast their vote under a bill approved by the House Governmental Operations and Veterans Affairs Policy Committee March 12.

Rep. Keith Ellison (DFL-Mpls), the sponsor of HF227, said it would bring "more citizens into the realm of participation in our democracy."

The bill now goes to the House floor.

Ellison said a felon cannot now exercise their right to vote until completing all probation, parole, or supervised release time.

An example the bill hopes to rectify, Ellison said is when a parolee could be under supervision for 10 years, and in addition to not having the right to vote after serving time, many felons don't know when they are once again eligible to vote.

By changing the process, there would be less confusion for felons, as well as cities and counties that sometimes struggle to keep law enforcement information organized, he said.

Peter McLaughlin, Hennepin County commissioner, said a major concern for the county is the disenfranchisement for African American men in the community. Data showed that 52 percent of people whose felony sentences expired between 2000 and 2002 were African American, and of the felons whose sentences expired in 2000, 79 percent were not registered to vote.

The change would "assist in the responsibility of citizenship" and could be a key element in reintroducing felons back into communities, McLaughlin added.

Rep. Sheldon Johnson (DFL-St. Paul), noting his work in corrections and as a parole officer, said a "sense of ownership" for a felon to their community via the voting process would be beneficial for those being released.

A companion measure (SF309), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits action in the Senate Elections Committee.

Student voting

Students eligible to vote would be able to leave school to exercise that right, under a bill approved by the House Governmental Operations and Veterans Affairs Policy Committee March 12.

Rep. John Lesch (DFL-St. Paul), a co-sponsor of HF2593, said the bill would give students the same rights as those given to employees in a work setting. He presented the bill on behalf of Rep. Katie Sieben (DFL-Newport), the bill's chief sponsor.

Current law states: "Every employee who is eligible to vote in an election has the right to be absent from work for the purpose of voting during the morning of the day of that election, without penalty or deduction from salary or wages because of the absence." Also, "an employer or other person may not directly or indirectly refuse, abridge, or interfere with this right or any other election right of an employee."

Lesch said 37 percent of voters between ages 18 and 24 participated in the last state general election, and the bill would not benefit one political party over another.

Rep. Bill Haas (R-Champlin) questioned what would be required for a student to miss classes, such as a note from an election judge to qualify for an excused absence.

Lesch said members of the House Education Finance Committee, where the bill goes next, would address the means by which a student would be granted permission to leave.

A companion bill, SF2782, sponsored by

Sen. Dan Sparks (DFL-Austin), awaits action in the Senate Elections Committee.

Phone survey penalties

A person conducting a phone survey on behalf of a candidate running for office or any political subdivision could soon be held liable for not giving certain information to a survey participant.

Under HF1437, the name, address, and telephone number of the person who retained the pollster and whether the survey is being conducted with the consent or cooperation of any candidate mentioned must be revealed during the conversation, upon request.

If a person refuses to give the information, that individual or the organization conducting the poll could be charged with a misdemeanor.

Rep. Tony Cornish (R-Good Thunder), the bill sponsor, told the House Governmental Operations and Veterans Affairs Policy Committee March 15 that when he was running for office he received a disturbing phone call.

He said a "college-aged student," not knowing she'd reached the candidate the survey was targeting, asked Cornish misleading questions. He explained the questions and answers could have led a constituent to believe untrue political beliefs about him.

Becoming angry, he asked the caller to give him the name of the company conducting the survey, her name, or that of a supervisor, none of which were given. In the end, the caller hung up on him.

The bill was approved and now moves to the House floor.

A companion (SF1373), sponsored by Sen. Julie Rosen (R-Fairmont), awaits action on the Senate floor.

No alternative voting plan

A bill that would give one city the option of using an alternative voting system in an upcoming election failed to pass the House floor March 15.

Sponsored by Rep. Jim Rhodes (R-St. Louis Park) and Sen. John Marty (DFL-Roseville), HF1719/SF1613* failed 54-78. It passed the Senate 38-26 Feb. 23.

Rhodes said that if more than two candidates were to run in an April 20 city council special election, the city of Roseville had requested a one-time sanction to use a different ballot system. All five candidates involved in the upcoming special election have signed a document in support of the one-time action, Rhodes said on the House floor.

The bill would allow the city to adopt cu-

mulative voting, ranked-order voting, or another method that differs from current state statute.

Rep. Mindy Greiling (DFL-Roseville) said the bill initially would have been for the whole state but was condensed to just one city. "We'd like to try this in our election where we have five candidates," she said, adding that the city council unanimously passed a resolution supporting this bill.

The city, under the bill, would be required to report on its experience to the House Governmental Operations and Veterans Affairs Policy Committee and the Senate Elections Committee within 30 days after the opening of the first legislative session following the city's first use of the alternative voting method.

★ EMPLOYMENT

Workers' compensation changes

The House Health and Human Services Policy Committee approved a negotiated bill for workers' compensation March 17 and sent it to the House Judiciary Policy and Finance Committee.

HF2915, sponsored by Rep. Jeff Johnson (R-Plymouth), is the result of two years of work on the part of the Workers' Compensation Advisory Council, which is made up of representatives from business, labor, and the Legislature.

The bill is "a delicate compromise," Johnson said. "There are provisions that one side or the other doesn't like very much, and other provisions they really want. If you remove a provision, it all falls apart."

The committee limited its discussion to the health-related portions of the bill.

Provisions in the bill include:

- an injury or illness resulting from a vaccine required for an employee's job, as a result of a federal declaration under the Public Health Service Act, would be compensable;
- if an in-network pharmacy is not within 15 miles of an employee's work or home, the employee would be allowed to receive services from a closer pharmacy and still get reimbursed;
- an exemption from paying for workers' compensation coverage would be allowed for members of certain religious groups, the Amish and Mennonites, whose beliefs prohibit receiving those benefits;
- permission would be granted to certified managed care plans to offer discounted provider fees; and
- rules for health care provider standards of care would be based on an analysis of medical evidence and accepted standards of medical practice.

Judy Hawley, representing the Minnesota Chapter of the American Physical Therapy Association, said the association was opposed to provisions allowing discounted provider fees and the change in language regarding standards of care.

"Our return to work policies are working," Hawley said. "Minnesota workers' compensation costs 44 percent less than a decade ago as a percent of wages."

Rep. Jim Abeler (R-Anoka) offered an amendment to strike the section that would allow discounted fees but withdrew it after committee discussion saying, "I'll do my best to respect the balance of interests."

Calling the bill a "house of cards," Rep. Joe Opatz (DFL-St. Cloud) said: "If we start to tinker with it, then everyone will want to tinker."

Johnson said if the bill were modified in committee he would have to take it back to the council before going on with it.

"I would hate to see us do anything that would stop this legislation," said Rep. Bud Nornes (R-Fergus Falls).

A companion bill, SF2844, sponsored by Sen. Thomas Bakk (DFL-Cook) awaits committee action.

★ ENERGY

Waiving PCA fees for PCBs

Polychlorinated biphenyls (PCBs) are a class of man-made compounds that, up until serious health and environmental concerns arose in the 1970s, were commonly used as insulators in electrical equipment.

PCBs are still sometimes found today in the oil that is placed in transformers and other electric utility equipment that has not reached the end of its service life, an average of 30 years, according to industry estimates.

When the equipment does reach the end of the line, the industry pays hazardous waste generator fees to the Pollution Control Agency for disposal.

Now the industry is advocating for what one utility representative describes as a proactive way to voluntarily remove from service the remaining equipment that contains PCBs.

HF2500, sponsored by Rep. Dean Simpson (R-New York Mills), would waive state hazardous waste fees on PCB waste associated with oil-filled electronic equipment voluntarily disposed of or retro-filled prior to the end of its service life.

Under the bill, waste generators and the Pollution Control Agency would have to execute a voluntary PCB phase-out agreement containing specific goals and a schedule for implementation.

The House Environment and Natural Resources Policy Committee approved the measure March 11. It now moves to the House floor.

The cost of compliance with double federal and state requirements provides a disincentive for the industry to get rid of the equipment in advance, said Mark Gerlach, environmental analyst for Xcel Energy.

The bill would not waive emergency fees or the fees on equipment being taken out of service at the end of its normal life span, he said.

A Senate companion bill (SF2422), sponsored by Sen. John Marty (DFL-Roseville), awaits committee action.

★ ENVIRONMENT

Extending shoreland protection

Since 2002, the Board of Soil and Water Resources has awarded grants to soil and water conservation districts and other local units of government to acquire conservation easements along the shores of environmentally sensitive rivers and lakes.

However, the shoreland protection program is set to sunset June 30, 2004.

HF2855, sponsored by Rep. Larry Howes (R-Walker), would extend the life of the program through June 30, 2008.

The House Environment and Natural Resources Policy Committee approved the measure March 16. It now moves to the House Environment and Natural Resources Finance Committee.

An amendment successfully offered by Rep. Dennis Ozment (R-Rosemount) would grant the Department of Natural Resources additional management discretion in dealing with situations where several lakes with functioning outlets drain into a body of water without an outlet. Currently, department rules prohibit the waters division staff from modifying the elevations of lakes with properly functioning outlets.

The department has dealt with this management problem in Dakota County, Ozment said.

Under the bill, the established control levels of the lake could be changed only if the modification is in the public interest, causes minimal environmental impact, and all of the property abutting the ordinary high water mark of the lake is in public ownership or the public entity has obtained permanent flowage easements.

A city, county, watershed district, or lake improvement district would have to be notified of the work in advance. They would have 30 days to object, under the bill.

The Senate companion bill (SF2814), sponsored by Sen. Carrie Ruud (R-Breezy Point), awaits committee action.

Scrutinizing soil science

The House Environment and Natural Resources Policy Committee received a brief soil science primer March 16.

The word of the day was redoximorphic, referring to a feature formed in saturated soil by iron and manganese oxidation and other chemical processes. The features, often identified by gray mottled soil, indicate the level of the water table or presence of water at one time.

Under current Pollution Control Agency rules for individual sewage treatment system design, the presence of redoximorphic features could eliminate for homeowners the possibility of installing a trench system and require a more expensive mound system.

HF2000, sponsored by Rep. Kathy Tinglestad (R-Andover), would modify agency rules for water table analysis to require designers and inspectors to consider whether the features are no longer representative of the current situation in the state's sand plain areas as identified by Minnesota geological survey mappings.

Under the bill, a minimum of three borings per system would be required to fail an existing system for not being far enough from groundwater. If two inspectors disagree on the findings, a soil pit or pits would be dug to make a final determination.

Proponents include homeowners who dispute the necessity of a mound system on their properties and University of Minnesota researchers who said that various soil characteristics could be misidentified when only one sample is drilled or regional geographical characteristics are not considered.

Robert Rocheleau, a Young America homeowner, told the committee that the presence of a redoximorphic feature indicated his property was too shallow for a trench system. The cost differential was \$5,000 to \$6,000 for a trench system and \$10,000 to \$12,000 for a mound system, he said.

"Nobody can really tell me how long the (redoximorphic) feature has really been there – whether it's 10 years, 100 years, or 1,000 years," Rocheleau said.

Julie Rocheleau said they have a dry basement and soil monitoring devices have not indicated any water.

"I'm convinced by the science that we would not be polluting with a trench system," she said.

Rep. Jean Wagenius (DFL-Mpls) said she recognized the need to revise the rules, but cautioned against eliminating protective language for lakeshores, rivers, and streams.

The committee approved the measure and sent it to the House floor. A Senate companion bill (SF1900), sponsored by Sen. Michael Jungbauer (R-East Bethel), awaits action on the Senate floor.

Fixed forestry fund

In response to job losses in Minnesota's forestry sector, Gov. Tim Pawlenty convened an advisory task force in 2003 to examine the state's forest industry competitiveness. Two recommendations from its report include increasing wood and fiber availability and quality on private and public lands while maintaining environmental protection and increasing investments directed at improving private, county, and state forest health and productivity.

HF2660, sponsored by Rep. Larry Howes (R-Walker), would create a forest management investment fund in the state treasury. Timber sale receipts from certain lands administered by the Department of Natural Resources Division of Forestry would be earmarked for the fund and rededicated to forestry efforts. This would not include school trust fund lands.

The House Environment and Natural Resources Finance Committee reviewed the measure March 17 and will consider it for possible inclusion in an omnibus finance bill.

On the recommendations of the forest advisory task force, the proposal would provide additional funding to put more people in the woods to do forestry work, said Bob Tomlinson, forestry division assistant director. The fund would provide a minimal level of stability for funding basic forest management, he said, and it would allow the department to carry balances between legislative funding cycles, which is necessary due to the seasonal nature of the activities.

Proponents include conservation groups and the industry, which said supporting forest management is good for wildlife habitat and jobs.

However, fiscal experts caution against dedicated funds, said Rep. Phyllis Kahn (DFL-Mpls).

You can do everything a dedicated fund can do with honest budgeting from the general fund, she said. "The administration is saying, 'Tie my hands and keep me from cheating.'"

A Senate companion bill (SF2317), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits committee action.

FAMILY

Healthy marriage initiative

A comprehensive strategy for promoting marriage and responsible fatherhood among unmarried parents in Minneapolis and St. Paul would be developed, under a bill approved March 16 by the House Civil Law Committee.

HF2641, sponsored by Rep. Elaine Harder (R-Jackson), directs the Department of

Human Services to develop and implement an initiative to do six things:

- encourage stable family formation among unmarried new parents in urban communities,
- promote healthy marriages among unmarried new parents who want to be a couple and indicate that marriage is a goal for their relationship,
- increase paternity establishment and enhance related child support performance,
- promote responsible fathering,
- enhance the well-being of children, and
- encourage and facilitate community support for marriage and family formation among unmarried parents.

A growing body of research indicates that children do best in a home with two parents who are married to one another, Harder said. Twenty-six percent of the babies born in Minnesota in 2001 were born to unmarried parents, she added.

However, the program would be voluntary. "No one would be coerced into this," Harder said.

The program would be funded through federal grants, state appropriations, and in-kind services, and would involve personnel from the University of Minnesota's Extension Office. Harder said the Minnesota program is in response to a federal initiative to appropriate \$1.5 billion for the promotion of marriage among low-income people and to sustain healthy marriage.

The bill would appropriate \$100,000 to the Department of Human Services to serve as matching funds for federal appropriations.

The marriage license fee disposition would also be changed under the bill, allowing counties to keep \$20 rather than \$15, and requiring the local registrar to pay \$60 to the state rather than the current \$65. Of this amount, \$40 rather than the current \$50 would be placed in the state general fund, and \$5 would be allocated for the Healthy Marriage Initiative.

No one testified on the bill and legislators asked few questions of it. It now moves to the House Health and Human Services Finance Committee.

A companion bill (SF1841), sponsored by Sen. Steve Dille (R-Dassel), awaits action in a second committee.

GAMBLING

More gaming options

Minnesotans could have another gaming option that looks a lot like a pulltab, but isn't, under a bill approved March 12 by the House Governmental Operations and Veterans Affairs Policy Committee.

What "looks and smells like a pull tab," said Tom Barrett, executive director of the

Minnesota Gambling Control Board, could be a promotional ticket.

Sponsored by Rep. Carl Jacobson (R-Vadnais Heights), HF2521 adds promotional tickets to the list of gambling equipment authorized by law. Others currently in statute include: bingo hard cards or paper sheets, linked bingo paper sheets, devices for selecting bingo numbers, pull tabs, jar tickets, paddlewheels, tipboards.

As defined in the bill, a promotional ticket is a "multi-play ticket designed and manufactured to resemble a pull-tab or tipboard ticket with the words 'no purchase necessary' and 'for promotional use only.'" Promotional tickets also require the redemption of a prize or other thing of value by submitting a request through the U.S. mail, electronically, or by another means.

The bill would also raise the total prizes awarded at a bingo occasion from \$2,500 to \$2,800, and a cover-all game from \$3,500 to \$3,800. Those for a single game remain the same.

A bill that already received House approval Feb. 16 was amended onto the proposal.

Rep. Marty Seifert (R-Marshall) said he attached HF1835 to the Gambling Control Board's changes because of strategic moves in the Senate to avoid passing bills with gambling in its title in order to avoid making racinotype proposals germane to the bill.

It would allow for each veterans post to spend up to \$1,500 per person to send as many as two veterans to Washington, D.C., in May for the dedication of the National World War II Memorial. The measure places a cap on the total amount from each organization at \$6,000.

HF2521 now goes to the House floor. A Senate companion (SF2435), sponsored by Sen. Jim Vickerman (DFL-Tracy), awaits action by the full Senate.

★ GOVERNMENT

★ Sanction for sharing knowledge

Executive branch employees would be restricted from receiving payments for discussing their work with groups or individuals, under a bill heard before the House Governmental Operations and Veterans Affairs Policy Committee March 16.

Rep. Dan Severson (R-Sauk Rapids), the sponsor of HF3009, said he was made aware of the potential problem when a person asked him if their organization would be breaking any laws by paying an executive branch employee from Duluth to give a speech in the Twin Cities.

HF3009 would prohibit an employee from the

action both on work time and during off-duty hours.

While current statutes don't prohibit an individual from doing so, Severson said it is, in effect, a "double dipping" of the state's resources. An employee would be "generating extra income for knowledge already employed."

Rep. Loren Solberg (DFL-Grand Rapids) said employees could have gained their knowledge from schooling, or brought skills to the state when they were hired. He said the state doesn't "need to control everyone's lives 24 hours a day."

Rep. Jim Rhodes (R-St. Louis Park), the committee chair, suggested the order should be given from the executive branch instead of prohibiting the action in statute.

Severson told committee members he knew his bill wasn't perfect, but he wanted to bring it before the committee for discussion and volunteered to lay the bill over.

A Senate companion, SF2857, sponsored by Sen. Michelle Fischbach (R-Paynesville), awaits action in the Senate State and Local Government Operations Committee.

★ HEALTH

Immigrant assistance

The House Health and Human Services Finance Committee considered a bill March 16 that would allow eligible refugees and asylees to be exempted from participating in the diversionary work program and enroll directly into the Minnesota Family Investment Program.

The bill, HF2831, sponsored by Rep. Cy Thao (DFL-St. Paul), would add certain newly arrived refugees and asylees to a list of family units that are not eligible for the diversionary work program, a mandatory four-month program legislated in 2003 for families who would otherwise be eligible for public assistance.

Lawmakers questioned aspects of the bill, and action was deferred until an unspecified date so Thao and the Department of Human Services could resolve some of those questions.

A new wave of Hmong refugees is expected to settle in Minnesota between May and July 2004, Thao said. In February a delegation led by St. Paul Mayor Randy Kelly visited the Thai refugee camp that has been home to these future Minnesota residents for the past 10 years.

Thao said the bill recognizes that many of the almost 2,000 refugees who settle in Minnesota each year do not speak English and are unlikely to find a job in the four months required by the work program.

"Refugees are being reunited with their families," said Patricia Hurd, director of refugee services for Lutheran Social Services. They need to obtain social security cards, go through

cultural orientation, enroll their children in school, and establish plans for self-sufficiency. Many enroll in a federal program that places them in jobs, she added.

The committee chair, Rep. Fran Bradley (R-Rochester), asked why the situation could not be managed within the current state law.

"The provision we have now has no case-worker judgment in it," said Chuck Johnson, director of children and family services for the Department of Human Services. There is a mechanism in place to help immigrants who have better English skills, but it makes no sense to "loop the family around" through the diversionary work program when they don't have those skills, he said.

"My community would be very upset with me if I voted for this bill," said Rep. Lynda Boudreau (R-Faribault). "This is a policy issue that ties in with public sentiment that is not very supportive."

A companion bill (SF2839), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits committee action in the Senate.

Pharmacy access

The House Health and Human Services Policy Committee approved a bill March 11 that would attempt to provide reasonable access to pharmacies in rural areas.

HF2903, sponsored by Rep. Brad Finstad (R-New Ulm), would require health maintenance organizations to comply with federal

rules due to go into effect in 2004. The bill was sent to the House Health and Human Services Finance Committee.

The federal guidelines will require access to a pharmacy within a 15-mile radius, according to Tim Gallagher, co-chair of the Minnesota Pharmacists Association. Finstad's bill would make that rule a requirement for health maintenance organization network pharmacies in Minnesota.

In addition, the bill would establish a maximum travel distance or time to the nearest specialty physician services and other network services as the lesser of 60 miles or 60 minutes.

"We are approaching a crisis in access to pharmacies in rural Minnesota," Gallagher said. Of 33 recent pharmacy closings in Minnesota, he said nine resulted in a community being left without a pharmacy.

"Our intention is not to put anyone out of business," said Phil Solberg, representing Blue Cross and Blue Shield of Minnesota. He said the bill would tie Minnesota law to federal laws that have not yet been promulgated.

"What about the (non-monetary) costs if a pharmacy is not available at all?" asked Rep. Mary Ellen Otremba (DFL-Long Prairie). "We have to look at those costs, too."

"I don't know how the health plans will support the rural pharmacies," said Phil Griffin, a lobbyist for Preferred One. "These things are not working."

Rep. Fran Bradley (R-Rochester) said the real dilemma is to get at the rebates and other problems "that are on the other side of this."

"The pharmacists are caught in the middle," Bradley said. It's a bigger problem than just one of access, he noted.

"Rep. Finstad's bill is a good first step toward preserving access to pharmacies in rural Minnesota," Gallagher said.

The bill's companion (SF2913), sponsored by Sen. Becky Lourey (DFL-Kerrick), awaits committee action.

Survey modification

Members of the House Health and Human Services Policy Committee were told earlier this session that Minnesota needs a balanced, unbiased, and common sense approach to nursing home surveys.

"The survey process is out of control," Rick Carter, president of Care Providers of Minnesota said Feb. 25. "It is demoralizing for all concerned."

HF2246, sponsored by Rep. Char Samuelson (R-New Brighton), would make changes to the survey process.

Approved March 12 by the committee, the bill will be sent next to the House Health and

MUSICAL CELEBRATION



PHOTO BY LISA MARIE SANDERS

To celebrate St. Patrick's Day, Tom Klein, a St. Paul resident of Irish heritage, plays "When Irish Eyes are Smiling" on his Uilleann pipes during a recess in the March 17 floor session.

Human Services Finance Committee. There is no Senate companion.

Samuelson said she worked with a number of stakeholders to find a better way to provide oversight without using “an adversarial and demeaning approach.”

Among other provisions, the bill would:

- require that long-term care providers and surveyors be trained together;
- direct the commissioner of health to establish a quality improvement program for the survey and complaint process;
- require that, upon the request of a facility, the commissioner provide formal surveyor notes when delivering a completed statement of deficiencies;
- require that the commissioner, when posting citations, also post a facility’s response to the citations; and
- require surveyors to revisit a facility within 10 days in cases where category 2 or category 3 remedies are in place.

Training providers and surveyors together has been very positive in other states, according to Patti Cullen, lobbyist for Care Providers of Minnesota. She said it gives providers and surveyors a chance to meet in circumstances other than an actual survey “where surveyors walk in the door and the providers are in a panic.”

She said timely revisits are needed because delays can cause financial problems for a facility, which may be paying daily penalties and may not be receiving payment from the state while they are remediating a deficiency. The bill would allow survey revisits to be conducted by telephone in some circumstances.

The bill would have prohibited the commissioner from posting facility deficiencies if disputes have not been resolved. However, Rep. Michael Paymar (DFL-St. Paul) successfully offered an amendment that would allow the department to continue posting deficiencies in dispute, as long as it includes the facility’s response to the citation.

“It’s important for consumers to find out what deficiencies have been identified,” Paymar said.

Amending transfer rules

In 2003 the Legislature passed a law denying medical assistance eligibility for people who transfer assets for less than their fair market value within 72 months of application for assistance.

The House Health and Human Services Policy Committee approved a bill March 12 that would amend sections of that law as it relates to charitable contributions. The bill (HF2581), sponsored by Rep. Fran Bradley (R-Rochester), moves next to the House floor.

An unintended consequence of the 2003 law is its “chilling effect” on donations to charitable organizations, said Byron Laher, a community affairs director for the Greater Twin Cities United Way. Especially chilling, he said, is the six-year look-back period.

The bill would exempt transfers made for charitable causes that meet certain criteria and would clarify how to prove a contribution was indeed charitable and not an attempt to create “artificial poverty,” Bradley said.

The intent of the 2003 Legislature, he said, was to close loopholes that allowed people to transfer assets, which resulted in taxpayers footing the bill for their nursing home care. Asset transfer can be a common practice where individuals reduce their assets so they may qualify for publicly funded health care to help cover costs, particularly in long-term care situations.

Rep. Mary Ellen Otremba (DFL-Long Prairie) unsuccessfully offered an amendment that would have had the effect of repealing the 2003 action regarding joint tenancy and life estates.

“Everybody’s in court over this,” Otremba said. The 2003 law had the effect of changing laws that people followed to protect their families, she said.

Bradley said the use of life estates — “what might have been a good idea” — is being abused. He said repealing the 2003 law is the “opposite of what we’re trying to do. We’re trying to encourage people to do what is morally right.”

“Back-dating a law is unconscionable,” Otremba said. “People are losing their farms. They thought they did the right thing according to the law.”

“I don’t think the state of Minnesota has any responsibility for paying my bills when I go into a nursing home,” said Rep. Jerry Dempsey (R-Red Wing). “Whose responsibility is it when you get old? It’s yours; it’s not the state’s.”

A Senate companion (SF2112), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits committee action.

HIGHER EDUCATION



Rioting bill amended, approved

A bill that would disallow state grant awards for students convicted of certain crimes in connection with a riot was approved by the House Civil Law Committee March 12 and forwarded to the full House for consideration.

The bill (HF1730), sponsored by Rep. Carla Nelson (R-Rochester) generated considerable discussion, as committee members questioned whether items in the bill were thoroughly defined and whether it allowed for students to appeal certain designations.

As amended, the bill says that college stu-

dents convicted of a gross misdemeanor or felony as a direct consequence of a riot, as defined in the bill and determined by a court, would lose eligibility for a state grant and be subject to the highest applicable tuition rate for one year following the date of a conviction. Previously, the bill was less specific, providing the ineligibility for “damage to property or violence to persons” convictions.

In addition, the bill now explicitly defines a riot as an incident involving three or more people assembled specifically to disturb the peace by an intentional unlawful act resulting in property damage or personal harm.

It was amended by the committee to specifically designate that a court must rule whether the crime occurred in connection with a riot in order to address concerns of student groups that there was no process for appealing the designation that an act was connected to a riot. Now, under the bill, a student could appeal the ruling through the state’s court system.

Members were also concerned that the bill defined acts connected with a riot too loosely, and proposed language changes are now incorporated into the bill.

An additional provision amended into the bill requires the Higher Education Services Office, Minnesota State Colleges and Universities system, and University of Minnesota to collect the necessary information to administer the grant ineligibility.

Nelson described it as a checkoff similar to those on federal financial aid forms where a student must indicate whether he or she has been convicted of a crime.

The Senate companion (SF2834), sponsored by Sen. Carrie Ruud (R-Breezy Point), awaits committee action.

LAW



Paying a public defender

Individuals being represented by a public defender would not have to pay a representation fee until their court case has been settled, under a bill addressing a recent Minnesota Supreme Court decision.

A mandatory public defender co-payment fee imposed by the 2003 Legislature was declared unconstitutional in February 2004 because the fee cannot be waived on a case-by-case basis for indigent clients, according to nonpartisan House research staff.

Under current law, the fee is charged when the public defender is appointed. HF2619, sponsored by Rep. Steve Smith (R-Mound), would provide that the fee be collected upon the final disposition of each case and would allow the fee to be waived.

According to information prepared on HF2619 by the Supreme Court and provided to the House Judiciary Policy and Finance Committee, significant fees have been imposed on defendants in recent years. In some cases these include fines, surcharges, restitution, and fees for probation, jail booking and boarding, pretrial release alcohol sensors, chemical assessments, electronic home monitoring devices, and use of the law library by their public defenders.

Defendants often owe child support, according to the Supreme Court information. "For many defendants with a criminal record, employment is difficult," stated the court's fact sheet.

The co-payment is expected to generate \$180,000 annually, according to information provided to the committee. The tiered co-payment system charges \$50 for a misdemeanor crime, \$100 for a gross misdemeanor, \$200 for a felony, and between \$100 and \$200 for child protection cases.

Prior to the 2003 Legislature making the co-payment mandatory, the courts could waive the fee and did so at the rate of between 85 percent and 90 percent. Smith said he hopes his bill, if passed, would bring about a similar collection rate.

The bill also clarifies who is eligible for a public defender to be those charged with a felony, gross misdemeanor, or misdemeanor, as well as those appealing a felony or gross misdemeanor conviction, and minors 10 years old or older who are subject to delinquency or who have been removed from their homes for protection reasons.

The committee will consider the bill for inclusion in its omnibus bill. The bill has no Senate companion.

★ LOCAL GOVERNMENT

Storm, sanitary sewer financing

A bill that would allow the City of Minneapolis a different way to calculate storm sewer charges for multiple unit apartment buildings was passed March 15 by the House.

The vote was 132-0.

Sponsored by Rep. Frank Hornstein (DFL-Mpls), HF1935/SF1626* would also include Minneapolis in the state statute authorizing cities and towns to build waterworks and sewer systems.

The bill, which passed the Senate 62-0 March 1, was returned to that body after the House amended it with a different enforcement date.

Hornstein said the bill would allow Minne-

apolis to correct a problem with the way it charges large multiple family buildings for sewer and water services. Basing the charges on water consumption, as required by current law, is not equitable for owners of multiple unit buildings, he said.

"It's a storm water issue. This will provide an equitable rate for water billing."

The bill would amend state law to allow Minneapolis four options to calculate storm sewer charges "adjusted for reasonable calculation of storm water runoff."

In testimony before the House Local Government and Metropolitan Affairs Committee, a city official said the change would not mean a new fee for property owners.

A representative of the Minnesota Multifamily Housing Association testified in committee that apartment building owners in Minneapolis were paying more than their proportional share for storm sewer service.

Sen. Chuck Wiger (DFL-North St. Paul) is the Senate sponsor.

Conflict of interest clarified

The House passed a bill March 15 that would add officers of watershed and soil and water conservation districts to a state law governing conflict of interest exceptions. It now moves to the governor's desk.

Sponsored by Rep. Michael Beard

STADIUM NOTES



PHOTO BY TOM OLMSCHEID

St. Paul Mayor Randy Kelly, left, takes notes as he and Steve Novak, right, Anoka County governmental services division manager, listen to Gov. Tim Pawlenty propose his financing plan March 15 to fund stadiums for the Minnesota Twins and Minnesota Vikings.

(R-Shakopee) and Sen. Claire Robling (R-Jordan), the bill (HF1980/SF1799*) would be effective the day after it is signed by the governor.

The House vote was 131-1. The bill passed the Senate 65-0 March 4.

In testimony before the House Local Government and Metropolitan Affairs Committee, Beard said the change was needed so a watershed district manager in his district could be reappointed to the watershed board.

The manager resigned from the board due to a potential conflict of interest, Beard said. The manager's spouse was a partner in a law firm that had a contract with the watershed district.

The state law, which does not include watershed districts, allows that a local governing body by unanimous vote "may contract for goods and services with an interested officer of the governmental unit."

DNR, watershed district dispute

A dispute between the Lac Qui Parle-Yellow Bank Watershed District and the Department of Natural Resources has escalated into legislation that would require the department to obtain permits for construction activities in watershed districts.

HF2480, sponsored by Rep. Aaron Peterson (DFL-Madison), was prompted by a departmental dredging project that watershed officers said they were not properly informed of in advance.

The House Environment and Natural Resources Policy Committee heard both sides of the issue March 11 and forwarded the bill without recommendation to the House Environment and Natural Resources Finance Committee.

The project, a ditch through approximately 40 acres of wetlands to drain a 215-acre lake, was "midnight excavating at its worst," Peterson said.

"We didn't even know this project was taking place until it was already underway," said Willis Beecher, watershed district chair. "And we're supposed to be the ones who regulate waters and drainage in our district."

The lake provides flood control and the landowners below will have flood problems, Beecher said.

But Mark Holsten, department deputy commissioner, said the project was designed to create a large basin of high quality waterfowl habitat, and any water releases would be controlled.

After hearing of the district's concerns in the summer of 2003, Holsten said he halted the project and department officials and district representatives worked out some details in a memorandum of understanding.

The department did not go forward with the memorandum because of a lawsuit filed in September 2003 by the district against the department.

"This is no small matter," Holsten said, adding the bill would have dramatic implications for the department's habitat management activities.

The department is working internally to resolve any communications shortcomings with watershed districts, Holsten said.

A Senate companion (SF2644), sponsored by Sen. Gary Kubly (DFL-Granite Falls), awaits committee action.

METRO AFFAIRS



Saving money with transfers

The Metropolitan Council could make payments by electronic funds transfer, under a bill headed for the governor's desk.

HF1822/SF1814*, sponsored by Rep. Mark Buesgens (R-Jordan), was approved 132-0 by the House March 15. The bill passed the Senate March 1 on a 64-0 vote.

"This will provide (the council) a cost savings which each state agency has," Buesgens said.

The bill, which would take effect the day after the governor signs it, would amend state law to allow disbursement of council money by electronic funds transfer in addition to checks.

The regional planning and service agency covers the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sen. Chuck Wiger (DFL-North St. Paul) is the Senate sponsor.

RECREATION



Snowmobile trails, enforcement funds

Snowmobile registration fees and the unrefunded gasoline tax attributable to snowmobile use are collected in the snowmobile trails and enforcement account in the natural resources fund.

The account is dedicated toward grant-in-aid funding for trail construction and maintenance, acquisition and development of state snowmobile trails, snowmobile safety programs, and enforcement.

HF3002, sponsored by Rep. David Dill (DFL-Crane Lake), would appropriate \$50,000 from the account to the Department of Natural Resources to contract for an independent study on snowmobile use and funding.

The House Environment and Natural Resources Finance Committee reviewed the request March 16. It will be considered for inclusion in an omnibus finance bill.

The study would be targeted toward the fiscal management of the account, including the use of the money for land access and trail improvements and development.

The bill is a product of the realization that the enforcement account could be at zero by 2007, Dill said.

It is supported by the board of directors of the Minnesota United Snowmobilers Association and Laurie Martinson, the department director of trails and waterways, he said.

Under the bill, task force members would be appointed by the department commissioner and would include representatives from the department, the Department of Employment and Economic Development, the Minnesota Office of Tourism, the snowmobilers association, and the Minnesota Snowmobile Advisory Council.

The Senate companion bill (SF2862), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits committee action.

Parks parity

Greater Minnesota parks budget officers are advocating for more state money for operation and maintenance of regional parks outside the Twin Cities metropolitan area.

HF1852, sponsored by Rep. Jim Knoblach (R-St. Cloud), attempts to provide what he describes as equity between Greater Minnesota regional parks and metropolitan area regional parks by designating a funding formula.

The House Environment and Natural Resources Finance Committee reviewed the bill March 16. It will be considered for possible inclusion in its omnibus finance bill.

Under the bill, each Greater Minnesota regional park would receive no less than 40 percent of its annual actual operation and maintenance expenses, with qualifications.

Those expenses could include fire and police services, forestry, and administrative overhead.

"We haven't seen really much assistance at all in Greater Minnesota," Knoblach said of overall parks funding from the state.

He said the Greater Minnesota parks are in a situation similar to metropolitan area parks in the 1970s: a growing population and escalating land prices are starting to put pressure on the system.

Rep. Scott Wasiluk (DFL-Maplewood) disputed the claims of inequitable funding. Metropolitan parks receive a disproportionate number of annual visits, he said.

"This bill is not about taking money from metropolitan regional parks," Knoblach said.

Both Reps. Phyllis Kahn (DFL-Mpls) and Dennis Ozment (R-Rosemount) cited data that will soon be available in a statewide parks inventory that could help lawmakers deter-

mine a more equitable budgeting process.

A Senate companion bill (SF1965), sponsored by Sen. Dave Kleis (R-St. Cloud), awaits committee action.

SAFETY



Unlicensed drivers

An unlicensed 15-year-old driver lost control of the vehicle she was driving in May 2003, and the subsequent accident killed Vanessa Weiss, just days before her 16th birthday.

So said Vanessa's mother, Mary Weiss, in testimony before the House Civil Law Committee March 12 in support of a bill (HF2555) that would prohibit individuals from obtaining a learner's permit or driver's license until they are 18 if they have a DWI-related offense or crash-related moving violation.

Sponsored by Rep. Greg Blaine (R-Little Falls), the bill now moves to the House floor.

Though alcohol and drugs were not a factor in the accident, Mary Weiss said, excessive speed, inattentive driving, and youthful inexperience were. She said the car was moving an estimated 60 mph to 70 mph at the time of the crash, and the driver was fiddling with the radio when she lost control of the car.



Mary Weiss of St. Louis Park, whose daughter Vanessa was killed in a car crash, testifies in front of the House Civil Law Committee March 12 in support of a bill that would prohibit the issuance of a learner's permit or driver's license to a person under age 18 if they have been convicted of a DWI-related offense or a crash-related moving violation.

It rolled into a ditch along the rural county road, and all three girls were ejected from the car. Vanessa was the front seat passenger, her mother said. The driver and the backseat passenger received only minor injuries.

Mary Weiss said she doesn't know why her daughter was in the car and why the girls weren't wearing their seatbelts. Vanessa died before she could be taken to a hospital.

"Sometimes the things that teenagers do are unexplainable," she said."

Committee members suggested additional criminal penalties may be warranted in the future for such offenses, but no changes to that affect were made to the bill at the hearing. Blaine called the bill a good first step at addressing the problem.

The bill has no Senate companion.

Funding motorcycle training

Money collected through motorcycle driver's licenses would be safeguarded for motorcycle safety training and awareness, under a bill approved by the House Transportation Finance Committee March 16.

Sponsored by Rep. Dan Dorman (R-Albert Lea), HF2331 would reallocate the revenues from the current distribution.

Under existing law, new motorcycle driver's licenses are priced at \$18.50 and renewals at \$13. Of these fees, \$11 and \$7 respectively are allocated to the motorcycle safety fund up to \$750,000. Once that annual cap is reached, however, the revenues are allocated to the state trunk highway fund and the state general fund.

HF2331 would have all the revenues allocated strictly to the motorcycle safety fund. The extra revenues would provide for more motorcycle safety training courses, which are so popular now that not everyone can be served, Dorman said.

Ray Egan, executive director of the Minnesota Motorcycle Riders Association, said 7,000 to 8,000 riders were trained through the motorcycle safety program last year.

About \$34,000 was transferred from the motorcycle safety fund in 2003 to the state trunk highway and general funds, Egan said. The transfer represents a trivial amount to the trunk highway fund but would be a significant contribution to the motorcycle safety fund, he added.

Only in the past four years have revenues exceeded the \$750,000 cap, necessitating a transfer to the trunk highway and general funds, Egan said.

The motorcycle safety fund provides for motorcycle safety training, a public awareness campaign involving public service announcements and billboards, and for the fund's administration.

Minnesota was the first state to fund its motorcycle safety fund entirely from motor-

cycle licensing surcharges, Egan said. Other states now do so, as well.

The bill now moves to the House Ways and Means Committee. Its Senate companion (SF2247), sponsored by Sen. Steve Murphy (DFL-Red Wing), awaits committee action.

Rest area changes

A plan to allow private entities to lease state rest areas on major highways to prevent their closure is moving ahead, but with a few changes.

Two amendments to HF2627, sponsored by Rep. Lynne Osterman (R-New Hope), were approved by the House Transportation Finance Committee March 17. They define a private entity and limit road signage erected as part of rest area leases or sponsorships.

A private entity is defined in the bill as a chamber of commerce, a tourists' and visitors' bureau, or an organization that exists to promote tourism and economic development.

The definition is part of a bill that calls for raising funds to finance rest areas. Fundraising measures include leasing rest areas, soliciting sponsorships, expanding vending machine services, and establishing contract advertising.

Under the bill, private entities could lease a rest area or a portion of it for up to 20 years to sell travel- and tourism-related products or services. The leases would require the continuance of two practices at rest areas: the employment of needy elderly people, and the servicing of vending machines by visually impaired individuals.

In addition to leasing rest areas, the state would also solicit sponsorships of the facilities by public or private organizations.

Those leasing or sponsoring rest areas could acknowledge their contribution by erecting signs. An amendment states that one sign for each direction of travel on the mainline would be allowed, as well as three signs or displays at the actual rest area. No sign could exceed 100 square feet.

The bill would also allow rest areas that do not serve a public safety purpose to be sold as surplus property.

The bill is in response to a 2003 announcement by the Minnesota Department of Transportation that the state's sizeable budget deficit was forcing the closure of some of its 281 rest areas, not all of which have restrooms.

It's estimated that \$270,000 could be raised in fiscal year 2005 under the bill's fundraising measures.

The bill now moves to the House Ways and Means Committee. Its Senate companion (SF2557), sponsored by Sen. Steve Murphy (DFL-Red Wing), awaits committee action.

Specialty response team

A specially trained team ready to respond to northern Minnesota accidents involving hazardous materials, such as noxious gases and fuel oils, would be created under a bill heard March 17.

Rep. Irv Anderson (DFL-Int'l Falls) is sponsoring HF2032, which would appropriate \$160,000 for the creation of a chemical assessment team in International Falls to respond to hazardous materials incidents in the region.

There are 11 such teams in Minnesota, according to the Minnesota Emergency Management Director's Handbook. However, the closest team to International Falls is nearly three hours away in Grand Rapids, Anderson said.

"The matter is of serious concern to residents," he said.

The International Falls port handles 1,000 train and truck containers a day, many of which contain hazardous chemicals, he said. Anderson distributed a three-page list to the House Judiciary Policy and Finance Committee of the hazardous materials passing through International Falls in 2003. It included sulphur, phosphoric acid, and ammonium nitrate fertilizers.

The bill has received support from the Minnesota Professional Firefighters Association.

The committee will consider the bill for inclusion in an omnibus bill. Sen. Tom Saxhaug (DFL-Grand Rapids) is sponsoring a Senate companion (SF2156). It awaits committee action.

TECHNOLOGY



Assisting disabled Minnesotans

The House Health and Human Services Finance Committee considered a bill March 16 that would appropriate \$300,000 to the commissioner of administration for a grant to Assistive Technology of Minnesota, a non-profit organization that provides access to "life-changing" equipment for individuals with disabilities. The funds would be available for loans to obtain assistive technology.

The one-time funding requested in HF2636, sponsored by Rep. Sondra Erickson (R-Princeton), would leverage \$1.5 million in federal dollars. Of the state funds, \$250,000 would go to administer a microloan program, and \$50,000 would be used to develop the Access to Telework program, which helps people work from home.

One in five people become disabled before age 65, according to Carol Fury, executive director of Assistive Technology Minnesota. The organization is a statewide agency that provides people with technology in their homes and for work.

The range of devices and services available to people with disabilities, once limited to

wheelchairs and hearing aids, now encompasses all technology applications from adaptive computers to highly technical vision aids. The increasingly sophisticated tools are also quite expensive. The microloan program would help individuals and families obtain the equipment they need.

Minnesota was chosen as one of 36 states to receive federal funding for the loan funding grant, but state financial participation is required. The funds must be used by Sept. 30, 2004.

In addition to state and federal funds, Fury said the organization would raise local money from foundations and individuals. The projected total is \$2.8 million. She said a detailed plan has been submitted to the Department of Administration, which would oversee the project.

Rachel Wobschall, executive director of Minnesota's System of Technology to Achieve Results, said programs offered by the Department of Employment and Economic Development are very eligibility specific and do not serve all the needs of people with disabilities.

HF2636 next goes to the House State Government Finance Committee. It has no Senate companion.

★ TRANSPORTATION

Congestion relief

A second beltway to relieve traffic congestion in and around the Twin Cities metropolitan area would be instigated — at least on paper — under a bill approved March 11 by the House Transportation Policy Committee.

Sponsored by Rep. Andrew Westerberg (R-Blaine), HF2247 directs the transportation commissioner to prepare a preliminary plan for a second beltway outside of the current beltway, created by Interstates 494 and 694.

The plan must contain enough location and design detail to allow preparations for right-of-way acquisition, under the bill, and the plan must be submitted by June 30, 2005.

Tim Henkel, director of program management for the Transportation Department's metro district, said a second beltway would cost between \$20 million and \$40 million per mile, or between \$5 billion and \$8 billion in total.

Design and project development alone would take five years, Henkel added.

Jon Olson, division manager of public services for Anoka County, provided the committee with a map indicating a possible route between Interstates 35 and 94 through Anoka County to the north, traveling south through Wright and Carver counties, then east through Scott and Dakota counties, and north through Washington County. Cities along the proposed route are Elk River, Monticello, Watertown, Henderson, New Prague, Northfield, Cannon Falls, Hastings,

Forest Lake, Wyoming, and East Bethel.

As evidence of need, Olson said that in 1982 the typical Twin Cities driver lost about four hours per year to traffic delays. By 1997 that number had grown to 34 hours.

Rep. Frank Hornstein (DFL-Mpls), however, questioned whether long-term growth would necessitate a second beltway to the north.

Rep. Mary Liz Holberg (R-Lakeville) said, "I think people are putting their head in the sand" if they're not looking at growth outside of the seven-county metropolitan area. In some places, houses and lots together are selling for \$180,000, making the areas north of the Twin Cities more economical, she said.

The bill now moves to the House Transportation Finance Committee. Its Senate companion (SF2335), sponsored by Sen. Steve Murphy (DFL-Red Wing), awaits committee action.

Toll collection timeline

With toll lanes and roads gaining more attention at the State Capitol, some legislators are taking precautions to ensure that any future tolls are collected only as long as necessary.

HF2718, sponsored by Rep. Ray Vandever (R-Forest Lake), states that tolls could only be collected until the construction cost of the lane or road has been recovered. That cost includes right-of-way acquisition and principal and interest on any incurred debt.

In December, Gov. Tim Pawlenty announced his support for FAST lanes on congested metropolitan highways. Under his proposal, private developers would submit bids to construct "Freeing Alternatives for Speedy Transportation" (FAST) lanes. Motorists desiring a speedier commute could pay a toll for use of the lane.

While supporters of such lanes have said the tolls would cease once the lane construction costs have been recovered, Vandever said there is no such requirement in state statute.

Mark Matuska, speaking on behalf of U.S. Rep. Mark Kennedy, said the congressman supports Vandever's bill. Kennedy would go one step further, Matuska said, by factoring the road's lifetime maintenance expenditures as a cost. Toll fees earmarked for maintenance could be placed in an escrow account to cover expenditures for the life of the road once it is turned back to the state.

The bill was approved without recommendation by the House Transportation Policy Committee and now moves to the House Transportation Finance Committee. It has no Senate companion.

LATE ACTION: EDUCATION ★ ★ ★

House passes social studies, science standards

The House March 18 passed a bill reflecting a new set of academic standards in science and social studies for the state's K-12 public school students. The vote was 73-55.

HF2558, sponsored by Rep. Barb Sykora (R-Excelsior), would require the education commissioner to adopt standards identical to drafts the Education Department issued for science on Dec. 19, 2003, and for social studies on Feb. 17, 2004. The standards were developed by voluntary committees appointed by the department.

The bill now moves to the Senate, where a different draft of social studies standards have been considered in committee.

The House vote followed a nearly five-hour debate that touched on creationism versus evolution in the science standards, school district costs to implement standards, the state imposing a "top-down" classroom curriculum, and whether Minnesota should opt out of the federal No Child Left Behind Act.

An amendment was adopted that would nullify the state's plan, including any standards, for implementing the federal act, if it does not explicitly opt into the act prior to Feb. 15, 2005.

Rep. Gene Pelowski (DFL-Winona) called the standards — whose adoption is required by federal law — a "Stepford" curriculum. "All we have to do is teach alike, learn alike and perform alike on tests, and if we don't we will be punished."

An amendment by Rep. Mary Ellen Otremba (DFL-Long Prairie) that would challenge a number of accepted scientific theories, including evolution, in the science standards was adopted.

Rep. Ron Latz (DFL-St. Louis Park) said the language of the proposed amendment was rejected during the drafting process. "Let's keep religion out of the science classroom," he said.

Otremba said the amendment would not lead to public school students being tested on creationism theories.

Proposed science standards covering history and nature of science, physical science, earth and space science, and life science would be implemented beginning in the 2004-05 school year.

Statewide tests based on the science standards are required by federal law beginning in the 2007-08 school year. Students must take science tests once during each grade span between 3 and 5, 6 and 9, and 10 and 12.

Proposed social studies standards comprise five areas: U.S. history, world history, government and citizenship, geography, and economics. They would not be implemented until the 2005-06 school year. No federal or state test is required for social studies.

Thursday, March 11

HF2976—Strachan (R)

Judiciary Policy & Finance

Fugitive Apprehension Unit authorized to share in certain asset forfeitures.

HF2977—Kahn (DFL)

Regulated Industries

St. Paul liquor license authorized for special events at the State Capitol.

HF2978—Powell (R)

Education Finance

Independent School District No. 191, Burnsville, continuing research of kindergarten programs grant provided, and money appropriated.

HF2979—Lesch (DFL)

Judiciary Policy & Finance

Indecent exposure and interference with privacy offenses penalties enhanced to the felony level for second or subsequent offenses.

HF2980—Lesch (DFL)

Judiciary Policy & Finance

Sex and sex-related crimes statutory maximum sentences increased, indeterminate sentencing with lifetime maximums provided for repeat sex offenders, and predatory offender sentencing law streamlined.

HF2981—Lesch (DFL)

Judiciary Policy & Finance

Criminal sexual conduct crimes indeterminate and mandatory life sentences provided, predatory sex offender law restructured, release criteria required, and sex offender release review board established.

HF2982—Sykora (R)

Education Finance

School readiness kindergarten assessment initiative established, and money appropriated.

HF2983—Westrom (R)

Regulated Industries

Non-discriminatory telecommunications inter-carrier compensation provided.

HF2984—Nelson, C. (R)

Health & Human Services Finance

Childcare assistance reimbursement for absent days limited.

HF2985—Blaine (R)

State Government Finance

Camp Ripley military museum previous appropriation purpose clarified.

HF2986—Dill (DFL)

Environment & Natural Resources Policy

Taconite pellet production facility permits required.

HF2987—Tingelstad (R)

Civil Law

Tort liability provided for a limited partnership in which a community action agency is a general partner.

HF2988—Atkins (DFL)

Commerce, Jobs & Economic Development Policy

Retaliatory insurance provisions amended.

HF2989—Lipman (R)

Governmental Operations & Veterans Affairs Policy

Minnesota Election Law technical modifications provided.

HF2990—Samuelson (R)

Health & Human Services Policy

Contraception and natural family planning information provided based on FDA-approved methods.

HF2991—Krinkie (R)

Capital Investment

Capital improvements funding provided for state departments, bonds issued, and money appropriated.

HF2992—Urdahl (R)

Agriculture Policy

Milk producer payments provided to beginning milk producers, and dairy modernization grant program established.

HF2993—Urdahl (R)

Jobs & Economic Development Finance

West Central Growth Alliance pilot marketing program funding provided, and money appropriated.

HF2994—Solberg (DFL)

Environment & Natural Resources Policy

Aitkin Drainage and Conservancy District reestablished.

HF2995—Koenen (DFL)

Agriculture Policy

On-farm processing loan program created.

HF2996—Thissen (DFL)

Taxes

Commercial-industry first tier property exemption from state general tax provided.

HF2997—Clark (DFL)

Health & Human Services Finance

Dental services cap in medical assistance and general assistance medical care eliminated.

HF2998—Dill (DFL)

Environment & Natural Resources Finance

Fire-suppression aircraft sale and purchase required.

HF2999—Biernat (DFL)

Education Finance

School board capital account transfers authorized.

HF3000—Jacobson (R)

Governmental Operations & Veterans Affairs Policy

Lawful gambling miscellaneous provisions modified.

HF3001—Mahoney (DFL)

Commerce, Jobs & Economic Development Policy

Central American Free Trade Agreement; Congress memorialized by resolution to give high priority to preserving the rights of states and of local governments to govern themselves when considering ratification of CAFTA.

HF3002—Dill (DFL)

Environment & Natural Resources Finance

Snowmobile use study funding provided, and money appropriated.

HF3003—Rhodes (R)

Education Finance

Minneapolis Library Board and Hennepin County Library Board merger study federal funds reallocated.

HF3004—Pelowski (DFL)

Higher Education Finance

Tuition; state payment of two-thirds of cost of instruction at public higher education institutions required, and constitutional amendment proposed.

HF3005—Soderstrom (R)

Governmental Operations & Veterans Affairs Policy

County seat voting times modified.

HF3006—Cox (R)

Environment & Natural Resources Finance

Metropolitan Council land banking grant funding provided, bonds issued, and money appropriated.

HF3007—Gunther (R)

Regulated Industries

Electric service provided for on-site distributed generation owned and operated by political subdivision.

HF3008—Nelson, C. (R)

Environment & Natural Resources Policy

State surplus land conveyance authorized.

HF3009—Severson (R)

Governmental Operations & Veterans Affairs Policy

Executive branch employees prohibited from receiving cash payments for discussing the work of an executive agency.

HF3010—Magnus (R)

Environment & Natural Resources Policy

Rock County tax forfeited land sale authorized.

HF3011—Lesch (DFL)

Health & Human Services Policy

Health care; right to affordable, basic health care affirmed for every resident of Minnesota through proposed constitutional amendment.

HF3012—Meslow (R)

Judiciary Policy & Finance

Retired court commissioners authorized to perform judicial duties in the district court.

HF3013—Magnus (R)

Taxes

Energy conversion system land value classification provided.

Monday, March 15

HF3014—Otremba (DFL)

Health & Human Services Policy

Live birth definition provided.

HF3015—Otremba (DFL)

Jobs & Economic Development Finance

Health care facilities job opportunity building zones authorized.

HF3016—Seagren (R)

Education Finance

Pre-kindergarten through grade 12 education finance funding provided including general education, special programs, facilities, and early childhood and family education; and money appropriated.

HF3017—Sertich (DFL)

Commerce, Jobs & Economic Development Policy

Unemployment benefits extended for employees laid off by the airline industry and other specified companies.

HF3018—Juhnke (DFL)**Education Finance**

Education telecommunications fund established, school and public library telecommunications network support provided, access fee imposed, and money appropriated.

HF3019—Otremba (DFL)**Health & Human Services Finance**

Minnesota Family Investment Plan family cap repealed.

HF3020—Juhnke (DFL)**Health & Human Services Policy**

Dental hygienists practice provisions modified.

HF3021—Thissen (DFL)**Governmental Operations & Veterans Affairs Policy**

Local parks lottery game feasibility study required.

HF3022—Rukavina (DFL)**Environment & Natural Resources Policy**

Nonresident fishing licenses made invalid for first seven days of the fishing season, and license fee increased for nonresidents.

HF3023—Seifert (R)**Health & Human Services Policy**

At-home infant child care program established.

HF3024—Borrell (R)**Health & Human Services Policy**

Health insurance premium variations prohibited based on claims experience for employers smaller than 100 employees, and use of group experience in workers' compensation insurance limited.

HF3025—Severson (R)**Education Finance**

School districts in statutory operating debt authorized to levy for school bus purchases.

HF3026—Hausman (DFL)**Agriculture & Rural Development Finance**

Minnesota Horticultural Society funding provided, and money appropriated.

HF3027—Kahn (DFL)**Health & Human Services Policy**

Genetic information use regulated relating to insurance purposes.

HF3028—Davnie (DFL)**Education Policy**

Special School District No. 1, Minneapolis, board membership specified as three members by district and three to be elected at-large.

HF3029—Ruth (R)**Taxes**

Waseca local sales tax authorized, and revenue use specified.

HF3030—Larson (DFL)**Local Government & Metropolitan Affairs**

Minneapolis-St. Paul International Airport construction restricted until noise mitigation approval.

HF3031—Larson (DFL)**Local Government & Metropolitan Affairs**

Met Center restrictive covenant release of rights required.

HF3032—Davids (R)**Civil Law**

Animals running at large strict civil liability imposed on owner of person having control of the animal.

HF3033—Rhodes (R)**Judiciary Policy & Finance**

Veterans Affairs Department officers included in the definition of federal law enforcement officers for purposes of state arrest authority and tort liability and indemnification.

HF3034—Peterson (DFL)**Health & Human Services Policy**

Yellow Medicine County Hospital District board membership provided.

HF3035—Peterson (DFL)**Environment & Natural Resources Finance**

Monson Lake State Park camping improvements funding provided, bonds issued, and money appropriated.

HF3036—Peterson (DFL)**Jobs & Economic****Development Finance**

Swift County; Chuck Brown memorial building construction funding provided, bonds issued, and money appropriated.

HF3037—Hausman (DFL)**Transportation Finance**

Metropolitan and Greater Minnesota transit assistance funding restored for 2005, and money appropriated.

HF3038—Buesgens (R)**Education Finance**

Education access grant pilot sites selected to provide access grants to low-income children residing in school districts with documented academic achievement gaps.

HF3039—Rukavina (DFL)**Taxes**

Biwabik local lodging tax authorized.

HF3040—Hilty (DFL)**Health & Human Services Finance**

Carlton County nursing facility rate increase provided, and money appropriated.

HF3041—Lindner (R)**Jobs & Economic****Development Finance**

Advocating Change Together grant provided to provide training, assistance, and resource materials to persons with developmental and mental health disabilities.

HF3042—Johnson, S. (DFL)**Judiciary Policy & Finance**

Public safety services funding restored, including the Crime Victim Services Center, the Bureau of Criminal Apprehension, the state fire marshal, and criminal gang strike force grants; and money appropriated.

HF3043—Hoppe (R)**Environment & Natural Resources Policy**

Off-highway vehicle use on wetlands impact study required, and money appropriated.

HF3044—Simpson (R)**Taxes**

Resort property subjected to limited market value property tax provisions, and first-year inclusion calculations modified.

HF3045—Brod (R)**Transportation Policy**

Hybrid and inherently low emission vehicle definitions provided, specified vehicles authorized to operate in toll lanes and high-occupancy vehicle lanes, and identifying decals issued.

HF3046—Johnson, J. (R)**Civil Law**

Attorney fees and costs standards provided relating to claim proceedings.

HF3047—Dorn (DFL)**Local Government & Metropolitan Affairs**

Urban development limited on unincorporated property that abuts a municipality, and exceptions provided.

HF3048—Marquart (DFL)**Education Finance**

Independent School District No. 801, Browns Valley, authorized to exercise remaining levy authority for disability access projects.

HF3049—Howes (R)**Environment & Natural Resources Policy**

Bear hunting; use of dogs authorized for tracking and trailing bear.

HF3050—Abrams (R)**Taxes**

Estate tax exemption provided for certain estates of decedents.

HF3051—Abrams (R)**Taxes**

Tax provisions modified relating to income, franchise, occupation, and property taxes; military service income tax subtraction provided; motor vehicle and cigarette sales tax imposed; tax definitions provided; and money appropriated.

HF3052—Eken (DFL)**Education Finance**

Independent School District No. 599, Fertile-Beltrami, tax base treatment adjusted for purposes of levy adjustments.

HF3053—Eken (DFL)**Education Policy**

Vocational and technical education required as an academic standard.

HF3054—Thissen (DFL)**Commerce, Jobs &****Economic Development Policy**

Caregivers granted sick time benefits to use in case of illness or injury to a parent, grandparent, or stepparent; caregiver programs provided; Minnesota home care tax credit provided; and money appropriated.

HF3055—Vandever (R)**Civil Law**

Air museum accident liability limited.

HF3056—Wagenius (DFL)**Transportation Policy**

Trunk highway rights-of-way debris and litter removal policies and procedures report required.

HF3057—Meslow (R)**Judiciary Policy & Finance**

Crime victim services, and sexual violence prevention efforts funding provided; and money appropriated.

HF3058—Abrams (R)**Taxes**

Federal tax law conforming changes provided.

HF3059—Lenczewski (DFL)**Taxes**

Alternative minimum tax repealed.

Wednesday, March 17

HF3060—Paymar (DFL)**Civil Law**

Medical assistance liens and claims against certain joint tenancies limited.

HF3061—Osterman (R)
Governmental Operations & Veterans Affairs Policy
State Board of Investment increased participation in venture capital investments authorized, data classified, and money appropriated in the event of an investment shortfall.

HF3062—Sykora (R)
Education Policy
Highly qualified teachers as defined under the No Child Left Behind Act required to teach students in core academic areas.

HF3063—Pugh (DFL)
Governmental Operations & Veterans Affairs Policy
Dakota County; Pilot Knob/Oheyawahi designated as a historic place.

HF3064—Haas (R)
State Government Finance
Administration Department required to rent out space in a specified St. Paul state-owned building.

HF3065—Pugh (DFL)
Civil Law
Discrimination based on familial status prohibited by employers.

HF3066—Osterman (R)
Commerce, Jobs & Economic Development Policy
Interior designer certification changed to licensure.

HF3067—Holberg (R)
Civil Law
Domestic fatality review team pilot project in the fourth judicial district extension authorized.

HF3068—Bradley (R)
Health & Human Services Finance
Nursing facility reimbursement provisions modified.

HF3069—Eken (DFL)
Environment & Natural Resources Policy
Mahnomen County tax-forfeited land sale authorized.

HF3070—Anderson, I. (DFL)
Taxes
Lake of the Woods County lodging tax proceeds use provided.

HF3071—Solberg (DFL)
Commerce, Jobs & Economic Development Policy
Traffic escorts exempted from the experience requirements of a protective agent license.

HF3072—Solberg (DFL)
Judiciary Policy & Finance
Part-time peace officer restrictions repealed.

HF3073—Rukavina (DFL)
Taxes
Charitable donation of meals exempted from sales tax.

HF3074—Davids (R)
Jobs & Economic Development Finance
Business subsidies job creation or retention requirement specified.

HF3075—Eken (DFL)
Health & Human Services Finance
Nursing home residents credit provided, nursing home surcharge reduced, income tax rates modeling provided, and money appropriated.

HF3076—Davnie (DFL)
Education Finance
Net debt limit definition expanded for school districts.

HF3077—Strachan (R)
Judiciary Policy & Finance
Probation officer funding grants provided to counties to supervise sex offenders.

HF3078—Solberg (DFL)
Jobs & Economic Development Finance
Commercial application of e-learning in rural Minnesota funding provided, and money appropriated.

HF3079—Eken (DFL)
Health & Human Services Finance
Becker County nursing facility planned closure rate adjustment authorized.

HF3080—Nelson, C. (R)
Education Finance
Limited English proficiency pupils permitted to receive limited English proficiency programs and instruction for up to seven years.

Thursday, March 18

HF3081—Abrams (R)
Taxes
Local public finance authority provisions modified relating to purchase of computers, conservation easements, special service districts, and street reconstruction.

HF3082—Kuisle (R)
Transportation Policy
Motor vehicle title, licensing, taxation, fees, dealership, registration, and other miscellaneous provisions modified.

HF3083—Magnus (R)
Environment & Natural Resources Policy
Pipeline routing permits issued by the Environmental Quality Board, and board enforcement authority ratified.

HF3084—Abeler (R)
Environment & Natural Resources Policy
Groundwater protection provisions modified.

HF3085—Otremba (DFL)
Agriculture Policy
Pesticide application information access granted in order to protect human and livestock health.

HF3086—Sieben (DFL)
Health & Human Services Finance
MinnesotaCare eligibility sponsor income treatment modified.

HF3087—Kuisle (R)
Taxes
Aggregate resource preservation property tax program established, restrictive covenant required on certain land, and unmined aggregate property classification provided.

HF3088—Erickson (R)
Governmental Operations & Veterans Affairs Policy
Foreign business entities prohibited from making campaign contributions.

HF3089—Stang (R)
Local Government & Metropolitan Affairs
Metropolitan stadium authority established, and membership and powers specified.

HF3090—Gunther (R)
Jobs & Economic Development Finance
Employer wage assistance grant program created to retain and create jobs, and money appropriated.

HF3091—Abrams (R)
Transportation Finance
Metropolitan area transit and paratransit capital expenditures financing provided through bonds issued.

HF3092—Abrams (R)
Taxes
Tax abatement duration limit increased.

HF3093—Rukavina (DFL)
Taxes
Tax increment financing net tax capacity ceiling imposed upon cities of the first class.

HF3094—Kelliher (DFL)
Environment & Natural Resources Policy
Environmental review required for any tire burning facility that uses fluidized bed boiler system technology.

HF3095—Murphy (DFL)
Taxes
Railroad property included in measures of commercial industrial property.

HF3096—Abeler (R)
Environment & Natural Resources Policy
Decoy restrictions enhanced during waterfowl hunting season.

HF3097—Lenczewski (DFL)
Taxes
Metropolitan fiscal disparities law abolished.

HF3098—Zellers (R)
Commerce, Jobs & Economic Development Policy
Nursing mothers in the workplace provided locks or secure places to express milk in privacy.

HF3099—Zellers (R)
Judiciary Policy & Finance
Malicious punishment of children penalties increased, and offenses ranked at specified severity levels.

HF3100—Zellers (R)
Taxes
Veterans of the global war on terrorism fund donation income tax check-off provided.

HF3101—Zellers (R)
Governmental Operations & Veterans Affairs Policy
Global war on terrorism veterans bonus funding provided, bonds issued, money appropriated, and constitutional amendment proposed.

HF3102—Gunther (R)
Jobs & Economic Development Finance
Cosmetology and barbering regulation merged under one state examiners board.

HF3103—Gerlach (R)
Governmental Operations & Veterans Affairs Policy
Lawful gambling combined receipts tax repealed.

HF3104—Cornish (R)
Environment & Natural Resources Policy
Captive wildlife criminal penalties repealed.

HF3105—Knoblach (R)
Capital Investment
St. Cloud; Paramount Theater grant modified to provide for city ownership of the facility.

MINNESOTA HOUSE OF REPRESENTATIVES
PUBLIC INFORMATION OFFICE
175 STATE OFFICE BUILDING
ST. PAUL, MINNESOTA 55155-1298

SPEAKER OF THE HOUSE: STEVE SVIGGUM
MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Minnesota Agriculture

Number of Minnesota farms in 2002	80,865
In 1997	78,755
Increase, as percent	3
Principal operators on farms in 2002 that are non-white	252
In 1997	219
2002 principal operators that were women	5,573
In 1997	4,205
Number of people living in households of farm operators in 2002	262,780
As approximate percent of state population	5
Average age of principal operator of a Minnesota farm in 2002	52.9
In 1997	51.2
In 1982	47.2
Average age of American agricultural producers in 2002	55.3
Family farms designated as a Century Farm, meaning it must be in family ownership for 100 years, since the program's inception in 1976	7,931
Estimated loss to Minnesota farmers in 2003 due to drought conditions, in billions	\$1.1
Value of state farm exports in 2001, in billions	\$2.3
Increase from 2000, in millions	\$70
State rank in 2002 in production of sugarbeets, oats, and green peas for processing	1
Rank for turkeys, canola, cultivated wild rice and sweet corn for processing	2
Rank for corn, soybeans, hogs, flax, American cheese and mink pelts	3
Rank for milk cows, milk production, total cheese, ice cream, and honey	5
Decade that Fort Snelling was the first farming community by European settlers in the area	1820s
Estimated years that Minneapolis led the world in flour milling, earning it the nickname "Mill City"	1880-1930
Loaves of bread made daily from the wheat milled at the Washburn A Mill in Minneapolis during its heyday between 1880 and 1930, in millions	12
Number of railroad cars filled with wheat processed daily at the mill	175
Minnesota youth affected by 4-H-related activities and projects in 2003	144,540
4-H participants in 2003, as percent, who live in rural areas or on a farm	49
Those in a small town, as percent	24.5
Suburban or urban areas, as percent	24.5
Approximate number of youth annually taking part in Minnesota FFA (Future Farmers of America) Foundation programs	10,000

Sources: *AgMag: The Magazine of Minnesota Agriculture in the Classroom, 2003/2004* and *2003 Minnesota Agricultural Statistics*, both from the Minnesota State Agricultural Statistics Service; Minnesota Department of Agriculture; National Agriculture Statistics Service; Minnesota 4-H; Minnesota State Fair; and Minnesota FFA Foundation.

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SESSION Weekly

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MARCH 26, 2004

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In this issue:

STEM CELL RESEARCH

STADIUM PROPOSAL HEARD, BIOFIBER, AND MORE

HF3106-HF3141

Session Weekly

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On the cover: Visitors to the State Capitol enjoyed the bright spring weather March 22. The week was a busy one at the Capitol with thousands of visitors rallying for or against a number of issues.

—Photo by Lisa Marie Sanders

Bane or breakthrough?

Embryonic stem cell research creates optimism among scientists, skepticism and caution among others

By MIKE COOK

Scientists at the University of Minnesota are performing research that some say could be a scientific breakthrough to combat disease, while others have expressed legal, ethical, and moral issues over the work.

"The possibilities are only limited by our imagination and the amount of scientific work we are willing and able to perform," said Dr. Frank Cerra, senior vice president for health sciences at the university. He and Dr. John Wagner, scientific director of clinical research at the university's Stem Cell Institute, presented an overview of the university's research with adult stem cells and its plans for embryonic stem cell research to the House Higher Education Finance Committee March 22.

Proponents say research is necessary to discover ways to alleviate chronic problems such as heart disease, Parkinson's disease, and diabetes. The university opposes using this type of science for human cloning.

However, opponents caution that the university should stay within the bounds of federally approved stem-cell research and otherwise proceed with caution in using the human tissue for experimentation.

Bills reflecting both sides of the issue have been introduced this year, but only one has received a formal hearing.

Cerra said the university is a leader in cellular biology research, and that it has recently hired many top stem cell researchers. A May 2003 publication said the school has invested approximately \$15 million in the Stem Cell Institute, but Cerra indicated the investment has exceeded that number.

In February the university finalized policies to allow researchers to use private dollars to explore human embryo research beyond those stem cell lines approved by the federal government in 2001.

Fewer than 10 narrow lines of embryonic stem cells are eligible for federal dollars, although none are optimal for clinical use, in part, because they have a limited shelf life, Cerra said, and they were developed on mouse cells so you can't put them in humans.

According to a university fact sheet, stem cells, generally derived from bone marrow, exist primarily to maintain and repair areas of the cells where they are found, but embryonic cells have the potential to become any cell type in the body.

Embryonic stem cells come from 4- and 5-day-old embryos that have never been and never will be implanted in anyone, Cerra said. "These are not fetuses. They are not babies.

They come from a cluster of 50-100 cells that are undifferentiated and are no larger than the cross-section of a human hair."

Those used at the university come from people using the services of a fertility clinic who chose to donate, rather than discard or save the embryos.

Research needs to be conducted in both adult and embryonic areas, witnesses said, because scientists do not know which cell will be best for clinical use and whether lessons learned from one system could be applied to the other.

Wagner said that ultimately a combination of embryonic stem cells and knowledge of the human genome could offer a preemptive strike against many diseases.

"Right now, the embryonic stem cell remains the gold standard by which we compare everything and it is for this reason we must explore both," he said. "Over time there is hope we will be able to figure out the right culture

conditions that will allow us to do it with adult stem cells. As of today this can only be done with embryonic stem cells."

Recent scientific discoveries also assist in this area, Wagner said.

"What we've learned over the past five years is how to better understand the genetics of individuals and how we might be able to use that information not only to help patients with a variety of diseases, but also to predict their future. Now we have information that will tell me what's going to happen to each individual in this room that will predict their lifespan and what kind of diseases they might come across."

Wagner said the university has already developed the methodology for running a pre-

emptive strike against a genetic predisposition to disease. The institution is now performing validation runs "so that we can begin to do this for patients by the end of 2004, early-2005. We believe that 2005 will be a big moment not only in the University of Minnesota's history, but also the history of medicine in general."

He said that he has spoken with the Food and Drug Administration about adult and embryonic stem cell research and they are "remarkably behind what we are doing because there is such public pressure to move this forward."

Rep. Gene

Pelowski, Jr. (DFL-Winona) noted that the financial gains to the university by its findings have enormous potential.

Cerra said it is hard to give actual numbers, but a \$1.5 million investment was made in gene technology three years ago. "Within three years we recovered \$20 million of new National Institutes of Health grants we would not have had

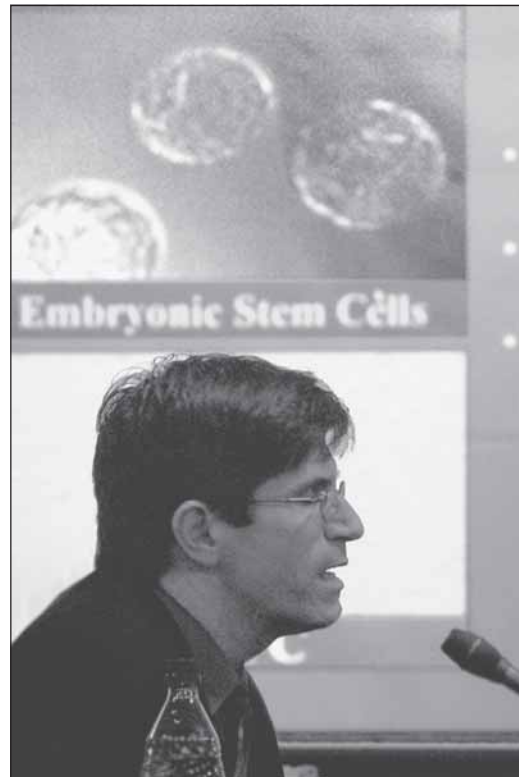


PHOTO BY ANDREW VONBANK

Dr. John Wagner, scientific director of clinical research at the University of Minnesota's Stem Cell Institute, presents an overview on the university's research to the House Higher Education Finance Committee March 22.



Separation of powers

Legislature questions its role and that of courts in deciding election contests

without that investment." Other potential income would come from patent receipts. He said a number of private companies are willing to fund research at the institution.

Added Rep. Ron Latz (DFL-St. Louis Park), "If the university does not pursue this, others will and we will fall behind very quickly as other institutions leap ahead of us."

However, not everyone supports funding for the research.

The committee took no testimony following the overview, but a bill (HF2026/SF2129), sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Thomas Neuville (R-Northfield), would provide no state funding for a person or organization doing human embryonic stem cell research, other than on federally approved lines. Both await committee action.

Wilkin said he has not pursued the bill because of an existing state law that forbids the use of a living "human conceptus" for scientific research, which includes any human organism, conceived either in the human body or produced in an artificial environment other than the human body, from fertilization through the first 265 days thereafter.

However, Cerra said that the university's general counsel has been working with the law since its passage in 1973 and has the opinion that the institution is well within its bounds.

Others against the research are groups and people who decry the use of embryos in research and who purport that life begins at conception.

To aid the research, a bill (HF2049/SF2077), sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Steve Kelley (DFL-Hopkins), would establish a state policy for stem cell research and provide for informed consent of patients undergoing treatment for infertility. It awaits committee action in the House and awaits action by a second Senate committee.

"Treatment and lost productivity costs this country billions of dollars every year and we are reaching almost epidemic proportions of diabetes diagnoses, especially in children," Kelley said. "There is hope if we make the commitment to encourage stem cell research that also offers options to people undergoing infertility treatments. A specific state policy heads us in the right direction." 🐼

Clarification

A story in the March 19 issue of *Session Weekly* suggested a bill regarding credit cards may be included in the House Commerce, Jobs, and Economic Development Policy's omnibus bill. The committee has no plan for an omnibus policy bill this year, and the hearing on the bill was intended to be informational. We apologize for any inconvenience.

The Minnesota House appointed a special subcommittee to examine fair campaign practices and procedures for contesting elections following the 1969 session. Two particularly bitter contests resulted in investigations by the House Elections and Reapportionment Committee, and a resolution passed by the House requested that the committee appoint a subcommittee to study election practices and legal regulations in other states.

At the heart of members' concerns was the separation of powers between the legislative and judicial branches, with regard to who should determine the legality of campaign practices. Up to that point, according to the subcommittee's report, the state relied on a constitutional provision giving the House and the Senate jurisdiction over their respective contests.

There was also concern that when individuals would contest an election, it could take months to resolve the dispute, long after the election was certified and the legislative session began.

"Legislative election contests present some of the most difficult questions for analysis of government," said the report. "At once, delicate questions of constitutional law, legislative procedure, and political fact must be considered; and furthermore, it will not be clear in any individual case what considerations ought to prevail."

The subcommittee's report noted that the federal corrupt practices law, which served as an impetus for individual states to develop their own laws regarding campaign practices and elections, was notably ambiguous with regard to who should oversee contested elections.

"It is unclear under the separation of powers doctrine as to what extent elements of this determination can be delegated to the courts," the report said of the federal law.

A few proceedings were delegated to the courts, such as appointing election officers and conducting recounts. In addition, an individual who wished to contest a particular election would file the appropriate petition with the court, and then the court

would determine who had received more votes. The court could take evidence and submit a transcript to the Legislature. The judge was forbidden from making a finding or conclusion.

The actual certificate of election could not be granted until enough time had been allowed for appeal or that appeal had been waived. However, in one of the contested 1969 cases, the subject of contest was issued his election certificate prior to the court proceeding.

The subcommittee suggested the Legislature had two choices with regard to the role of the courts: further limit the courts' role and remove existing jurisdiction or give the court the responsibility for factfinding and recommending

legislative action.

A bill largely to that effect was introduced during the 1969 session but did not pass. And the subcommittee report had quite a bit to say about the potential problems with the proposal.

"The foremost problem lies with the provision for a report with recommendation from the court. First, to determine qualifications of members of the Legislature is clearly unconstitutional under separation of powers. If the report is intended to only be in substance suggestive, then it must be borne in mind that our supreme court has consistently refused to issue advisory opinions. Secondly, the recommendations are to be submitted by a panel of three district court judges who hold elective positions in the same district, which voted upon the candidates involved in the contest. ... The district court judges would surely avoid any possibility of sustaining unnecessary public antagonism."

In 1971, courts were given authority to decide contested races and invalidate election certificates, with the caveat that the power should in no way be construed as a limit on the Legislature's constitutional power to judge election returns and the eligibility of members.

(M. KIBIGER)



The state canvassing board reviews election returns in 1970.

Photo courtesy of the Minnesota Historical Society

★ AGRICULTURE

Ethanol plant ownership

Disclosure of a Minnesota farmers' share in ethanol plant ownership would no longer be required under a proposal that was included in the House Agriculture and Rural Development Finance Committee's omnibus bill (HF2755).

Under HF1766, sponsored by Rep. Gregory Davids (R-Preston) and heard by the committee March 18, ownership disclosure reports, required by the 2003 Legislature, would continue to be filed with the state Department of Agriculture but would not be linked to the quarterly payment of state ethanol production credits.

The Legislature enacted the requirement into law last session in response to the sale of a Marshall ethanol plant to a majority of non-state interests.

Ethanol producers, some of whom refused to submit ownership disclosure to the state, wanted the requirement repealed.

"This is a reasonable compromise," said Davids.

The bill would provide for payment of the 13 cents per gallon state credit to producers denied payment for not meeting the ownership and reporting requirements. The quarterly payment to a producer is capped at \$750,000.

Paul Strandberg, a department project manager, said the bill was a compromise between the state, corn growers, and ethanol plants. He said one plant of the approximately dozen plants that receive the state production credit missed payments for not complying with the law, which was effective with the first quarterly payment in fiscal year 2004.

The plants would continue to provide ownership information on an annual basis.

A number of ethanol plant representatives testified in support of the bill.

"Yes, we all like local ownership," said Brad Nelson, a board member of the Exol plant in Glenville. "But economic factors and decisions force us to do things we don't like to do. The Marshall plant is still here. So is its tax base and employment."

A state requirement, which the bill would repeal, links payment of the producer credit to ethanol plants with "greater than 40 percent farmer ownership."

David Kolsrud, manager of Agri-Energy in Luverne, said his plant had no problem with the state law. "It was not an issue in our situation," he said, since the plant is "100 percent farmer owned. I hope the bill is not a beginning of a path away from local ownership of plants."

A companion bill (SF1766), sponsored by Sen. Jim Vickerman (DFL-Tracy), awaits committee action.

Dairy farmer assistance

A new loan program to help dairy farmers purchase breeding stock, make environmental improvements, or upgrade facilities is included in the House Agriculture and Rural Development Finance Committee's omnibus bill (HF2755).

HF2894, sponsored by Rep. Greg Blaine (R-Little Falls), would establish the pilot loan program in the Department of Agriculture's Rural Finance Authority.

"The bill is not size-oriented," Blaine told the committee March 23. "It does not favor large farmers over small."

The bill proposes to merge unused funds in two authority loan programs to provide \$1.2 million for a revolving loan account for dairy improvement and upgrades. The loan pool is financed by the state general fund.

Value-added agricultural product and methane digester loans would continue to be funded by the same account as the proposed dairy upgrade loans.

Wayne Marzolf, interim agricultural finance director, said authority financed shares of the 10-year loans would be limited to a \$50,000 maximum. The state share would represent no more than 45 percent of total loan principal up to \$110,000.

Marzolf said a private lender would initiate the loans. Interest on loans made before July 1, 2006 must not exceed 4 percent, according to the bill.

Unlike other authority loan programs, applicants for dairy upgrade loans would not have to meet a net worth requirement. The loan would be secured by a borrower's personal note. The initial application fee would be \$50.

"This fund should have \$10 million in cash," said Rep. Al Juhnke (DFL-Willmar). "But there's not enough money this year."

Bob Lefebvre, executive director of the Minnesota Milk Producers Association, testified in support of the bill. "This will not necessarily cure the industry," he said. "We need a dairy investment fund."

A companion bill (SF2730), sponsored by Sen. Jim Vickerman (DFL-Tracy), awaits committee action.

Funding farmers

Several lending programs for farmers would receive more state money, under a bill heard March 23 by the House Capital Investment Committee.

Sponsored by Rep. Jeff Anderson (R-Austin), HF2267 would increase the maximum dollar amount of state bonds for most of the loan programs offered by the Minnesota Rural Finance Authority.

Anderson said the authority has helped more than 2,000 small and beginning farmers since its inception in 1986. Loan programs include those for beginning farmers, and those addressing agricultural improvement, livestock expansion, agricultural product stock, as well as restructuring loans.

State general obligation bonds support the programs. The state participates with local lenders when making the loans to eligible farmers.

In recent years, the maximum state participation amount has been 45 percent of the principal amount, or \$125,000, whichever is less. The bill would increase the state cap to \$200,000.

Increasing the state participation level would make the program available to more farmers, Anderson said.

Wayne Marzolf, interim finance director for the Department of Agriculture, said the agency is requesting \$18 million in bonds for the next two years. Applications are granted on a first-come, first-served basis. Officials expect farmers, through the proposed increase in state participation, would request an additional \$2.7 million in loans, he said.

If loan requests surpass projections, the department will ask for an additional appropriation next year, Marzolf said. A larger amount is not being sought now, he said, because there is a four-year limitation on the money.

Default rates among program participants are low, Anderson said in response to a question from Rep. Rob Eastlund (R-Isanti). The banks, which are responsible for lending 55 percent of the loan, do credit checks prior to lending money.

When a default does occur, the bank handles the paperwork and any subsequent sale of real estate to cover the outstanding debt, Marzolf said. In such cases, the state is not forgiving the loans; rather, it is being paid in full.

The bill will be considered for inclusion in the committee's omnibus bill. A Senate companion (SF2323), sponsored by Sen. David Hann (R-Eden Prairie), awaits committee action.

★ ARTS

Theater ownership, no bond payoff

A transfer of the historic Paramount Theater in St. Cloud to the city would be facilitated, under a bill heard March 23 by the House Capital Investment Committee.

The St. Cloud Housing and Redevelopment Authority currently owns the theater. However, the city desires to take over its ownership, but in doing so wants the state to waive \$750,000 in outstanding bond proceeds given to the theater by the 1998 Legislature.

HF3105, sponsored by Rep. Jim Knoblach (R-St. Cloud), would do just that.

The city determined that, due to the subsidies it provides to the theater, it would be more economical for it to own the Paramount outright, Knoblach said. However, state law requires that state bonds be paid off when a bond-financed property is transferred.

Knoblach said he wants the amount to be forgiven entirely because the nature of the theater's operations would not change under the transfer, and because the transfer is occurring between two civil entities.

"It's a beautiful, wonderful theater," he said, adding that \$750,000 was a fraction of the \$5 million renovation cost.

City Administrator Michael Williams said the city has been paying the improvement debt, as well as annual operating costs for the theater. The motive for taking over the theater's ownership is to "get our arms around" those subsidies, he added.

The housing and redevelopment authority has operated the theater since its renovation in 1997. The Paramount Art Resource Trust is contracted by the city to handle the functions and events at the Paramount, Williams said.

The bill will be considered for inclusion in the committee's omnibus bill. It has no Senate companion.

★ BONDING

Historical site funding

The House Jobs and Economic Development Finance Committee considered a bill March 23 that would appropriate more than half a million dollars for the Minnesota Historical Society to keep open several historical sites statewide through fiscal year 2005.

Sponsored by Rep. Marty Seifert (R-Marshall), HF2945 would allocate \$588,000 for the operation of the Kelley Farm, James J. Hill House, Lower Sioux Agency, Fort Ridgely, Historic Forestville, the Forest History Center, and the Comstock House.

The committee included the request in its

omnibus bill March 25. The funds are not in the governor's bonding recommendations.

With "only so many pancake feeds," to raise local funds, Seifert said, donations can't continue to keep funneling in for support of the sites.

The one-time funds would be a "Band-Aid" during these challenging budget cut times, said Nina Archabal, director of the Minnesota Historical Society. Last year's budget reductions affected 240 society employees, said Archabal, and without the funding additional cuts could mean the reduction of historical sites.

Rep. Tony Sertich (DFL-Chisholm) asked the committee chair, Rep. Bob Gunther (R-Fairmont), how the request would be considered by the committee when the governor has recommended a 3 percent cut to all state agencies as a way to alleviate the state's budget shortfall.

The governor has recommended a 3 percent cut for the historical society, which gets about two-thirds of its budget from the general fund. It is a quasi-state agency, governed by a separate board.

Gunther said, "We're going to try to make it work."

A Senate companion (SF2922), sponsored by Sen. John Hottinger (DFL-St. Peter), awaits committee action.

★ CONSUMERS

Foreclosure consultant penalties

Scam artists convicted for preying on people threatened with home foreclosure would continue to face fines and a prison sentence following the March 19 failure of an amendment.

Offered by Rep. Eric Lipman (R-Lake Elmo) to the House Civil Law Committee, the amendment would have removed from HF2095 provisions stating that violators could be fined up to \$10,000 and sentenced to prison for up to one year.

"I think the criminal penalties go a step too far," Lipman said, adding that the high fine is disproportionate to other consumer protection laws.

Sponsored by Rep. Andrew Westerberg (R-Blaine), the bill would regulate foreclosure consultants and equity purchasers and provide remedies for homeowners. It has been the subject of considerable discussion before several House committees. Lipman himself offered 10 amendments to the bill, five successfully, and three were ultimately withdrawn.

In a practice known as "equity stripping," disreputable foreclosure consultants and equity purchasers target people whose homes are in mortgage foreclosure. They promise to find financing to help people stay in their homes. In practice, they keep people waiting until they have no other option, thereby increasing the likelihood that the homeowner will sign over their home and its equity.

Ultimately, the scammer owns the home, evicts the previous homeowner, and sells the house at a profit, keeping the equity. Committee members and testifiers noted, however, that not all foreclosure consultants and equity purchasers are disreputable. Some do indeed help homeowners keep their homes.

In disputed cases, homeowners are allowed to sue in civil court. The process, however, is very difficult.

In a second approved amendment, language in the bill was changed regarding how much a homeowner could be awarded in a successful civil suit against a foreclosure consultant. The original bill would have allowed exemplary damages (beyond those for actual damages, reasonable attorney fees and costs, and appropriate equitable relief) that were at least one-and-a-half times the amount the foreclosure consultant charged the homeowner. The committee made that amount the maximum award.

The bill now moves to the House floor. Its Senate companion (SF2412), sponsored by Sen. Ellen Anderson (DFL-St. Paul), awaits action on the Senate floor.

LADY IN WAITING



PHOTO BY ANDREW VONBANK

Helen Derechin, 7, of Minneapolis patiently waits in the audience as her mother Beatrice Rothweiler testifies before the House Governmental Operations and Veterans Affairs Policy Committee March 24.

★ CRIME

Sex offender registration, notification

Two bills requiring the registration and community notification of two groups of elusive, high-risk sex offenders are being included in the House Judiciary and Policy Finance Committee's omnibus bill.

HF2231, sponsored by Rep. Morrie Lanning (R-Moorhead), aims to ensure that high-risk sex offenders moving to Minnesota are subject to risk assessment and community notification under the Interstate Compact for Adult Offender Supervision, an agreement for tracking sex offenders between states.

Lanning said 106 registered sex offenders have moved to Minnesota from North Dakota, while only 72 have moved in the opposite direction. He suspected the reason was that Minnesota often doesn't assess the risk status of sex offenders moving here and offenders can evade community notification procedures.

The bill requires the Bureau of Criminal Apprehension to notify the Department of Corrections when it learns from a local law enforcement agency that an out-of-state sex offender has registered; when another state informs the bureau that a sex offender is moving to Minnesota; and when the bureau learns that a sex offender from out of state is in Minnesota but has failed to register.

The notification must contain a finding on whether the sex offender is subject to community notification in another state, and the person's risk level for re-offending.

Its Senate companion (SF2951), sponsored by Sen. Thomas Neuville (R-Northfield), awaits committee action.

A separate bill, HF2104, would clarify how homeless sex offenders must register their whereabouts with law enforcement. It is in response to a 2003 Minnesota Supreme Court case that found a homeless sex offender is not required to register unless the individual resides at a place where mail can be received.

Sponsored by Rep. Steve Strachan (R-Farmington), the bill would require that sex offenders register with a law enforcement agency within 24 hours of becoming homeless, and continue to make in-person, weekly reports. A description of the location where the person is staying must be provided, with as much specificity as possible.

A Senate companion (SF1911), sponsored by Sen. Mike McGinn (R-Eagan), has been incorporated into an omnibus bill (SF1863) and awaits further action.

Selling seized property

Revenues earned from the sale of property seized by law enforcement during drug busts and other arrests would be shared with one more agency, under a bill approved March 18 by the House Judiciary Policy and Finance Committee.

HF2976, sponsored by Rep. Steve Strachan (R-Farmington), would allow the Department of Corrections Fugitive Apprehension Unit to sell property it seizes during the course of arrest. Many other law enforcement agencies are currently allowed to seize property used in a crime, and to later sell that property.

However, the bill is very narrowly written, said Cari Gerlicher, corrections investigations manager with the department. It would not allow the unit to seize real or rental properties; motor vehicles used in prostitution crimes, in the fleeing of police officers, or in drive-by shootings; or any transportation conveyances (motor vehicles, trailers, snowmobiles, airplanes, and vessels, as well as attached equipment) used in drug crimes.

The unit investigates those who have escaped incarceration or have violated the terms of their release from prison.

Gerlicher said the bill is written narrowly because the special unit only pursues Department of Corrections fugitives. The unit cannot execute search warrants or proactively investigate crimes outside of its jurisdiction.

Asset seizure revenues benefit other law enforcement agencies, and the fugitive unit would also like to receive a portion of the proceeds, she added.

Current law describes the units allowed to participate in seizure and forfeiture laws as the Bureau of Criminal Apprehension, the Minnesota State Patrol, county sheriff's office, the Suburban Hennepin Regional Park District park rangers, the Department of Natural Resources Division of Enforcement, the University of Minnesota Police Department, and city and airport police departments.

The bill now goes to the House Rules and Legislative Administration Committee. A Senate companion (SF2790), sponsored by Sen. Leo Foley (DFL-Coon Rapids), awaits committee action.

Drug possession penalty

Those sentenced for first-time possession of methamphetamine with the intent to manufacture would no longer possibly be sent to prison for a minimum of two years, under an amendment approved March 23.

The House Judiciary Policy and Finance Committee approved the amendment, sponsored by Rep. Michael Paymar (DFL-St. Paul),

removing the mandatory minimum sentencing provision from HF1989. The bill itself is sponsored by Rep. Doug Fuller (R-Bemidji).

Paymar said no other drug crimes require a mandatory minimum sentence for a first offense. He indicated that such a provision does not allow offenders to make amends and turn their lives around.

"I grew up in the '60s and people do stupid things when they're young, and I don't want to see some 18- (or) 19-year-old whose done some stupid thing end up in prison for two years because Doug Fuller wants to have some message going out that he's tough on crime," Paymar said. "Excuse me. I mean, let's have a little common sense here."

Fuller said a methamphetamine task force recommended the mandatory minimum provision. He added that he supports a mandatory minimum prison sentence for those accused of manufacturing, and that he recognizes a difference between possession and manufacturing. However, the Paymar amendment doesn't address the differences, he said.

A separate amendment, introduced by Fuller and approved by the committee, removes criminal penalties for individuals and business owners who exceed retail sales limits. The bill, if approved, would prohibit any person from selling, in a single transaction, more than three packages or nine grams of methamphetamine precursors. Most substances used to "cook" methamphetamine — such as acetone, drain cleaners, batteries, salt, and cold medications containing Ephedrine — can be purchased at any retail store.

The bill originally would have made a violation of the retail sales limit a misdemeanor, subject to 90 days in jail and a maximum \$1,000 fine. Fuller said there are many "ma and pa" and convenience stores that would be better served through a methamphetamine education program than through jail terms.

HF1989 as amended will be considered for inclusion in the committee's omnibus bill. The bill's Senate companion (SF1580), sponsored by Sen. Julie Rosen (R-Fairmont), has been included in an omnibus bill (SF1863) and awaits further action.

★ EDUCATION

Budgetary adjustments

Providing \$4.5 million for improved Internet and telecommunications access in rural school districts leads proposed general fund supplemental budget adjustments for fiscal year 2005 in the House Education Finance Committee's omnibus finance bill.

The bill (HF3016), sponsored by

Rep. Alice Seagren (R-Bloomington), and approved by the committee March 24, now moves to the House Taxes Committee. It has no Senate companion.

Proposed increases in education programs, effective July 1, 2004, include \$1.5 million for online learning, \$1 million in school readiness funds for children between 3- and 5-years old, and \$1 million to fund other pre-kindergarten programs, including those existing in the Minneapolis and St. Paul school districts.

Development of value-added performance assessments to better measure student academic growth between grades would receive \$250,000, under the bill.

Local levy increases proposed in the bill allow for a funding shift savings of \$11.1 million. Combined with proposed cuts of \$2.9 million in various education accounts that leaves a general fund increase of \$8.2 million for 2005.

The 2004-05 biennial appropriation for K-12 education, approved by the 2003 Legislature, was \$11.8 billion.

Approximately \$710,000 was included in the bill for several of Gov. Tim Pawlenty's education pilot projects, including school cooperative planning grants and a scholars of distinction program for high achieving students.

A governor's proposal to link increased teacher compensation to student academic progress at three underperforming schools could receive a projected \$1 million in the 2006-07 biennium. Legislators will set the 2006-07 budget in the 2005 session.

Operating budget cuts to the state Department of Education, other state education agencies, and two academies for deaf and blind students, proposed by the governor and included in the bill, would total \$612,000.

The bill would retain a state-funded best practices grant of \$250,000 for the New Visions charter school in Minneapolis, which assists children with brain injuries and developmental delays. The governor's proposal eliminates \$1 million in best practices grants.

Several DFL committee members objected to the bill's inclusion of a proposal (HF1109) by Rep. Philip Krinkie (R-Shoreview) that would make it easier for school districts to contract for non-instructional services with private sector companies.

"This forces (union-represented school employees) to enter bargaining with a gun to their head," said Rep. Jim Davnie (DFL-Mpls). "This will have a very negative effect on the school climate." Krinkie previously refuted assertions that the proposal would encourage "union busting."

The proposal was approved by the House in the 2003 omnibus education finance bill, but removed in conference committee.

Pay based on student performance

An experiment that would tie teacher pay to increased student achievement is part of the House Education Finance committee's omnibus bill (HF3016) approved March 24.

HF2416, sponsored by Rep. Jeff Johnson (R-Plymouth), was heard March 18 and 19 by the committee. It would establish a five-year high performance teacher reward pilot project in three state selected underperforming charter or elementary schools to address the learning achievement gap between students from minority and low-income populations, and white students.

Also known as Gov. Tim Pawlenty's "super teacher" initiative, the bill would allow performance pay to increase a school teacher's annual salary up to \$100,000.

"I'm not super fond of the super teacher name," said Johnson, who called the bill "bold, very controversial, and pretty exciting."

Only public and charter grade schools whose students have had a recent history of low achievement results, and have a high concentration of poverty-level students would be eligible for the program.

Using those criteria, the Department of Education would select the lowest ranked school from three different geographic areas in the state. Eligible schools would have to be approved or designated by a school district.

The bill would require a selected school to adopt a "site-based management" approach that could include teachers forming a cooperative to run the school. The bill would also allow a school district or charter school board of directors to select the school's chief administrator.

"This is more like a super charter school bill," said Jan Alswager, director of government relations for Education Minnesota, the state teachers' union. She said public school teacher response to the initiative, announced by the governor in September 2003, has been "very negative."

Jim Bartholomew, government relations director for the Minnesota Business Partnership, testified in support of the bill. "It could attract quality teachers to schools that have struggled," he said. "The shift in decision making to the school level can lead to improved student achievement."

The bill would exempt a participating school from many state education statutes and rules, except those covering academic standards, confidentiality, discrimination, financial audits, appeals of student discipline, and the requirement to recite the Pledge of Allegiance.

A companion bill (SF2135), sponsored by Sen. David Gaither (R-Plymouth), awaits committee action.

COMMUNITY REQUEST



PHOTO BY TOM OLMSCHIED

Xang Vang, executive director of the Minneapolis Hmong American Mutual Assistance Association, told the House Jobs and Economic Development Finance Committee March 24 that funds are necessary this year to make improvements to their community center because of the expected number of Hmong refugees that may arrive in the state from camps in Thailand.

Teacher track professionals

A new state licensing program that would allow up to 300 qualified professionals per year to teach in public schools was included in the omnibus education finance bill, which now moves to the House Taxes Committee.

Sponsored by Rep. Sondra Erickson (R-Princeton), HF1814 was heard March 22 before the House Education Finance Committee. The bill would create an alternative licensing path for persons with a bachelor's degree and five years of experience to teach in a subject area related to their profession.

"I believe this will set a standard higher than the (post-secondary) educational institutions now set for teachers," Erickson said. "Education Minnesota and the colleges of education do not support this, but that doesn't bother me."

The bill, one of Gov. Tim Pawlenty's education initiatives for 2004, would create a teacher training program for qualified professionals in the Department of Education, rather than the Board of Teaching.

An advisory group that would include board

representatives and representatives from state colleges and universities would develop criteria for the alternative licensing program. The bill would require the state education commissioner to report to the Legislature's higher education committees by Jan. 15, 2005 on the training criteria established for the new program.

Rep. Bud Heidgerken (R-Freeport), a former teacher, opposed the bill. "This is an attempt to pretty much dismantle what we have in place right now," he said. "We do very well. I don't see a lot of support for this among teachers."

Prospective new teachers would be trained to teach in special education, as well as science, math, reading, English as a second language, communication arts and literature, business, world languages, and as a media specialist.

A companion bill (SF2109), sponsored by Sen. David Hann (R-Eden Prairie), awaits action before a Senate committee.

Teaching excellence

While 96 percent of the state's public school teachers are "highly qualified," according to a federal definition, approximately 900 need to meet that standard within the next two years for the state to comply with the No Child Left Behind Act.

HF3062, sponsored by Rep. Barb Sykora (R-Excelsior), would amend state law to accommodate teacher evaluations to allow those teaching outside of their college degree subject area to meet the federal "highly qualified" definition.

The bill was heard March 18 by the House Education Policy Committee. The committee, which Sykora chairs, took no action, but the proposal is part of the education omnibus finance bill (HF3016).

The process the bill would establish is called High Objective Uniform State Standard of Evaluation.

It would become an option for teachers to demonstrate their content knowledge, and comply with the law, said Education Commissioner Cheri Pierson Yecke.

"Teachers are running out of time," Yecke said. "There's an expedited need for (this) process to be out there."

The federal education law will require all teachers, other than those newly hired, to meet the "highly qualified" definition by the end of the 2005-06 school year.

Teachers in rural districts — who are more likely to be teaching core subjects other than those in their college degree field — have until the end of the 2006-07 school year to comply.

Those now teaching outside of their licensed subject area have been issued variances by the state Board of Teaching. State law provides for the board to develop and administer teacher licensing programs.

Yecke said the evaluation process proposed in the bill is not teacher licensing and would be administered by the Education Department.

George Maurer, board director, questioned the need for putting the proposed evaluation process into state statute. He described the federal requirements covering teacher qualifications as "very fluid." A new licensing option the board is developing, but has yet to adopt as a rule, "will meet the (federal) definition," he said.

The bill has no Senate companion.

Trust land aggregate

Gravel on state-owned school trust land could mean more dollars for schools.

A bill approved March 22 by the House Education Finance Committee would appropriate \$50,000 for several trust land site surveys to determine their potential for revenue producing construction aggregate leases.

Sponsored by Rep. Tony Cornish (R-Good Thunder), HF2467 was referred to the House Environment and Natural Resources Finance Committee.

The bill would help the Department of Natural Resources, which manages 2.5 million acres of school trust land, "find out more about aggregates," Cornish said.

The department also manages 1 million acres of mineral rights on previously sold school trust land. The trust lands, located primarily in north central and northeastern Minnesota, have been government-owned since statehood.

The \$50,000 would come from one of the trust lands revenue accounts that finances the Permanent School Fund. Future proceeds from the sale of aggregate would be added to the fund.

About \$20 million per year for schools is provided through trust land timber sales, lakeshore leases, mineral rights, and interest earnings.

Expected loss of interest would cost the state \$2,000 to provide the \$50,000 for the site surveys, said Rep. Alice Seagren (R-Bloomington), the committee chair. Seagren said future site surveys for aggregate leases could be considered for the 2006-07 biennium.

Department representatives testified before the House Education Policy Committee in February that additional aggregate leases could generate more school revenue, because of growing demand from Twin Cities metropolitan area road and building construction projects.

Aggregate leases from lands that are part of the Hill Annex Mine State Park in Itasca County could mean an additional \$1 million a year in revenue, according to department officials.

The \$50,000 would be available for the site surveys until Oct. 30, 2005.

A companion bill (SF2250), sponsored by

Sen. LeRoy Stumpf (DFL-Thief River Falls), awaits action in the Senate Finance Committee.

★ EMPLOYMENT

Budget reductions

The House Jobs and Economic Development Finance Committee approved its omnibus finance bill March 25.

Sponsored by Rep. Bob Gunther (R-Fairmont), HF3090 cuts \$1.1 million from the budgets of the agencies and departments within the committee's jurisdiction. The 2003 Legislature appropriated \$321.5 million for those departments.

Along with across the board 3 percent cuts to state agencies, as recommended by the governor in his supplemental budget, the bill also transfers \$14.7 million from specific funds, such as the 21st Century Minerals Fund, into the general fund to help balance the state's budget.

Rep. Bob Gunther (R-Fairmont), chair of the committee, said the transfer of \$11.4 million, the total monies in the minerals fund, is because they are "being unused." The governor's recommendation included a \$5.7 million transfer.

Rep. Tony Sertich (DFL-Chisholm) failed to amend the omnibus bill with a provision that would have used the fund for value-added iron ore or steel making facilities. Gunther said "with reluctance" he would have to oppose the amendment because he didn't "have the authority" to change the allocation of the funds from the account. Gunther said he is working closely with House leaders to restore half of the funds in the account.

The bill also transfers \$800,000 from the real estate housing program and \$400,000 from the state investment fund, both non-general fund sources, to the general fund.

Cuts for the Department of Employment and Economic Development total \$599,000 from the operating budget with funding cuts to programs including the Minnesota Film Board, WomenVenture, and the Metropolitan Economic Development Association.

Conversely, the Minnesota Historical Society would receive a one-time \$589,000 appropriation for the continued operation of the Kelley Farm, Hill House, Lower Sioux Agency, Fort Ridgely, Historic Forestville, the Forest History Center, and the Comstock House through fiscal year 2005.

The bill's Senate companion (SF2591), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action in the Senate Finance Committee.

The committee discussed a number of amendments while this issue was going to press. Check next week's issue for an update.

Health care benefits

Employees of the Minnesota Humanities Commission would be eligible for state health care benefits for two years, under a bill passed 130-0 by the House March 22.

Sponsored by Rep. Lynne Osterman (R-New Hope), HF1710 allows for "state paid life insurance and hospital, medical, and dental benefits" for qualifying employees. Others already eligible for benefits include legislators, legislative employees, an appellate court judge or an officer or employee of the court, a salaried employee of the Public Employees Retirement Association, and a full-time military or civilian officer.

Osterman said the benefits, would be "at no cost to taxpayers" because associated costs would be paid for by the commission. It would fall in line with those given to Minnesota Technology, Inc. employees as well as Minnesota Historical Society employees.

The bill now moves to the Senate where Sen. Ellen Anderson (DFL-St. Paul) is the sponsor.

Reference information disclosure

A new law signed by Gov. Tim Pawlenty March 19 will provide disclosure protection to employers that share certain reference information with prospective employers about current and former employees.

Effective Aug. 1, 2004, the law will allow companies, without the employee's consent, to pass along basic employment information such as wages and job description, as well as written disclosures of any instances of theft, harassment, violence, or other illegal conduct documented in the employee's record.

The law will establish a higher burden of proof for employees who legally challenge a current or former employer's information disclosure. Employees bringing suit must show clear and convincing evidence that the information was both knowingly wrong and harmful to them.

Business representatives expressed support for the new law, sponsored by Rep. Jim Knoblach (R-St. Cloud) and Sen. David Knutson (R-Burnsville), while labor union representatives opposed it.

The law will also require school districts to share documented information about employee sexual misconduct or violence toward a student.

Such information is already public if an employee was fired based on the misconduct. Under the new law, the information must be shared even if the school district employee resigned.

Similar legislation passed both houses of the Legislature in 2001, but did not make it past a conference committee.

HF480*/SF837/CH137

ENERGY



Biomass facility tax exemption

A developing biomass plant planned for south Minneapolis is seeking an exemption from personal property taxes, typically given facilities that generate certain levels of electricity.

The request is contained in a bill (HF2839), sponsored by Rep. Karen Clark (DFL-Mpls). The bill was heard by the House Taxes Committee March 23 and will be considered for inclusion in the committee's omnibus bill.

The facility, located near the intersection of Lake Street and Hiawatha Avenue, would use urban waste wood biomass to create about 30 megawatts of electricity, plus excess heat used for heating and cooling the adjacent building, the facility in development on the former Sears site.

According to Carl Nelson, project manager for the Green Institute, which is developing the project in cooperation with the Phillips Community Energy Co-op, the facility would be located on a former incinerator site contaminated with asbestos. The project involves cleaning up the contamination and developing the project, which will operate in a similar fashion to the District Energy plant in St. Paul, he said.

Each new electric energy generating facility developed in the state since 1994 has received an exemption on personal property taxes. Such items considered personal property include transformers and turbines.

The exemption does not include other taxes, such as commercial income or sales taxes.

Clark noted that this is the first power plant using biomass material in an urban area. In addition, the committee chair, Rep. Ron Abrams (R-Minnetonka), noted that other biomass facilities elsewhere in the state have received similar exemptions in the past.

According to nonpartisan House Research documents, four specific biomass projects have been granted this exemption.

The bill's Senate companion (SF2676), sponsored by Sen. Linda Berglin (DFL-Mpls), awaits action in the Senate Taxes Committee.

Electric energy facility taxes

The House Taxes Committee heard four bills March 23 that provide exemptions for personal property taxes to new facilities that generate electricity.

The bills will all be considered for inclusion in the committee's omnibus bill. Said committee chair, Rep. Ron Abrams (R-Minnetonka), his intention is to include the provisions, as well as an overriding exemption allowance for all new electric generation facilities, provided the affected local governments approve the

exemption. He suggested such an allowance should be accompanied by a sunset date to test its effectiveness.

Each new electric energy generating facility developed in the state since 1994 has received an exemption on personal property taxes. Such items considered personal property include transformers and turbines. The exemption does not include other taxes, such as commercial income or sales taxes.

Among the proposals heard are the following bills:

- HF2001, sponsored by Rep. Michael Beard (R-Shakopee), would exempt a simple-cycle, combustion-turbine facility in Shakopee set to produce about 320 megawatts of energy by the summer of 2005.
- HF2481, sponsored by Rep. John Dorn (DFL-Mankato), would extend an exemption for a proposed simple-cycle, combustion-turbine facility in Mankato granted in 2003 as a contingency had the nuclear energy concerns at Prairie Island not been resolved. The bill would specifically reduce the capacity allowed for the facility to more than 300 megawatts and would allow for expansion, with approval, down the road.
- HF2701, sponsored by Rep. Jerry Dempsey (R-Red Wing), would provide an exemption for a simple-cycle, combustion-turbine facility in Cannon Falls to produce about 290 megawatts of energy.
- HF2707, sponsored by Rep. Lynda Boudreau (R-Faribault), would provide for a simple-cycle, combustion-turbine facility in Faribault, set to exceed 150 megawatts of electricity.

Each of the bills also requires a local government approval for the exemption. None has any cost to the state associated with the exemption.

HF2001 has no Senate companion. The other bills companions – SF1919, sponsored by Sen. John Hottinger (DFL-St. Peter); SF2532, sponsored by Sen. Steve Murphy (DFL-Red Wing); and SF2564, sponsored by Sen. Dick Day (R-Owatonna) – all await action in the Senate Taxes Committee.

ENVIRONMENT



Environment finance changes

The House Environment and Natural Resources Finance Committee released its supplemental budget recommendations March 24, which reflects several agencies budget reductions proposed by Gov. Tim Pawlenty, and then some.

Approved March 25, the bill (HF1867), sponsored by Rep. Dennis Ozment (R-Rosemount) would cut \$3.6 million from the 2004-05

environment finance budget. It now moves to the House Ways and Means Committee.

Pawlenty recommended reductions of just over \$3 million from those agencies to help achieve fiscal balance, including a general fund reduction of approximately \$2.3 million for the Department of Natural Resources.

The House-proposed changes for the department total just over \$2.6 million. The committee recommendation also differs in that some money from the natural resources fund would pay for off-highway vehicle (HF2678) and snowmobile gas tax study (HF3002) initiatives and some department expenditures relating to Metropolitan regional parks grants would be reduced.

The committee's recommendation for Pollution Control Agency general fund reductions matches that of the governor at \$281,000. The House, however, would direct \$70,000 from the environmental fund toward coordinating work on the state's impaired waters (HF1166).

The House plan is in line with the governor's budget cuts for the following agencies: \$132,000 from the Environmental Assistance Office, \$127,000 from the Board of Water and Soil Resources, and \$197,000 from the Minnesota Zoological Garden.

The omnibus measure also contains portions of the following bills:

- HF2353, sponsored by Rep. Kathy Tingelstad (R-Andover), would make technical changes for the department facilities management efforts;
- HF2660, sponsored by Rep. Larry Howes (R-Walker), would create a forest management fund in the state treasury for depositing timber sale receipts from certain lands administered by the department's forestry division and spending on forestry efforts;
- HF2855, another Howes bill, would grant the department management discretion in dealing with situations where several lakes with functioning outlets drain into a body of water without an outlet, and it would extend the life of a Board of Water and Soil Resources shoreland protection program;
- HF2678, sponsored by Rep. Tom Hackbarth (R-Cedar), would reverse some restrictions on off-highway vehicle use on certain types of wetlands, give the department the option to leave a state forest classified as managed, and create a vehicle safety and conservation grant program;
- HF2467, sponsored by Rep. Tony Cornish (R-Good Thunder), would direct the department to study construction aggregates on school trust fund lands;
- HF2040, sponsored by Rep. Mark Olson (R-Big Lake), would create a certification process under the Pollution Control Agency for emerging technologies in wastewater treatment;

- HF2405, another Tingelstad initiative, would extend the appropriation for certain Legislative Commission on Minnesota Resources initiatives; and
- HF1852, sponsored by Rep. Jim Knoblach (R-St. Cloud), would direct the commission to examine funding inequities between regional parks in the Twin Cities metropolitan area and those in Greater Minnesota.

Paying for mercury pollution

About 95 percent of vehicles in the United States are recycled, and more than 75 percent of the materials in a vehicle, when measured by the weight, are actually recycled in some way, according to a 2003 report prepared for the Office of Environmental Assistance.

But certain switches in those recycled vehicles are one of the most mercury-laden products in the recycling process, according to the office.

Lawmakers, recyclers, and the auto industry are now debating who should pay to remove the mercury switches from vehicles before crushing or shredding.

Current law says that a person may not crush a motor vehicle unless the person has first made a good faith effort to remove the switches.



Peder Larson, a lobbyist for Partnership for Mercury Free Vehicles, testifies before the House Environment and Natural Resources Policy Committee March 18 in support of a bill that would establish a mercury switch collection program by motor vehicle manufacturers.

As first proposed, HF2602, sponsored by Rep. Ray Cox (R-Northfield), would have established a collection program funded by manufacturers who have sold vehicles with such devices in Minnesota since 1980. Recyclers would have been paid a \$1 incentive fee per switch for proper disposal.

The House Environment and Natural Resources Policy Committee approved an amended version of the measure March 18 and sent it to the House Environment and Natural Resources Finance Committee. That committee amended the provision to also require that the office report back to the Legislature in 2005 and 2006 regarding collection rates for retrieving switches.

The key components to successful switch collection programs are education, enforcement, and incentives, Cox said.

The switches look tiny, but the mercury adds up, he added.

When part of a vehicle is crushed, mercury in the switches can mix with the metal. During the recycling process, that residual mercury may be emitted from the smokestack and released into the environment. In other cases, the mercury remains on items sent to a landfill and can leach into the groundwater.

Representatives from the Alliance for Auto Manufacturers, which includes Ford Motor Company and eight other companies, opposed the plan, saying they had already voluntarily phased out mercury switch use in 2003 and committed financial resources to switch removal.

But auto dismantlers said they should not be the ones to pick up the tab for the labor involved in switch removal.

As amended by Rep. Tom Hackbarth (R-Cedar), the bill would require recyclers to remove all mercury switches from vehicles before they are crushed, rather than merely make a good faith effort.

The amendment also removed the program and incentives from the legislation.

Hackbarth said he was concerned about placing any burdens on the industry that might contribute to a closure of the St. Paul Ford plant.

A Senate companion bill (SF1934), sponsored by Sen. D. Scott Dibble (DFL-Mpls), awaits action by a second committee.

Cathode ray tube disposal

Most older televisions, computer monitors, and video display devices contain cathode ray tubes that convert electronic signals into visual images. From a waste management perspective, cathode ray tube recycling is problematic because the phosphorescent coating around the tube contains lead that can be released into the environment when the components are crushed.

Among the many known health hazards of lead are brain, kidney, and reproductive problems.

Cathode ray tubes will be banned from solid waste facilities in 2005, under current law.

A bill (HF882), sponsored by Rep. Ray Cox (R-Northfield), aims to create a statewide disposal system for the devices. The bill would require all manufacturers of video display devices sold in Minnesota to register with the Office of Environmental Assistance and assume responsibility for a collection system by July 1, 2005.

The House Environment and Natural Resources Policy Committee heard testimony on the measure March 18, but the committee chair, Rep. Tom Hackbarth (R-Cedar), deferred action until more discussions could be held.

The bill proposes a safe and responsible manufacturer-operated disposal method without creating a government program, Cox said. He said in developing the legislation he wanted to avoid a system that would charge consumers an advance recovery fee.

"Electronics are a growing problem that have been handled at the end of the pipe," said Ted Troolin, St. Louis County Solid Waste Department director. "The bill would be an effective opportunity to keep them out of landfills."

Proponents said product stewardship by manufacturers is an important component of a successful video display device recycling program, as is comprehensive statewide access for all citizens.

Jim Kordiak, a Solid Waste Management Coordinating Board member, presented an overview of the state's growing electronic waste management problem.

Televisions and monitors can contain between 3 pounds and 7 pounds of lead, he said.

With analog television signals scheduled to end in 2006, digital signals will need converters or new televisions. This and other technological advances will make many components obsolete.

The presentation suggested Minnesota's waste stream could be hit by an "e-waste tsunami" as these new technologies emerge and gain popularity.

Hackbarth said he does not yet agree with the approach in the bill, particularly out of concerns over placing burdens on IBM, a large Minnesota manufacturer of computer hardware. The industry should work on an acceptable plan, he said, because the issue will be back next year.

A Senate companion (SF838), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits committee action.

Disposing of mineral byproducts

Taconite companies are required by state law to obtain permits from the Pollution Control Agency to dispose of tailings, the byproducts of taconite production.

The tailings are environmentally problematic in several ways: the lack of vegetation to anchor the soil on which the tailings are deposited can increase soil erosion, speed contaminated runoff into ground and surface water, and decrease air quality with excessive dust during dry seasons.

Current law is very specific that the tailings may be disposed of in mine pits provided the company "demonstrates through an environmental impact statement and risk assessment that the deposition will not pose an unreasonable risk of pollution or degradation of groundwater."

HF1836, sponsored by Rep. Tom Rukavina (DFL-Virginia), would expand the agency's permit authority beyond taconite tailings to allow for the deposition of any mineral tailings, provided the same environmental standards are met.

The House passed the bill March 22 by a vote of 127-1. It now moves to the Senate where Sen. David Tomassoni (DFL-Chisholm) is the sponsor.



For more information regarding testimony for and against the environment and natural resources omnibus finance bill, go to the Session Weekly EXTRA Page at: <http://www.house.mn/hinfo/swx.asp>.

FAMILY



Banning gay marriage

A proposal to ask Minnesota voters whether the constitution should specifically prohibit gay marriage in the state was approved by the House 88-42 March 24.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville), HF2798 proposes that voters be asked this question: "Shall the Minnesota Constitution be amended to provide that marriage or its legal equivalent is limited to only the union of one man and one woman?" The bill would preclude civil unions in Minnesota without an additional constitutional amendment.

Holberg said that if there were any more important issue in today's society than defining marriage, she can't think of what it might be.

Noting that Minnesota already prohibits gay marriage through a 1997 law, Holberg explained why she's sponsoring the marriage definition bill. In November the Massachusetts Supreme Court



Thousands of people in support of a potential amendment to the Minnesota Constitution that would define marriage as a union between a man and a woman filled the steps of the State Capitol March 22. Attendees heard from Gov. Tim Pawlenty, legislators, congressional members, and members of the clergy who support the constitutional amendment.

directed that state's legislature to provide for same-sex marriages within 180 days. Therefore, it's expected, she said, that valid marriage licenses would be issued there beginning May 17.

Several cities subsequently began issuing marriage licenses to same-sex couples. San Francisco alone issued about 4,000 licenses earlier this year before a court injunction was imposed.

Bill supporters say it's only a matter of time before a Minnesota same-sex couple marries in another state and files a lawsuit demanding recognition of that license here. That would bring the case before the Minnesota Supreme Court, which Holberg believes is the improper venue for such an issue.

"The people of Minnesota want to vote on this issue," Holberg said.

House Minority Leader Matt Entenza (DFL-St. Paul) said the real motive behind efforts throughout the country to ban gay marriage is to divert attention from problems with health care, education, and unemployment. Using the constitution, as opposed to legislation, for an issue of such magnitude is unprecedented, he said.

"We should never use the constitution as a means to advance a political agenda," Entenza said.

Rep. Keith Ellison (DFL-Mpls) cited a 1958 case in which a black man and his white wife were arrested and sentenced to jail for being



About 3,000 people rallied in front of the State Capitol March 25 against a proposed amendment to the Minnesota Constitution that would define marriage as a union between a man and woman.

married to one another. The U.S. Supreme Court later issued a ruling, declaring interference with a person's right to choose his or her own partner to be unconstitutional.

"In 1958 it was about race; today it's about sex," Ellison said.

Rep. Karen Clark (DFL-Mpls), the House's only openly gay member, said civil marriage should be kept separate from religious marriages. One is about rights and responsibilities and the other is about a sacred contract, she explained.

"We need to keep what is sacred, sacred and what is civil, civil," Clark said.

The bill now goes to the Senate, where Sen. Michele Bachmann (R-Stillwater) is the sponsor.

Parenting classes

Divorcing couples in dispute over custody and visitation provisions would be required to attend at least eight hours of parenting classes, under a bill approved March 19 by the House Civil Law Committee.

Under current practice, divorcing parents contesting custody matters are required to attend classes for a minimum of four hours and a maximum of eight.

As introduced, HF2642, sponsored by Rep. Elaine Harder (R-Jackson), would have required all divorcing parents to attend parenting classes for a minimum of 10 hours, even when custody and visitation issues are not contested.

Such provisions drew objection from testifiers at the bill's first presentation to the committee March 16. Action on the bill was deferred for fine-tuning, and Harder brought it back with the eight-hour, contested-only provisions that were ultimately adopted by the committee.

Nevertheless, members still expressed concern.

Rep. Len Biernat (DFL-Mpls) unsuccessfully introduced an amendment in keeping with current practice: that of four- to eight-hour classes.

Marilyn McKnight, owner of Erickson Mediation Institute, said it often takes parenting class participants several hours of classes to overcome their anger at being ordered to attend. Many, however, subsequently appreciate the chance to learn about the emotional nature of divorce, legal proceedings, and methods for parenting with a divorce.

Anita Miller, with the non-profit Storefront Group in Richfield, a human services organization offering education for parents and children transitioning through divorce, said she

was pleased that the bill no longer contained provisions mandating parenting classes for all divorces. The group, and others that offer such education, could not accommodate high participation volumes that would have resulted, she explained.

"Without funding behind this, this could sink us," she said.

The committee modified language to state that parents must begin taking the classes within 30 days after the first filing of any plea in the divorce. The previous language would not have allowed enough time for either the husband or wife to respond to the divorce, therefore not allowing the courts to know whether the matter was being contested and parenting classes required.

The bill now moves to the House floor. Its Senate companion (SF1846), sponsored by Sen. Steve Dille (R-Dassel), awaits action on the Senate floor.

Taxing in-home daycare facilities

A bill heard by the House Taxes Committee March 23 aims to clarify how in-home child-care facilities should be taxed. The bill (HF2200), sponsored by Rep. Doug Magnus (R-Slayton), will be considered for inclusion in the committee's omnibus bill.

The bill would specifically provide that single-family homes otherwise classified as residential and agricultural homestead but also used to provide licensed child-care must be classified as homestead property.

Magnus said the need for the bill arose from a situation in Pipestone County where the county assessor classified in-home child-care providers as commercial enterprises. As a result, taxes for in-home child-care providers were increasing exponentially, particularly if they had made any home improvements that also specifically benefited the care they provided.

There is one caveat, under the bill, with regard to in-home business activities. Portions of the property used for business purposes, such as a beauty shop or machine repair, would be classified as commercial property.

According to Michelle Thole, president of the Minnesota Licensed Family Child-Care Association, the policy discourages individuals from making improvements that both increase their home's value and improve the quality of child-care services they provide. She specifically cited safety improvements.

She also expressed concern that placing additional financial burdens on in-home providers in Greater Minnesota would reduce the options for parents, as providers decide to close their operations.

"This reminds me of my first day in law school," said Rep. Ron Abrams (R-Minnetonka), the committee chair. "Don't leave your common sense outside of law school."

Gary Grossinger, Stearns County assessor, testified that in his experience, other counties are not designating in-home daycare facilities as commercial enterprises for tax purposes. He suggested Pipestone County is not a typical example of the application of the law statewide.

"We tend to use our own common sense," he said.

The Senate companion (SF2117), sponsored by Sen. Becky Lourey (DFL-Kerrick), awaits action in the Senate Taxes Committee.

★ GAME & FISH

Fort Ripley game refuge

Under current law, the Department of Natural Resources makes annual payments to counties in lieu of taxes for natural resources property, specifically public hunting areas and game refuges, acquired by the state.

State trust fund lands and other state lands not purchased for natural resources purposes do not qualify.

Rep. Greg Blaine (R-Little Falls) is sponsoring a bill (HF2928) that would direct payments in lieu of taxes to Morrison County for 51,000 acres at Fort Ripley that are used as a game refuge.

The House Environment and Natural Resources Finance Committee approved the measure March 18 and sent it to the House Taxes Committee.

"The environmental attention paid to this state land is as great or greater than almost any other game refuge in the state," Blaine said.

Department attention is vital, Blaine said, because the land hosts a number of threatened species.

Morrison County does not receive any payments for the property because the land was acquired by the state for military purposes, but it quickly became evident it was extremely valuable for conservation, Blaine said. That altered the state's commitment to the county in terms of financial support, he said.

Rep. Dennis Ozment (R-Rosemount) asked about public access for hunting, as is required for other lands in the payment program.

Camp Ripley has opened its boundaries for many deer hunts, including a well-known archery hunt, Blaine said.

A Senate companion bill (SF2725), sponsored by Sen. Paul Koering (R-Fort Ripley), awaits committee action.

★ GOVERNMENT

Spending reductions, income additions

The House State Government Finance Committee approved its omnibus bill March 25, incorporating supplemental budget actions.

Sponsored by Rep. Bill Haas (R-Champlin), HF2684 would reduce several state agencies budgets by 3 percent, as recommended by the governor as well as raise general fund revenue by \$7.8 million. In the bill, expenditures for the biennium are cut \$4.9 million, which in combination with the additional revenue, is a net savings to the general fund of about \$12.8 million.

Constitutional offices will receive the across the board 3 percent cut under the bill. Also forced to trim would be the Departments of Administration, Finance, Employee Relations, Military Affairs, and Veterans Affairs.

Under the bill, the Legislature would have \$4 million of its carry forward funds transferred for other general fund purposes. The governor recommended a \$7 million transfer.

HF2684 would appropriate \$4.4 million to the Department of Military Affairs for three programs — a re-enlistment bonus program, a National Guard Youth Camp, and tuition and textbook reimbursement program. The youth camp and tuition reimbursement funds are not among the governor's recommendations.

In addition to a transfer of \$2.1 million in unclaimed prize money from the Minnesota State Lottery going to the general fund, sale of state land is expected to boost state revenue.

The commissioner of administration is directed to sell at least \$6.1 million of state land before June 30, 2005, with an additional \$6.1 million by June 30, 2007. The commissioner may only provide notice of the sale of public lands to state departments or agencies, the University of Minnesota, cities, counties, towns, school districts, or other public entities as designated in the bill.

Other provisions in the bill include requiring state employees to reimburse the state for using state vehicles in situations that could be considered a "taxable fringe benefit" and establishing that the administration commissioner may lease a state-owned building in the Capitol Complex to operate a daycare and after-school activity center.

The bill now goes to the House Ways and Means Committee. Its Senate companion (SF2687), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits committee action.

Land ownership

A bill born out of the frustrations of one legislator to determine how much land the state owns was heard, but not acted upon, by

the House Capital Investment Committee March 23.

Rep. Maxine Penas (R-Badger) said she introduced HF2822 after receiving no satisfactory answers to her questions of how much land the state owns, its locations, and designations.

Paul Pojar, an engineer with the Department of Natural Resources lands and minerals section, presented two maps to the committee showing state-owned lands by land type, as well as land ownership by government entity. The latter included lands owned by the federal government, tribal governments, the state, and counties.

In total, 8.3 million acres is labeled as state-owned.

However, Penas said she wants more detail, including a specific inventory of land owned by the University of Minnesota, the Minnesota State Colleges and Universities system, and the Departments of Corrections, Military Affairs, Administration, Human Services, Transportation, and Natural Resources.

"I think it's pathetic in the days of (global positioning systems) and satellite photography and satellite imaging that we do not have a better handle on our lands," Penas said.

The state should be good stewards of its land, in particular because evasive species can "get loose" in vast tracts of land, she added.

However, Rep. Philip Krinkie (R-Shoreview), the committee chair, pointed out that the bill does not request an inventory outright. Instead it would prohibit the state from obtaining more land unless the acquisition represented a zero net gain of state-owned land. Furthermore, any state-owned land to be disposed of must be placed back on the tax rolls, under the bill.

To achieve a zero net-gain in state land, an inventory must be performed, Penas said.

Committee discussion revealed that while it may be easy to identify state-owned lands, it is difficult to pinpoint boundaries without costly and time-consuming surveys.

"This is a very expensive proposition," said Rep. Alice Hausman (DFL-St. Paul).

The bill was not officially referred to the committee, but Krinkie requested it for an informational hearing.

It lacks a Senate companion.

Saving money on purchases

The House Governmental Operations and Veterans Affairs Policy Committee approved a bill March 24 that would authorize state agencies to contract with national purchasing organizations for a better price on goods.

Rep. Laura Brod (R-New Prague), the

sponsor of HF2905, said agencies would have "efficiency, cooperation, and the best bang for the buck" under the bill, which now moves to the House State Government Finance Committee.

Agency heads who use such contracts must report annual expenditures for goods acquired to the commissioner of administration, under the bill.

Gary Nytes, executive director of Minnesota Cooperative Services, said the organization works to "help agencies save money" through large volume contacts allowing for goods to be purchased at lower prices. The bill would allow the co-op to work more closely with the Department of Administration, Nytes said.

Rep. Bill Hilty (DFL-Finlayson) said special priority in contracts should be given to Minnesota businesses, and he inquired as to how many contracts involve offshore companies.

Hilty sponsors HF914 that would prohibit corporations or their subsidiaries from doing work with state agencies if the entity is incorporated in a tax haven country and the United States is the principal market for public trading of the corporation's stock. That bill awaits action in the House Taxes Committee.

Mike Hajek, director of cooperative purchasing with the National Joint Powers Alliance, said the vast majority of contracts are given to local businesses.

A companion bill (SF1859), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action on the Senate floor.

★ HEALTH

Health care funds

Although it spares health care and social service providers from more cuts proposed by Gov. Tim Pawlenty, the House Health and Human Services Finance Committee's supplemental budget omnibus bill for fiscal year 2005 is not without its critics.

Sponsored by Rep. Fran Bradley (R-Rochester), the committee chair, HF1681 was reviewed for two days by committee members and the public prior to its March 25 approval. The bill now moves to the House Ways and Means Committee.

"We spend \$37 million to prevent reductions to pharmacies, hospitals, nursing homes," and other care providers, Bradley said. He said the bill would direct approximately \$17.6 million for "fixing priority needs" identified by health care agencies and provider groups that have cut staff and services as a result of cuts enacted by the 2003 Legislature.

The bill would not implement a 1.5 percent cut in aid to hospitals, nursing homes, and other health care agencies, as proposed by the



Jeff Spartz, representing the Minnesota Hospital Association, speaks to the House Health and Human Services Finance Committee March 24 during public testimony on the committee's omnibus finance bill.

governor. But it does include a number of cost containment measures, discussed previously in several committees, and specific program cuts.

"Cost containment is a reality," Bradley said. "We cannot sustain the rate of growth," particularly in health care costs, he added.

The bill's Senate companion (SF1915), sponsored by Sen. Michelle Fischbach (R-Paynesville), awaits committee action.

DFL committee members said the bill represents a net cut of \$64.7 million. They opposed a proposed transfer of \$70 million from the Health Care Access Fund to the state general fund. That is the largest of a number of funding shifts the bill proposes to restore some program and assistance cuts that took effect July 1, 2003.

The access fund supports MinnesotaCare, which assists low-income residents in obtaining health insurance.

Citing prior cuts in non-physician provided treatment, Rep. Thomas Huntley (DFL-Duluth) said, "MinnesotaCare is only good for those who are healthy."

A number of health care providers and human service agency representatives applauded the committee's decision to not further cut programs and assistance, but added that the budget enacted last year would continue to harm a disproportionate share of those who rely on state supported health care and social services.

The bill includes an amendment by Rep. Brad Finstad (R-New Ulm) that would deny federally funded family planning grants to "groups who provide abortion services." The amendment contains the language of HF436, sponsored by Rep. Mary Liz Holberg (R-Lakeville).

Rep. Joe Opatz (DFL-St. Cloud), who opposed the amendment, said it would "lead to unplanned pregnancies and more abortions. This is a pro-abortion amendment."

Reducing costs for care

A bill aimed at reducing health care costs is now the primary omnibus bill for the House Health and Human Services Finance Committee.

Rep. Fran Bradley (R-Rochester), who chairs the committee and sponsors HF1681, successfully offered several amendments March 18, including one striking language that would have placed limits on awards in medical malpractice suits. In earlier hearings the proposed cap on damages for non-economic losses was the focus of intense discussion.

Bradley said he could not get the provision past the House Civil Law Committee. "I made a promise to you and all involved that I would abide by the decision of civil law," he said.

Sections of the bill relating to best practices were also "skinnied down," Bradley said. Removed was a provision that would have given the commissioner of health the power to "identify" best-practice guidelines and "monitor" the extent to which health care providers followed them.

In its place is language that would empower the commissioner to "facilitate access to best practice guidelines and quality of care measurement information."

Among its provisions, the revised bill would ask that the commissioners of human services and employee relations use best-practice guidelines to develop "contracting strategies" and report their experiences to the Legislature in 2006.

"The best thing government can do is to use our purchasing power," said Rep. Thomas Huntley (DFL-Duluth). "We need to encourage best practices."

The bill, as revised, would also establish a priority for developing criteria for best practices and quality of care for people with diabetes and congestive heart failure.

Not everyone thinks the state should be involved in establishing best practice guidelines.

"We are very, very concerned on the part of patients we represent that the government would get into the practice of medicine," said Dr. William Wenmark, president of NOW Care Medical

Centers. He said it is the job of medical specialists to establish standards and offer continuing medical education and accreditation.

"This is not the Betty Crocker cookbook of Minnesota medicine," he said.

Bradley said it was a "misrepresentation" to say the state is practicing medicine. "All we're doing is recognizing a partnership. All we're saying is 'Let's be at the table as a purchaser.'"

"I would never welcome the government at the table when I practice medicine," Wenmark said.

A companion bill (SF1915), sponsored by Sen. Michelle Fischbach (R-Paynesville), awaits committee action.

Savings accounts

The House Taxes Committee heard several bills March 18 that would provide conformity to federal income tax changes, which allow health savings accounts, a tool that will allow individuals to set aside funds for health-care costs.

The committee primarily discussed HF3058, sponsored by Rep. Ron Abrams (R-Minnetonka), which contains multiple federal conformity issues, and will be considered for inclusion in the committee's omnibus bill.

However, discussion at the hearing centered around the accounts provided in the 2003 federal Medicare act, which proponents say provide tax benefits and may help reduce health-care costs. Other bills discussed at the hearing that deal specifically with health savings accounts were HF1742, sponsored by Rep. Jim Knoblach (R-St. Cloud) and HF1976, sponsored by Rep. Tim Wilkin (R-Eagan).

Under Abrams' bill, individuals could deduct, for contributions to a health savings account, up to \$2,250 per year for covering themselves, and up to \$4,500 for family coverage from their federal income for tax purposes.

The rationale behind health savings accounts is that they would be combined with a high-deductible insurance plan, which typically carries lower premium costs. When coupled with a high-deductible plan, the accounts would allow individuals to cover costs that do not meet their deductible with proceeds in the accounts. And if people don't expend all the funds in their accounts, those funds may roll over, gain interest, and be used for future expenditures.

Under the bill, high-deductible plans are defined as having deductibles of \$1,000 for individual coverage and \$2,000 for family coverage.

Previously, said Wilkin, individuals could use medical savings accounts in some cases, but they were much more restrictive and could not be carried over for future expenses.

Funds contributed to the accounts are

completely tax free, meaning they're pre-tax going in, not taxed when expended, and the funds rolled from year to year incur no tax, Wilkin said.

Witnesses said the accounts will allow health care consumers better choice, because they can use the accounts to purchase services both inside and outside their provider network.

Said Rep. Fran Bradley (R-Rochester), chair of the House Health and Human Services Finance Committee, even with high-deductible plans, amounts individuals will pay out of their own pockets will still be capped.

The Abrams bill has no Senate companion. The health savings account provision is estimated to cost \$3.2 million in 2005 and 2006 and \$3.7 million thereafter.

Companion bills to the Knoblach and Wilkin bills await action in Senate committees.

HIGHER EDUCATION



Supplemental budget decisions

The bill approved by the House Higher Education Finance Committee March 24 would require the Higher Education Services Office to renegotiate the tuition reciprocity agreement with South Dakota and provide for interstate payments by Dec. 1, 2004.

Sponsored by Rep. Doug Stang (R-Cold Spring), HF2663, in part, reduces the administrative and tuition reciprocity appropriations for the current biennium to the office and makes a number of other technical changes to agency programs. It now goes to the House Ways and Means Committee. In total, it trims slightly more than \$7.2 million from the budget.

Members were previously told that there has been no interstate payment between Minnesota and South Dakota for a number of years. The agreement calls for students to pay the higher resident tuition rate of the school they are attending or that of a comparable school in their home state. Interstate payments are a way for one state to reimburse another if instructional costs borne by taxpayers are unequal.

Payments related to agreements with North Dakota and Wisconsin are being made.

A September 2003 report by the Office of the Legislative Auditor said that because "Minnesota serves more students and bears a disproportionate share of the costs under this agreement, it would gain financially from a reinstatement of interstate payments."

"I'm troubled that they can't send the money they owe us," said Rep. Denny McNamara (R-Hastings). "A deal is a deal."

Jack Rayburn, senior researcher for the office, said five times in the past 10 years more Minnesota students have attended South Dakota schools and five times it has been the

other way around. "If we presume they owe us money, it's wrong," he said.

Another concern is that North Dakota and South Dakota want to increase their economies and they could simply say they'll charge resident tuition rates to Minnesotans and end the agreement with hopes that Minnesota students will remain in that state once they graduate.

Stang expressed a willingness to work with the services office if officials were to bring forward some other kind of proposal before the bill gets to the House floor.

The bill calls for a \$7.2 million biennial reduction from the tuition reciprocity program, money that officials said is a program surplus that they expect for the biennium. An annual report is also required of the office with information on student participation, tuition rates, and interstate payments and obligations.

Additionally, \$84,000 is taken from the office as part of Gov. Tim Pawlenty's budget-balancing proposal that calls for a 3 percent state agency operating reduction. No reduction implementation plans were offered.

Included in the bill is HF2337, sponsored by Rep. Marty Seifert (R-Marshall), which would authorize the Minnesota State Colleges and Universities system to plan the development of applied doctoral programs and degrees and report to the Legislature by Jan. 15, 2007.

Pawlenty had initially recommended transferring a \$15 million surplus from the state grant program to the general fund to balance the budget. That recommendation was not included in the bill.

The Senate version (SF2695), sponsored by Sen. Sandra Pappas (DFL-St. Paul), awaits committee action.



For more information regarding Dr. Norman E. Borlaug World Food Prize Day, go to the Session Weekly EXTRA Page at: <http://www.house.mn/hinfo/swx.asp>.

INSURANCE



Maintaining coverage

The House Commerce, Jobs, and Economic Development Policy Committee approved a bill March 18 that would help people maintain continuous health care coverage.

The bill will go next to the House floor.

"This is a straightforward, common sense bill," said Rep. Thomas Pugh (DFL-South St. Paul), the sponsor of HF2214.

The bill would protect people whose continuous health coverage, for example under the Consolidated Omnibus Budget Reconciliation Act (COBRA), is about to expire. It would

require health insurers to inform people that their coverage under new policies the company is offering might not be the same as it was under their group health plan and that they may be eligible for coverage from other private sources or from the Minnesota Comprehensive Health Association (MCHA), which has no limitations on pre-existing conditions.

Cynthia Hart, a board member of the Minnesota State Advisory Council on Mental Health, said people are not necessarily aware their coverage may change when their continuation policy ends.

Hart said her daughter was on a COBRA policy for several years, but the new policies offered by the insurer would not have given her the same coverage because of pre-existing conditions. Hart said if she had not already known about the association, she would not have realized it was an option for her daughter.

During the March 10 meeting of the House Health and Human Services Policy Committee, questions were raised about the potential costs of this bill if more people were to get coverage under the state's association. No fiscal note was presented.

"This is a good bill that will help people continue their health care coverage," said Bill Conley, a lobbyist for the Mental Health Association of Minnesota.

A companion bill (SF2138), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits action by the full Senate.

Transit study proposed

The House Jobs and Economic Development Finance Committee approved a bill March 25 that would require the commissioner of commerce to conduct a study to reduce motor vehicle insurance premiums for public transit companies and taxi services.

Sponsored by Rep. Mark Buesgens (R-Jordan), HF2649 would require a task force, which must include representatives from the insurance industry, taxi services, private transit companies, and others, as appropriate, to consider:

- measures to increase competition in that insurance market,
- the formulation of purchasing pools for that type of insurance,
- requiring the state to insure or self-insure those vehicles at cost in the same manner in which it insures or self-insures state-owned vehicles,
- granting private transit companies and taxi services the right to join existing insurance pools or arrangements available to political subdivisions,
- providing coverage through the state auto plan, and

- legislation to control costs by providing liability damage limits in civil lawsuits.

The bill now goes to the House floor.

Buesgens amended the bill in committee to include in the study that the task force model itself after a Wisconsin program, the Transit Mutual Insurance Corporation of Wisconsin. Created in 1986, the program combines the buying power of its members into one umbrella policy, resulting in a reduced cost for transit agencies.

Rep. John Dorn (DFL-Mankato) asked if the Commerce Department could do the insurance project without specific bill language, or without cost.

Buesgens said that while the department could handle the responsibility, it is important to indicate the legislative intent.

A Senate companion, SF2423, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), awaits action in the Senate Commerce Committee.

★ LOCAL GOVERNMENT

Conflict of interest

A new law signed by Gov. Tim Pawlenty March 19 provides conflict of interest exceptions for officers of watershed districts and soil and water conservation districts.

**Signed
by
the
governor
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Effective March 20, 2004, a state statute that clarifies conflict of interest issues is amended to include the two political subdivisions.

The law now provides that a governing body of any port authority, seaway port authority, economic development authority, watershed district, soil and water conservation district, town, school district, hospital district, county or city "may contract for goods and services with an interested officer of the governmental unit." The vote must be unanimous.

Rep. Michael Beard (R-Shakopee) and Sen. Claire Robling (R-Jordan) sponsored the new law.

Beard said the change was needed so a watershed district manager in his district could be reappointed to the watershed board. The manager had resigned due to a personal conflict of interest. The manager's spouse was a partner in a law firm that had a contract with the watershed district.

HF1980/SF1799*/CH139

Stillwater flood project extension

Sometimes the timeline for completing projects under the Department of Natural Resources flood hazard mitigation grant

program gets a little tight when state, federal, and local bureaucracies and matching dollars are involved.

HF2350, sponsored by Rep. Eric Lipman (R-Lake Elmo), would extend the timeline for a Stillwater flood project approved by the Legislature in 1998. The initial state investment was \$750,000, and the bill does not ask for more money.

The House Environment and Natural Resources Finance Committee approved the measure March 18 and sent it to the House Capital Investment Committee.

The original grant agreement expired June 30, 2002. The bill would extend that agreement until June 30, 2006.

The department commonly holds the last 10 percent of the funding until proof of completion is provided, Lipman said.

The city would like to finish the project but it ran into some glitches along the way, including being held up on the federal side of the funding equation, Lipman said.

A Senate companion (SF2283), sponsored by Sen. Michele Bachmann (R-Stillwater), awaits committee action.

★ METRO AFFAIRS

Paying electronically

The Metropolitan Council can now make payments by electronic funds transfer, under a new law signed by Gov. Tim Pawlenty March 19.

**Signed
by
the
governor
★ ★ ★**

Effective March 20, 2004, state law is amended to allow disbursement of council money by electronic funds transfer in addition to checks.

"This will provide (the council) a cost savings which each state agency has," said Rep. Mark Buesgens (R-Jordan), prior to House approval of the bill.

He and Sen. Chuck Wiger (DFL-North St. Paul) sponsored the law.

The council, a regional planning and service agency, covers the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

HF1822/SF1814*/CH140

★ RECREATION

More snowmobiling lanes

Two-way snowmobiling in ditches along certain major state highways would be allowed, under a bill that passed the House 131-0 March 24.

The bill now moves to the Senate, where Sen. Steve Murphy (DFL-Red Wing) is the sponsor.

HF532 is not a blanket approval of two-way snowmobile traffic in all ditches, said the bill's sponsor, Rep. Larry Howes (R-Walker). Designation is subject to approval by the state transportation commissioner.

Current law restricts snowmobile travel along highways and roads to the same direction as road traffic.

However, Howes said, there are cases where it's safer to allow two-way snowmobile traffic. He cited a portion of trail along a Pine County highway that varies between private and public land and contains steep ditches. In such a case, he implied, it would be safer to move all snowmobile traffic to the opposite ditch.

Rep. David Dill (DFL-Crane Lake) spoke in favor of the bill, stating that it's important to rural Minnesotan areas dependent on snowmobiling tourism. Presented with many obstacles, some snowmobilers are frustrating enforcement officials by illegally using ditches for two-way traffic.

A similar bill was approved at the committee level in the House in 2003, but was stripped from an omnibus bill during the special session, Howes said.

All-terrain ambassadors

A bill that would roll back some restrictions on off-highway vehicle use on certain types of wetlands has progressed to a fourth House committee.

The bill (HF2678), sponsored by Rep. Tom Hackbarth (R-Cedar), would remove type 8 wetlands from any restrictions and allow for riding on frozen type 3, 4, and 5 wetlands. These new rules would apply on public lands and private lands where the rider has permission from the landowner.

The House Environment and Natural Resources Finance Committee amended the bill March 18 to include \$100,000 for an off-highway vehicle safety and conservation grant program and a one-time appropriation of \$50,000 to pay for a study of the amount of unrefunded gasoline tax attributable to all-terrain vehicle use.

The bill, which has no Senate companion, was sent to the House Ways and Means Committee. Its provisions are also included in the omnibus environment and natural resources finance bill (HF1867).

The sum for the program includes \$75,000 from the all-terrain vehicle account, \$20,000 from the off-road vehicle account, and \$5,000 from the off-highway motorcycle account.

Under the bill, only statewide organizations in existence for at least five years would qualify for grant program dollars.

The infrastructure isn't in place to

administer the grant program, said Gene Larimore, a member of a citizen advocacy group known as the Jackpine Coalition.

And, he said, only the All-Terrain Vehicle Association of Minnesota would qualify for funds, even though all users pay into the accounts. The program would result in taxing 190,000 all-terrain vehicle users and giving the money to only 10,000, he said.

Another provision of the bill would give the Department of Natural Resources the option to leave a state forest classified as managed.

Legislation in 2003 required the department to take an inventory of all state forests and by 2007 change their designation from managed, meaning trails are open unless posted closed, to limited, meaning trails are closed unless posted open.

"The users are headed for a very steep learning curve," DNR Deputy Commissioner Mark Holsten said of the pending trail changes.

The return to where the department has a system of managed forests is a direct undoing of last year's legislation and of the compromise between motor sports enthusiasts and conservation groups, said Matt Norton, Minnesota Center for Environmental Advocacy forestry and wildlife advocate.

Several off-highway vehicle bills (SF1673, SF1711, SF1776) await action in the Senate Environment and Natural Resources Committee.

★ SAFETY

Lab cleanup costs

Counties would receive funds to help cleanup abandoned methamphetamine lab sites under a bill heard by the House Jobs and Economic Development Finance Committee March 23.

Sponsored by Rep. Bob Gunther (R-Fairmont), HF2923 would establish a \$250,000 revolving loan for the cleanup of clandestine lab sites that contain toxic chemicals known to contaminate ground water. Currently counties are responsible for the costs, said Gunther, and the price tag averages \$3,000 to \$5,000 per site. Loans would be awarded on a first-come, first-served basis.

The state contains approximately 800 to 900 labs, Gunther said, and on average five pounds of toxic residue is left behind. Many property owners who rent their property for living quarters or storage are unaware of the presence of a methamphetamine lab until after their property has been destroyed and the renters are gone. The property owners then face the cleanup costs. For some it is easier to abandon the property to the county, though the

owners then lose the benefit of the property's potential value.

The bill would permit the county to sell property once it has been repaired and place the proceeds back into the loan fund established by the bill.

While HF2923 would help with the "unfunded burden on counties," Gunther said, the measure only covers one-sixth of the costs currently being asked of counties and cities.

Other types of drug labs leave property owners in similar situations, said Rep. Karen Clark (DFL-Mpls). She asked Gunther if he would consider including covering the costs of "coke" or "crack" lab clean up.

Gunther said he would consider the addition upon receiving more information on the cost the problem is currently causing counties.

The committee will consider the measure for possible inclusion in an omnibus finance bill. Funding for the loan is included in the governor's bonding recommendations.

A Senate companion, SF2860, sponsored by Sen. Dallas Sams (DFL-Staples), has been included in an omnibus bill (SF1863).

Railroad crossings

A bill, intended to enhance vehicle safety around railroad crossings, particularly where there may be a tendency for traffic to back up, was approved by the House Judiciary Policy and Finance Committee.

Sponsored by Rep. Doug Meslow (R-White Bear Lake), the bill (HF2217) would prohibit a vehicle stopped at a railroad track due to an oncoming train from proceeding until traffic flow allows clearance of the track on the other side by at least 10 feet. The bill would apply to all classes of vehicles, including buses. Current law requires a 10-foot clearance only when a vehicle is approaching a railroad crossing.

Meslow cited a case in White Bear Lake where a car was hit when it straddled the tracks as traffic was backed up. And John Apitz, a lawyer representing the Minnesota Regional Railroad Association, cited a similar situation in Elk River. The drivers were not killed in the subsequent accidents in either case.

Members of the House Judiciary Policy and Finance Committee on March 18 expressed concern about enforcement and the need for the law.

Asked Rep. Rob Eastlund (R-Isanti), "Does it accomplish anything to make it against the law?"

The fact that many drivers have inadvertently broken traffic laws, such as running a red light, does not negate the need for such a law, Meslow said. "I think it's important that there are laws that set out what it is we're supposed to do."

Rep. Mary Murphy (DFL-Hermantown) noted that a driver whose vehicle is stuck straddling the track due to backed up traffic would risk physical injury, a totaled car, and under the bill, a ticket.

Rep. Cy Thao (DFL-St. Paul) questioned whether signage at railroad tracks should be required to enhance compliance.

Vague language in the bill, said Rep. Eric Lipman (R-Lake Elmo), represents an invitation to legal experts on both sides to fight and serves as a method for railroad companies to kick personal injury claims out of court.

The committee initially voted to reject the bill. Later, a motion by Rep. John Lesch (DFL-St. Paul) to revisit the matter was approved. Following testimony by Apitz, a second vote resulted in approval.

The bill now moves to the House floor. A Senate companion (SF1852), sponsored by Sen. Mady Reiter (R-Shoreview), awaits action by the full Senate.

Honoring fallen Minnesotans

The House passed a bill March 22 that would require the Minnesota and U.S. flags in the State Capitol area to be flown at half-staff upon the death of public safety personnel killed in the line of duty. The vote was 130-0.

Sponsored by Rep. Ray Vandever (R-Forrest Lake), HF2930 would require the flags to be flown at half-staff for a period of time determined by the governor. "The bill is a way to honor our police, firefighter, and emergency service personnel across the state," he said.

Rep. Rebecca Otto (DFL-Marine on St. Croix) successfully offered an amendment that added Minnesota military personnel killed in the line of duty to those being honored. "They are serving our country and working towards our safety, as well," she said.

The flag "represents American workers and American people," said Rep. Tom Rukavina (DFL-Virginia) in support of the bill. He asked for Vandever's support in legislation that would require the flags to be made in the United States. "I hope to be working with you in the future to solve that problem," Rukavina said.

Vandever said he wouldn't be opposed to an amendment that would add that requirement to the bill, but none was offered.

The bill now moves to the Senate where Sen. Mady Reiter (R-Shoreview) is the sponsor.

Officers moving vehicles

A bill that would essentially allow law enforcement officers to move any vehicle at the scene of an accident or incident in which public safety is a concern passed the House

March 22. The vote was 131-0.

HF2296, sponsored by Rep. Ron Erhardt (R-Edina), expands the use of Class D driver's licenses to licensed, on-duty peace officers for operation of any vehicle or combination of vehicles.

Erhardt cited a problem he was trying to solve in which police officers were dispatched to a case involving the potential for explosion of old dynamite in storage. The officers had to move vehicles at the scene. He did not give specifics on the location or date of the incident.

The bill would limit liability for police officers in operating or clearing vehicles during the course of their duties, Erhardt added.

The bill now goes to the Senate, where Sen. Steve Murphy (DFL-Red Wing) is the sponsor.

Victim protection

The House passed a bill 129-0 on March 22 that would streamline the issuance of orders for protection and restraining orders for domestic violence victims.

The bill now goes to the governor.

HF2491/SF2498* would make *ex parte* orders for protection and temporary restraining orders effective upon the signature of a court referee.

Rep. Michael Paymar (DFL-St. Paul), the House sponsor, said a problem exists in some counties where orders must be forwarded to a judge for a counter signature following the referee's signature. This delays the process for victims seeking protection from their abusers, he said.

The bill received support, Paymar added, from the chief judges of Hennepin and Ramsey counties, as well as from domestic violence programs.

It passed the Senate 64-0 March 15. Its sponsor there was Sen. Wesley Skoglund (DFL-Mpls).



For more information regarding a bill about teenage drivers, go to the Session Weekly EXTRA Page at: <http://www.house.mn/hinfo/swx.asp>.

TAXES



For more information regarding bills about filing paper tax returns and sales tax at swap meets, go to the Session Weekly EXTRA Page at: <http://www.house.mn/hinfo/swx.asp>.

TRANSPORTATION



Funding provisions

Transportation and transit operations would be cut 3 percent, and sales tax appropriations for transit operations would be frozen at current levels, under an omnibus bill approved March 24.

The bill (HF3141), sponsored by Rep. William Kuisle (R-Rochester) and approved by the House Transportation Finance Committee, is in keeping with funding cuts proposed by Gov. Tim Pawlenty.

Proposed general fund cuts to transportation budgets for the current 2004-05 fiscal biennium are as follows: Metropolitan Council transit, \$1.7 million; Department of Public Safety, \$118,000; and Department of Transportation, \$15,000.

In addition, the amount appropriated from motor vehicle sales taxes to transit operations would be frozen at the projected 2004 collection levels. This would be accomplished through changing the current practice of appropriating a prescribed percentage of motor vehicle sales taxes to transit to that of a set dollar amount.



Chip Welling of St. Paul tells the House Transportation Finance Committee March 24 about the need for continued transit funding. The committee was taking public testimony on its omnibus finance bill.

The freeze would result in a loss of \$4 million to Metro Transit and \$264,000 to Greater Minnesota transit over the current biennium.

The freeze on motor vehicle sales tax appropriations would be "the kiss of death" on transit operations, said Nacho Diaz, Metropolitan Council director of metropolitan transportation services. He added that other budget cuts combined with inflationary increases have already created problems for transit operations.

The committee voted down two amendments from Rep. Alice Hausman (DFL-St. Paul) that would have left the current practice of appropriating a percentage of motor vehicle sales tax appropriations in place.

However, the committee did approve other amendments.

One, offered by Rep. Mary Liz Holberg (R-Lakeville), would allow the Metropolitan Council to spend on bus transit the money appropriated in 2004 for operation of the new Hiawatha light rail transit system. The system's opening has been stalled by the ongoing Metro Transit driver strike.

A second Holberg amendment would allow the Metropolitan Council to spend on bus transit any appropriations dedicated to the livable communities programs through June 30, 2007. Some members opposed the amendment, stating it was a policy change best taken up by the House Transportation Policy Committee. Livable communities programs are aimed at creating affordable housing in the Twin Cities metropolitan area.

Diaz said he appreciated the flexibility the Holberg amendments would provide, but said such measures would not solve the larger transit budget crisis.

Most funding for transportation in the state comes from the trunk highway fund, which is supported by gas tax revenues. The committee proposed no adjustments to trunk highway fund expenditures.

The bill now moves to the House Taxes Committee. It has no Senate companion.

Policy provisions

Planning for a second metropolitan beltway in the Twin Cities metropolitan area, rumble strips on rural roads, and a pilot taxi project for disabled riders are moving ahead after approval March 24 of what became the House Transportation Finance Committee policy omnibus bill.

A plan for a possible second beltway would begin under HF2247, sponsored by Rep. Andrew Westerberg (R-Blaine), which has changed considerably since the bill's introduction. It now calls for studying the possible alignment of main highways to serve as a second beltway outside of the current

Interstates 494 and 694 beltway.

The Transportation Department would be given \$100,000 from the trunk highway fund in fiscal year 2005 to make the evaluation in concert with the Metropolitan Council. A report detailing the feasibility of conducting a comprehensive study — including timetables and right-of-way needs — would be due to the Legislature by Jan. 15, 2005.

The committee essentially turned the bill into a larger policy omnibus bill by approving several amendments. The bill's chief sponsor is now Rep. William Kuisle (R-Rochester), the committee chair.

Of note was a provision requiring the installation of rumble strips on the centerline of all two-lane highways during construction and reconstruction in both urban and rural areas. The amendment, sponsored by Rep. Al Juhnke (DFL-Willmar), would apply to all highway construction contracts authorized after Aug. 1, 2004.

Juhnke said rumble strips are inexpensive and can save lives by alerting drivers who inadvertently cross centerlines. Seventy-five percent of Minnesota's traffic fatalities occur on two-lane roads in rural areas, he said.

A separate amendment, originally introduced as HF1744, would create a nine-month pilot taxi subsidy project for Metro Mobility patrons. Disabled patrons denied Metro Mobility bus service due to customer backlog would be given subsidies to use taxis for transportation.

The amendment was sponsored by Rep. Torrey Westrom (R-Elbow Lake), who said earlier that his efforts to get Metro Mobility to make improvements have been refused. The service is available to people with disabilities in the Twin Cities metropolitan area.

The amendment requires the Metropolitan Council, which operates Metro Mobility, to report to the Legislature on results of the pilot project by Jan. 15, 2005. It also prohibits the renewal of any Metro Mobility provider contracts for 2006 and 2007 until the report is submitted.

A final amendment by Westrom directs the Transportation Department to develop a plan for a statewide 10-ton county and county state-aid highway system. The plan is designed to bolster the strength of highways to aid the trucking of forestry, agricultural, and industrial products.

The bill now moves to the House Ways and Means Committee.

A companion to the original bill (SF2335), sponsored by Sen. Steve Murphy (DFL-Red Wing), awaits committee action.

School bus inspections

Mechanics, vehicle dealers, or school district employees could perform state required annual inspections of school buses and vehicles used in Head Start programs, under a bill heard March 22 by the House Education Finance Committee.

Sponsored by Rep. Randy Demmer (R-Hayfield), HF1620 would allow designated persons trained and certified by the Department of Public Safety to inspect school buses and Head Start vehicles. The proposal is included in the education omnibus finance bill (HF3016).

Under current law, only members of the State Patrol may inspect and certify school buses. A State Patrol representative said there are 13 inspectors to annually inspect 13,000 school buses statewide.

"We need to look at drivers more than buses," said Capt. Ken Urquhart, commander of commercial vehicle enforcement.

Urquhart referred to two incidents this school year in suburban districts where children had been run over by a school bus. One kindergarten student was killed.

"There are some folks slipping through the cracks on us," he said.

Urquhart said the bill would allow the state to certify certain persons for school bus inspections after completion of an eight-hour training course. A similar program for commercial truck fleets has trained 7,000 state-certified inspectors, he said.

People that may be certified under the bill would include a school bus owner; an employee of the owner, school district, or nonpublic school that owns buses; a school bus or Head Start vehicle dealer; or a mechanic.

Demmer said school districts could continue to require that State Patrol personnel inspect buses.

Rep. Nora Slawik (DFL-Maplewood) questioned whether businesses owning buses and contracting with school districts would perform stringent inspections. "Aren't there any issues with a bus owner inspecting its own," she asked.

"Preventive maintenance is the key to safety," Demmer said. "The one time a year, 10- to 15-minute inspection is not."

Urquhart said the bill would still allow the state to conduct unannounced inspections of school bus fleets.

The bill's Senate companion (SF1550), sponsored by Sen. Steve Dille (R-Dassel), awaits committee action.



Renewing a rivalry

Kansas bill would require intrastate universities to meet on the basketball court

Minnesota politicians may have a stadium debate before this session is over, but Kansas legislators are addressing an athletic issue of their own.

There, a bill has been introduced that would force the University of Kansas and Wichita State University to play a men's basketball game in both the 2005-06 and 2006-07 seasons, once on each team's home court. The Division I schools have not played one another since 1993. Kansas has won 12 of the previous 14 meetings.

Rep. Todd Novascone (R-Wichita), who attended neither school, is the sponsor of HF2755, a three-paragraph bill that he admits has little chance of passage. Novascone considers himself a Wichita State fan, but admits to also cheering for Kansas.

"I'm sick of them not playing each other," he told *The Wichita Eagle*. "Hopefully this will stir up talk, and if we have a hearing I will certainly make my case. It might turn into something."

Or not.

Documents presented at a Feb. 18 committee hearing indicate that Wichita State officials believe the game could generate an additional \$5,000 for its home game and the road game would have no measurable effect on school finances. However, University of Kansas officials indicate the proposal could cost them several hundred thousand dollars in lost revenue. They cite the loss of revenue from a home game, and say that if they played a

more prominent opponent there could be greater interest, and possibly national television revenue. This season, two of the Jayhawks non-conference games were on ESPN or ESPN2.

Novascone admits this is not the most pressing issue in the state when compared to things like education financing or the state deficit. "But why shouldn't they play each other? This would increase tourism in Wichita and create a lot of excitement. It would just be a cool game."

However, he said this bill has generated the most reaction to something during his four years in the Legislature. "I just wish everybody was this interested in school finance and taxes."

(M. Cook)

A future for biofiber

Lawmakers examine interdisciplinary, inter-agency research into using agricultural fiber in paper and engineered wood products

By NICOLE WOOD

Minnesota is teeming with biomass that could be used in the production of everything from fiber to fuels, lawmakers have been told this session by scientists, agricultural producers, and economic development experts alike.

The term biomass can be applied to any organic matter available on a renewable basis, whether it's dedicated energy crops, agricultural residues, wood and wood wastes, grasses, or other materials.

The House Agriculture Policy and Jobs and Economic Development Finance committees met jointly March 24 to examine the promise and potential for agricultural bioscience projects, including a practical and immediate use for biomass in the paper industry.

A panel of University of Minnesota professors and a state economic development specialist shared some background on a current research project under the umbrella of a newly formed Minnesota Biofiber Consortium that grew out of two recent initiatives in the governor's office: a biosciences council and a task force to examine forestry industry competitiveness.

The group consists of representatives from state agencies, agricultural growers and processors, the university and other research organizations, manufacturers, forestry industry representatives, and economic development organizations who have come together to "conceive and research ways to use agricultural wastes, byproducts, and crops as feedstock for industrial materials and products."

"The future of biotechnology will bring forth projects to use plant materials in ways that we cannot even imagine," according to Dentley Haugesag, Department of Employment and Economic Development economic development specialist.

But his next statement was an attempt to rein in expectations for the first phase of consortium research: "This is not one of those projects – at least not at the outset." Instead, he said, the initial purpose will be to meet an immediate need for resource material in the state's existing paper and engineered wood industries.

The consortium is not suggesting that the Minnesota forest industry is over-harvesting, said Jim Bowyer, a professor at the university's Department of Wood and Paper Science. He cited Department of Natural Resources figures from 1998 that reflect net growth exceeding the harvest rate by 41 percent.

However, Bowyer said, the forest industry is facing some unfavorable realities: the cost of wood raw materials is among the highest in the world, emerging global competitors are producing fast-growth low-cost wood, the amount of forest land per capita is decreasing, and an age class imbalance in the aspen population will limit timber availability to mills within five years.

The availability of biofiber could alleviate this short-term problem, Bowyer said, and looking to nontraditional sources of raw material could



PHOTO BY TOM OLMSCHIED

Shri Ramaswamy, right, and Jim Bowyer, professors at the University of Minnesota's Department of Wood and Paper Science, discuss developments in biotechnology during a joint hearing of the House Agriculture Policy and Jobs and Economic Development Finance committees March 24.

be a potential win-win situation for Minnesota's wood products industry and farmers.

Rep. Gregory Davids (R-Preston) asked whether a conflict between the agricultural and forest industries could develop if forestry prices drop.

Minnesota's forest industry is actively supportive of the initiative, Bowyer said. The Sappi paper mill in Cloquet has offered the use of their plant to perform the research.

"This is a very conservative industry and nobody likes to let you play with their equipment," Haugesag said. "But that's exactly what they are going to do."

Potential benefits to augmenting non-wood fiber in paper, structural, and non-structural products beyond alleviating the short-term wood fiber pressures include developing new markets for growers, substituting imported pulp for locally grown pulp, and even exporting those materials outside of the state, panel members explained.

The chemical and material demand for renewable resources will increase fivefold by 2020 and fivefold again by 2050, said Shri Ramaswamy, a professor at the university's Department of Wood and Paper Science.

Pilot papermaking projects have already shown that a successful product can be made with 20 percent to 25 percent biofiber, Ramaswamy said, as he passed around a sheet of paper containing 25 percent barley fiber and 75 percent wood fiber.


Even University of Minnesota Regents have caught on to the oncoming tide of biomass research.

Effective fall 2004, the Department of Wood and Paper Science at the university will be renamed the Department of Bio-based Products.

The change will reflect research that includes the entire spectrum of biomass beyond wood, said Ramaswamy.

"What's to keep this industry in the state?" asked Rep. Tim Mahoney (DFL-St. Paul). Mahoney said he would be concerned about investing a good deal of state money in future biofiber initiatives only to lose the manufacturing to a different state or region.

"We have the trees and agricultural resources," Ramaswamy said matter-of-factly.

"There are very few areas of the country with excess biomass," said Bowyer. "Minnesota is simply an ideal place to try this." 

First pitch

Like baseball players in spring training, the latest stadium debate is just warming up

By **TOM LONERGAN**

Much like a familiar spring storm, the stadium issue returned to the House Local Government and Metropolitan Affairs Committee March 23 with sharply contrasting arguments, conflicting winds of opinion, and ultimately no recommendation.

Following nearly eight hours of debate, the committee referred HF3089, sponsored by Rep. Doug Stang (R-Cold Spring), without recommendation to the House Governmental Operations and Veterans Affairs Policy Committee.

Stang said the stadium issue “has been around longer than many legislators.” This session marks the third time since 1997 funding for a baseball stadium has been considered. The Legislature passed a stadium bill in 2002, but it failed to result in a new baseball park for a handful of reasons.

The current bill would create a Minnesota Stadium Authority with responsibility for site selection, lease negotiation, financing, ownership, and operation of stadiums for professional baseball and football in the Twin Cities metropolitan area.

Minneapolis, assisted by Hennepin County, and St. Paul are offering potential sites for the proposed baseball stadium. Anoka County and Blaine are potential partners for a new football stadium.

The estimated cost of building two retractable roofed stadiums could top \$1 billion.

“(The bill) is going to change,” Stang said, while predicting it would eventually be “in shape for the House to vote and pass on (to the Senate).” A companion bill (SF2536), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits committee action.

The stadium authority would consist of six members and a chair, all appointed by the governor. It would determine the “location, construction, financing, and long-term use of two new stadiums primarily for the use of the Minnesota Twins and the Minnesota Vikings.”

The authority would choose sites for the two stadiums from proposals submitted by franchise owners and their proposed host communities, obtain title to “all land and air rights needed for

construction and operation” of the stadiums, and, once the second stadium was completed, recommend to the governor and the Legislature a reorganized authority to oversee maintenance, operation, and improvements of the stadiums.

Much of the debate was on the bill’s proposal that the teams pay at least one-third of its stadium project costs, proposed local taxes — especially a general sales tax on goods and services toward stadium operations in the host counties and cities — and creation of “stadium tax increments” as a potential funding mechanism.

The committee approved an amendment by



PHOTO BY TOM OLMSCHIED

Minnesota Twins President Dave St. Peter, left, listens to the committee debate as Sports Inc. President Jerry Bell, right, reads a portion of the proposed stadium bill during a March 23 meeting of the House Local Government and Metropolitan Affairs Committee.

Rep. Karen Klinzing (R-Woodbury) that requires a local government’s proposal for a sales tax increase be subject to legislative approval.

Dan McElroy, Gov. Tim Pawlenty’s chief of staff, said the stadium issue was “not as important as education, health care, and the environment,” but added that professional sports brought an “amenity value” to the state and Twin Cities region. “We need things that people like to do to get them to live here.”

He said the state and the region was unlikely to keep professional baseball and football franchises if the Twins and Vikings “have to stay in the Metrodome.”

The teams have played in that publicly owned and financed stadium since 1982. Both teams said they need greater revenue streams than can be provided in the stadium.

Reps. Ron Abrams (R-Minnetonka) and Ann Lenczewski (DFL-Bloomington) objected to stadium backers’ economic impact projections and the proposed authority’s ability to impose local taxes.

“You don’t do it for economic development,” Abrams said. “(Stadiums) are not a net economic positive for any city in the country.” He said when the bill reaches the tax committee, which he chairs, “I will bring an economist to counter the hyped-up projections.”

Lenczewski said a proposed tax on lodging is opposed by hotel owners in Bloomington, which she said has more hotel rooms than Minneapolis and St. Paul combined.

A Hennepin County sales tax to finance the stadium, if proposed, would fall “disproportionately” on

Bloomington, Lenczewski added.


“Twenty-two percent of the state’s population lives in Hennepin County and the bill says those people should pay for the stadium,” she said.

Tom Goldstein, publisher of a baseball literary journal in St. Paul, suggested if the state has “\$300 million to go to the Twins,” it should acquire the team.

“If it’s a public asset, take the necessary action to preserve it.”

The Rev. Ricky Rask of Minneapolis, founder of Fund Kids First, who opposes public funding of stadiums, reminded legislators that recent polls and past local referendums have shown little support for the proposal.

“The people you are elected to represent have said no time and time again,” she said. “At least give them the option of a referendum.”

Testifiers in favor of the bill included Twin Cities business and labor representatives, St. Paul Mayor Randy Kelly, Hennepin County Board Chair Randy Johnson, and Steve Novak, manager of governmental services for Anoka County. 

Monday, March 22

HF3106—Seifert (R)

Transportation Finance

Motor vehicle sales tax revenue dedicated to the highway user tax distribution fund in specified increments.

HF3107—Urdahl (R)

Health & Human Services Finance

Dassel nursing facilities placed in geographic group II.

HF3108—Westrom (R)

Taxes

Lakes Area Economic Development Authority authorized to levy a property tax.

HF3109—Eken (DFL)

Health & Human Services Finance

Alternative care program client premiums and income tax rates modified.

HF3110—Lanning (R)

Taxes

Geothermal equipment sales tax exemption provided.

HF3111—Otremba (DFL)

Governmental Operations & Veterans Affairs Policy

Public Employees Retirement Association retirement annuity conversion to a disability benefit authorized for a specified member.

HF3112—Pugh (DFL)

Taxes

Additional sales tax on alcoholic beverages replaced with an equivalent gross earnings tax.

HF3113—Kahn (DFL)

Governmental Operations & Veterans Affairs Policy

Minneapolis police, fire, and municipal employees retirement plan funding modifications provided.

HF3114—Magnus (R)

Transportation Policy

Town road sign replacement program established, and money appropriated.

HF3115—Westrom (R)

Taxes

Biomass electric generation facility property tax exemption construction date requirement extended, and sales tax exemption extended.

HF3116—Nornes (R)

Taxes

Population size increased for cities permitted to hold land for economic development purposes for 15 years.

HF3117—Kahn (DFL)

Commerce, Jobs & Economic Development Policy

Urban riverfronts model ordinance required.

HF3118—Simpson (R)

Education Policy

School start date modified, valuation and deferment of taxes provided for certain homestead resorts, tax payment date delayed, purchases from resorts exempted from sales tax, and money appropriated.

HF3119—Wilkin (R)

Taxes

Caponi Art Park property tax deferment provisions modified.

HF3120—Dorman (R)

Taxes

Local sales tax authority granted to cities meeting specified criteria.

HF3121—Mullery (DFL)

Judiciary Policy & Finance

Cities authorized to seek reimbursement from persons booked for pre-trial detention in a county jail when the county charges the city for those costs.

HF3122—Carlson (DFL)

Taxes

Structurally substandard building definition modified relating to tax increment financing.

HF3123—Sertich (DFL)

Commerce, Jobs & Economic Development Policy

Unemployment wage credits earned exception extended relating to work in school food services.

HF3124—Hornstein (DFL)

Taxes

Motor vehicle sales tax revenue deposits specified.

HF3125—Eken (DFL)

Health & Human Services Finance

Children's services parental costs contributions provided, and income tax rates modified.

Wednesday, March 24

HF3126—Dempsey (R)

Taxes

Electric utility system pollution control equipment property tax exemption eliminated.

HF3127—Dempsey (R)

Taxes

Electric utilities real and personal property tax class rates increased.

HF3128—Nelson, C. (R)

Taxes

Tax increment financing revenue uses authorized from certain pre-1979 districts.

HF3129—Magnus (R)

Taxes

Wind production energy reports due date modified, wind production tax distribution based on previous year's local tax rates, and township levy adjustments authorized for production tax in 2004.

HF3130—Hackbarth (R)

Environment & Natural Resources Policy

Turtle seller's license restrictions modified.

HF3131—Opatz (DFL)

Governmental Operations & Veterans Affairs Policy

Age of eligibility to hold elective office lowered to 18 through proposed constitutional amendment.

HF3132—Kahn (DFL)

Health & Human Services Policy

Stem cell research state policy established, and criminal penalties imposed.

HF3133—Gunther (R)

Jobs & Economic Development Finance

Youth job skills development statewide demonstration project funding provided, and money appropriated.

HF3134—Kahn (DFL)

Environment & Natural Resources Policy

Public water works sale to private entity prohibited.

Thursday, March 25

HF3135—Krinkie (R)

Taxes

Taxation and spending increase limits provided for state and local government through proposed constitutional amendment.

HF3136—Thao (DFL)

Commerce, Jobs & Economic Development Policy

Council on Asian-Pacific Minnesotans membership appointment additional standards provided.

HF3137—Kuisle (R)

Transportation Finance

State general levy increase provided to fund transit services, and public transit fund established.

HF3138—Huntley (DFL)

Higher Education Finance

Low-income nursing student scholarship program established, and money appropriated.

HF3139—Westerberg (R)

Governmental Operations & Veterans Affairs Policy

Gambling establishments required to acknowledge that the statewide toll-free compulsive gambling telephone number is paid for with state funds.

HF3140—Abeler (R)

Transportation Finance

Northstar rail corridor final design and project management funding provided, bonds issued, and money appropriated.

HF3141—Kuisle (R)

Taxes

Department of Transportation, Department of Public Safety, and Metropolitan Council appropriations reduced, motor vehicle tax revenue deposits limited, and temporary bus transit expenditures authorized.

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

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MINNESOTA INDEX

Great Minnesota Get-Together

First year of the Minnesota State Fair	1859
Number of years since then the fair was not held	5
Year fair was first held in its current location	1885
Size of fairgrounds, in acres	320
Attendance in 2003	1,741,825
Record attendance (2001)	1,762,976
Last year the fair received state money	1949
Year the fair received legislative permission to create a foundation	2001
Percent of financing improvements, grounds maintenance, and fair production provided through revenue from year-round operation of the fair	100
Fair's operating income in 2003, in millions	\$27.5
Millions spent on expenses, including maintenance of the grounds	\$26.8
Estimated cost for fair officials to complete identified renovations in millions	\$100
Millions allocated toward grandstand renovation prior to the 2003 State Fair	\$5.5
Amount that was public money	0
Year current grandstand was built	1909
Millions needed to upgrade auto racing facilities, which fair board of managers chose not to spend in 2002	\$4.5
First year of auto racing at the fair	1904
Last year	2002
Last year of horse racing at the fair	1949
Year the first "big-name" entertainers performed in the Grandstand	1962
Estimated tons of trash and barn waste handled by the sanitation crew in 2003	200
Approximate amount, in millions, that fair guests bought in food and beverages at the 2003 fair	\$21
Mini-donuts consumed during the 2003 fair	4,056,000
Chocolate chip cookies	3,195,480
Ounces of French fries	3,244,200
Individual cheese curds	2,600,000
Corn dogs	515,900
Ears of corn on the cob	180,967
Foot-long hot dogs	183,764
Mileage equivalent if the hot dogs were lined up end-to-end	35

Sources: Minnesota State Fair Web site (www.mnstatefair.org), Minnesota State Fair Foundation (www.msffoundation.org), news accounts

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SESSION Weekly

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STADIUM BILL ADVANCES, TOUGHER PENALTIES, AND MORE

HF3142-3159

Session Weekly

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On the cover: A State Capitol visitor enters the west end of the building, near the governor's office, as the sun streams through the doors on March 31.

—Photo by Tom Olmscheid

Home field advantages

Local taxes, state funding among several ideas for funding future professional sports stadiums

By TOM LONERGAN

As House members continue to debate the pros and cons of new professional baseball and football stadiums, they may once again face a puzzling characteristic of the long-standing issue.

The “conundrum,” as Dan McElroy, Gov. Tim Pawlenty’s chief of staff, put it in recent committee testimony, is that polls show a solid majority of citizens like watching professional sports in Minnesota, but oppose paying taxes to support new stadiums.

Now awaiting action by the House Taxes Committee, the public/private shared financing structure of possible new stadiums for the Minnesota Twins and Minnesota Vikings, as outlined in HF3089, sponsored by Rep. Doug Stang (R-Cold Spring), will take center stage.

“Residents want the teams to stay here,” Stang told the House Governmental Operations and Veterans Affairs Policy Committee March 29. “The issue is how to do the financing. This bill does the financing in a responsible way.”

Building a stadium for each team could exceed \$1 billion.

The committee referred the bill without further recommendation to the taxes committee, which has yet to schedule a hearing. A companion bill (SF2536), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits committee action.

The bill would create a Minnesota Stadium Authority with responsibility for site selection, lease negotiation, financing, ownership, and operation of two proposed stadiums to be located in the Twin Cities metropolitan area.

The proposed authority, after choosing sites for the two stadiums from proposals submitted by prospective host communities, would negotiate lease agreements with the teams that must be in place before construction begins.

Through the lease agreements, the authority would negotiate the specifics of the public-private financing structure proposed in the bill. Stadium financing would include team contributions, fan and player generated stadium revenue, and as many as eight local taxes,

including a general sales and use tax in the stadiums’ host communities.

Minneapolis, assisted by Hennepin County, and St. Paul are potential sites for the proposed baseball stadium. Anoka County and Blaine are potential partners for a new football stadium.

The authority, according to the bill, would be required to set a maximum public investment for each stadium that includes the revenue contribution from the local government host community. Authority negotiated financing documents and leases with the teams must be approved by the state finance commissioner before bonds could be issued.

The Metropolitan Council would issue an as yet unspecified amount of revenue bonds for design, construction, and equipment



PHOTO BY ANDREW VONBANK

Wearing a Minnesota Vikings cap, jersey, and jacket, Larry Spooner of Plymouth testifies before the House Governmental Operations and Veterans Affairs Policy Committee March 29 in support of a bill that would establish a metropolitan stadium authority to oversee construction of stadiums for the Vikings and Minnesota Twins.

furnishing of each stadium.

Thus far, backers of the bill have defeated amendments that would force the teams to pay their proposed one-third share of stadium project costs in cash.

Neither team has said how much it would be willing to pay up front.

The bill proposes that team contributions may include “up-front cash contributions, guaranteed annual payments, and assignments of naming rights and permanent seat licenses.”

A Stang-proposed amendment, approved by the governmental operations committee, would allow the authority to assess each team up to \$400,000 for the new metropolitan agency’s startup and site selection costs.

Stang said the proposed stadium authority has to have “different tools” to negotiate financing details with the teams. “Negotiating financing through the Legislature is very difficult,” Stang said. “That’s why (past stadium) proposals didn’t work.”

Local taxes may be the most controversial stadium financing method.

The bill would allow a host community to impose taxes on stadium event tickets, restaurants and prepared food, alcoholic beverages, lodging, places of amusement, sports memorabilia sold within the stadiums, and a general sales and use tax on goods and services within its jurisdiction. A local government’s sales tax increase proposal is subject to legislative approval.

Stadium opponents have been adamant in two committee hearings that any new local taxes to finance new stadiums should require voter referendum approval.

“Not doing so will be passing the bill to taxpayers,” said Kenneth Zapp, an economics professor at Metropolitan State University in St. Paul.

Local governments could also use local tax increment financing or sale of development rights to raise revenue for a stadium project.

This type of financing bases taxes on a formula linked to incremental increases in an enterprise’s value to capture revenue for public costs such as infrastructure improvements.

Among other revenue generating methods the bill proposes would be to create “stadium tax increment financing” and investing an unspecified amount of bond proceeds in an arbitrage model endowment account.

The Twins have estimated that stadium tax increment financing could raise about \$110 million a year.



Compact negotiation

Perpich, then Carlson, negotiated bulk of American Indian gaming agreements

Stadium taxes would include employee withholding taxes from players' salaries, as well as ticket and vendor/concessionaires sales taxes.

The bill proposes a formula whereby every March 1, the state revenue commissioner would certify the amount of stadium taxes collected in the new facilities during the prior calendar year. That amount would be compared with a baseline amount of average revenue of Metrodome taxes linked to baseball or football games played there during the three years prior to opening a new stadium.

The difference — officials anticipate a new stadium's tax increment revenue would be higher than the baseline — would help pay off the stadium bonds. The bill provides that any stadium taxes in excess of the negotiated amount would go to the state's general fund.

Stadium taxes for baseball would be restricted to events at the new stadium. For the football stadium, there would be a designated stadium taxes district.

The bond proceeds investment option would anticipate an annual return of 8.5 percent on the endowment account funds. If after the first two years of stadium operation, the investment return is less than 8.5 percent, the stadium authority could place a minimum 0.5-percent surcharge on tickets. The surcharge could increase in subsequent years to a maximum 5 percent.

The bill would allow the teams to select investment advisors for the endowment fund, but the authorized investments would be subject to state statute.

A common criticism of publicly financed stadiums in other cities has been the lack of a guarantee by a professional sports team to make a long-term commitment to the local community and state.

The bill would address that issue by requiring the authority's lease agreements to be for 30 years — or until the stadium's construction bonds are paid off — and that public money spent to develop the stadium be returned if the franchise is sold during the term of the agreement.

Options are proposed to determine the sale price portion that would be attributable to state and local government funding. The returned money would be placed in a stadium improvements reserve fund. 🏈

Many of the same challenging issues being addressed today with regard to American Indian gaming and relations between tribes and the state were the basis for discussions between tribal leaders and members of a 1991 Tribal-State Compact Negotiation Committee.

"It is likely that as American Indian gambling continues to expand, the issues facing the State will expand as well," said the committee report to the Legislature on the status of American Indian gaming in Minnesota.

Assembled by Gov. Rudy Perpich, the committee was formed in 1989, one year after Congress passed the Indian Gaming Regulatory Act that permitted American Indian tribes to conduct any form of gambling on reservation land in a state if the form was already legal.

While the federal act established that bingo and poker games be regulated by tribal ordinances and prohibited states from taxing or placing fees on American Indian gambling unless a tribe agreed to do so, casino gambling would be controlled by compacts between the tribes and state governments.

The act also established classes of gambling. Class I includes social games solely for prizes of minimal value or traditional forms of American Indian gaming engaged in by individuals; Class II incorporates all forms of bingo, pull tabs, and punch boards, provided these are played in the same location as bingo games; and Class III includes all other forms of gaming, including slots, casino games, banking card games, horse and dog racing, and pari-mutuel wagering.

In negotiating the state compacts, three objectives were considered: to control the expansion of other forms of Class III gaming on American Indian land, to regulate the individuals who operate the games and the manner in which the games are played, and to obtain money from the tribes to defray the costs of state regulation.

Tribal representatives met with the state negotiating committee on several occasions

between Aug. 2, 1989 and Oct. 13, 1989. The committee indicated its willingness to enter into compacts governing Class III video games of chance, and perhaps at a future date, lotteries, according to the report.

The committee indicated it could not negotiate any other form of Class III gaming, because it was not permitted by the state constitution. The tribes, according to the report, requested sports bookmaking and off-track betting on horse races.

Perpich signed compacts with seven tribes to allow for video games of chance on Oct. 20, 1989, and with two more tribes shortly thereafter. Gov. Arne Carlson signed video compacts with the two remaining American Indian bands in the spring of 1991.

The 11 virtually identical compacts established:

- duration and procedures for renegotiation,
- the allocation of regulatory and criminal jurisdiction,
- regulatory standards for operation of the games and employment of staff,
- qualifications for distributors and lessors of the video games,
- extensive technical specifications for the video games, and
- remedies for violation of the compact.

The compacts addressed two fundamental concerns of the negotiating committee: the qualifications of gaming facility employees and the security of the video gaming equipment used at the facilities. Because of these, the committee included the provisions relating to criminal jurisdiction, the licensing of employees, and the inspection and testing of the video gaming devices.

The state's 11 blackjack compacts resulted from a lawsuit filed by the Lower Sioux Community in federal court against the state alleging that the state failed to negotiate in good faith for a compact to govern the card game. The court ruled in favor of the tribe Dec. 20, 1990.

The state currently has 22 compacts with 11 tribes, establishing 17 casinos.

(P. JANOVEC)



Gov. Rudy Perpich

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

Photo courtesy of the Minnesota Historical Society

★ AGRICULTURE

Omnibus provisions

An omnibus finance bill that would cut a combined \$390,000 from the Department of Agriculture and the Board of Animal Health was approved March 25 by the House Agriculture and Rural Development Finance Committee.

Sponsored by Rep. Elaine Harder (R-Jackson), the committee chair, HF2755 would boost funding by \$191,000 for protecting plants from non-native insects and other "invasive species." It moves next to the House Ways and Means Committee.

Department and board representatives had previously testified that 3 percent across the board budget cuts proposed by Gov. Tim Pawlenty, and included in the bill, would not cause layoffs or further cuts in services.

The bill would also change a number of requirements in ownership disclosure reports that ethanol plant producers file with the department (HF1766). The reports would be required annually, rather than quarterly, and would not be linked to state payment of ethanol production credits.

A series of changes (HF2267, HF2894) in Rural Finance Authority loan programs for beginning farmers — and to assist established farm improvements — would increase the maximum state share of loans and the property base value that loan applicants declare to be eligible for public-private financing.

The bill includes a proposed 10 percent increase in grain fees paid by producers and grain elevator operators, and a 6 percent increase in examination fees of licensed public grain warehouses.

The fee increases, combined with technical adjustments in three other fee-based inspection and certification services, are expected to provide an additional \$77,000 in revenue for the department's operating budget.

The committee approved an amendment by Rep. Al Juhnke (DFL-Willmar) to encourage state agencies owning flexible-fuel vehicles to use E85 fuel, which is 85 percent ethanol.

State agencies would be required to report to the department twice a year on compliance with a state statute requiring state-owned vehicles to use "cleaner fuels."

"The state should lead by example," said Juhnke. "It's not happening."

He provided the committee with a survey showing varied percentages of E85 fuel usage in more than 1,500 flexible-fuel vehicles owned by four state agencies. The vehicles can also run on conventional petroleum-based fuel.

A Senate companion (SF2735), sponsored by Sen. Jim Vickerman (DFL-Tracy), has been rolled into SF2428, also sponsored by Vickerman. It awaits action on the Senate floor.

★ BUSINESS

Public, private information

The House Governmental Operations and Veterans Affairs Policy Committee approved a bill March 29 that would give the State Board of Investment the ability to invest in business opportunities without fear of disclosing certain types of information.

Sponsored by Rep. Lynne Osterman (R-New Hope), HF3061 requires the board to make public the name of the entity in which the board invests, the amount invested, the market value, and the age of the investment in years. However, the bill also designates "certain government data of the State Board of Investment related to venture capital investments are classified."

Osterman amended the bill to not include

what would have allowed the board to use no more than \$200 million to cover "early stage company" investments. The change makes the bill "three-quarters of a loaf," instead of a whole, but still helps Minnesota companies that want to invest, she said.

Concerns were raised by businesses about required information that would have been "hurtful" and filtered throughout a community, said Howard Bicker, executive director of the board. The bill now would allow for limited information to be revealed by the board, said Bicker.

Rep. Jim Knoblach (R-St. Cloud) said the problems for early stage companies would have included the divulging of new ideas or innovations. The bill now limits that information without compromising secrets "due to our data privacy laws," said Knoblach.

Testifying against the bill was Richard Neumeister, a concerned citizen who said it is important for the public to see what the board is doing with its money, and the return coming back from invested funds. More detail should be required of how monies are being invested, he said.

The bill now goes to the House Ways and Means Committee. A Senate companion (SF2894), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits action in the Senate Rules and Administration Committee.

★ CRIME

Murder involving child abuse

The House passed a bill March 30 that would expand the definition of first-degree murder involving child abuse to account for patterns of child abuse. The vote was 130-0.

Under current law, a person can be charged with first-degree murder after abusing a child and causing the child's death, provided that a pattern of abusing that particular child can be proven.

Under HF1961, sponsored by Rep. Doug Meslow (R-White Bear Lake), the charge could be levied under the same circumstances if a pattern of abuse against any child — not just the child who died — can be established.

The penalty for the crime would be life imprisonment. However, the corrections commissioner could release the offender from prison after 30 years. Currently, most offenders committing such crimes are convicted of intentional second-degree murder or manslaughter, according to information presented to the House Judiciary Policy and Finance Committee.

RELIVING THE PAST



PHOTO BY TOM OLMSCHIED

Clay Jenkinson addresses legislators during his portrayal of Thomas Jefferson before answering questions as the country's third president during a recess in the March 26 House floor session. The Minnesota Humanities Commission brought Jenkinson's performance to the House.

The impetus for the bill is a 2001 incident in which a Minneapolis man killed his 7-month-old son after abusing him. When the crime occurred, the man was on probation for first-degree assault after burning his daughter with a blow dryer.

"That ought to be first-degree murder," Meslow said.

The bill was approved by the committee during the 2003 session but was negotiated out at the behest of the Senate during a conference committee, Meslow said. "It should have been passed last year. Now it should be passed this year."

The bill now goes to the Senate, where Sen. Leo Foley (DFL-Coon Rapids) is the sponsor.

Prison provisions

A bill that would prohibit the double bunking of prisoners at the state's only maximum security prison passed the House 130-0 March 30.

HF2455, sponsored by Rep. Steve Smith (R-Mound), would also restructure the system by which prisons are classified in order to determine prisoner assignments.

Currently, the state Department of Corrections utilizes a six-level system for classifying its adult male prisoners among eight prisons.

Under current practice, new prisoners are sent to the St. Cloud prison for a classification level. As their security level decreases for time served and good behavior, they may be moved between maximum-, high-, medium-, and low-level security facilities. The bill would merge Level 5 and Level 4 prisons into one Level 4 so that the state would have more options for housing prisoners at Stillwater, St. Cloud, and Rush City.

The change would not allow any prisoner to move to a lesser medium-security facility any sooner than otherwise would be allowed, according to Erik Skon, assistant commissioner with the department's facilities service division. He testified at the March 10 meeting of the House Judiciary Policy and Finance Committee.

"This would allow us to have more discretion in placing inmates around the system at the Level 4 between those three facilities and would mean one less transfer," Skon said. "An inmate could go from Oak Park (Heights) to Stillwater and wait until he's eligible for Level 3 and then move directly to a medium-custody facility."

The change would also provide cost savings, Skon said; fewer inmate transfers would be required as prisoners move their way down from higher custody levels.

Under current law, prisons of levels one through four must permit multiple-occupancy. Level 5 facilities must also permit double bunking, provided doing so won't exceed the limits of the building's infrastructure.

The bill would eliminate double bunking as

an option at Level 5, of which Oak Park Heights is the only facility.

Skon said the department is beginning to double bunk at St. Cloud and Stillwater prisons.

The bill now moves to the Senate, where Sen. Wesley Skoglund (DFL-Mpls) is the sponsor.

Out-of-state offenders

A bill addressing the arrest and incarceration of former prisoners from out of state who violate conditions of their parole or probation in Minnesota passed the House 130-0 March 30.

Sponsored by Rep. Steve Smith (R-Mound), HF2651 would amend what is called the Interstate Compact for Adult Offender Supervision. According to Ken Merz, director of administrative programs with the Department of Corrections' community service division, the compact is the mechanism used by all 50 states and three districts for the transfer and supervision of offenders between states.

The compact dates back to the 1930s. A nationwide effort to update the compact was launched two years ago. A law subsequently adopted by the Minnesota Legislature contained a sunset date of July 1, 2004 for the old compact.

However, three states have yet to adopt the new compact, Merz said. As such, this bill would delay the effective date of the repeal until July 1, 2006 to allow for adoption of the new compact by all states and districts.

Second, the bill would allow the state to issue warrants for the arrest of offenders found in Minnesota without first receiving approval from the offenders' states of origin. The offender could be held for up to 12 days while a hearing is arranged to determine if the person would be sentenced again to prison.

The 1930s compact allowed the issuing of warrants for such matters, Merz said. However, states were advised by the federal government that it was unnecessary to carry the provision to the new compact. Now, that advice has changed, he explained.

The bill now goes to the Senate, where Sen. Wesley Skoglund (DFL-Mpls) is the sponsor.

EDUCATION



Financing K-12, higher education

A proposed appropriation of \$4.5 million for improved Internet and telecommunications access in rural school districts leads the supplemental K-12 education budget adjustments the House passed March 31.

The vote was 74-56. It now moves to the Senate.

HF1793, sponsored by Rep. Alice Seagren (R-Bloomington), also includes fiscal year 2005 higher education budget reductions of \$7.2 million to the tuition reciprocity program, and an \$84,000 cut to the Higher Education Services Office operating budget, as recommended by the governor.

No further cuts are proposed in state aid for the University of Minnesota or the Minnesota State Colleges and Universities system (MnSCU).

Also proposed for K-12 education is a \$1.5 million funding increase for online learning programs, and restoration of \$1.3 million in school readiness funds for children between age 3 1/2 and 5.

House members approved an amendment offered by Rep. Marty Seifert (R-Marshall) which would shift \$54.7 million in state school integration aid from districts in Duluth, Minneapolis, St. Paul, and a number of inner-ring suburban communities to school districts throughout the state.

The state funds several integrated magnet schools in the Twin Cities metropolitan area, which students from a variety of districts voluntarily choose to attend. The schools were formed in the 1990s as a response to a school desegregation lawsuit.

Seifert said integration aid was a result of "30 years of (school aid) formula manipulations" that don't help school districts in the state's rural areas and small cities. "Why are the students of southwest Minnesota worth one-third less than students in inner-city, inner-ring suburbs, and Duluth," Seifert said.

Seagren, chair of the House Education Finance Committee, opposed the amendment. "We're not going to solve our problems by dividing ourselves as a state," she said.

An amendment by Rep. Tony Sertich (DFL-Chisholm) that would add health and physical education to the public school academic standards was approved, as was a Seagren amendment that the two proposed sets of standards be developed by school districts rather than the state.

A number of local levy increases in the bill allow for funding shift savings of \$11.1 million. Combined with proposed cuts of \$2.9 million in various education accounts, that leaves a boon to the general fund of \$8.2 million for 2005.

The 2004-05 biennial appropriation for K-12 education, approved by the 2003 Legislature, was \$11.8 billion.

The bill would provide \$1 million to fund pre-kindergarten programs, including those existing in the Minneapolis and St. Paul school districts, and would give school districts the option to use up to 10 percent of state compensatory aid for pre-kindergarten programs.

Among the bill's new policy provisions is

an optional program, recommended by the governor, that links driving privileges of students under age 18 to school attendance. Approximately \$385,000 would be shifted to districts to cover additional enrollment anticipated under the plan.

Other gubernatorial initiatives funded in the bill include \$250,000 for development of value-added performance assessments to better measure student academic growth, and approximately \$710,000 for school cooperative planning grants and a scholars of distinction program for high achieving students.

A governor's "super teacher" program proposed for three underperforming elementary schools would link increased teacher compensation to student academic progress.

Three percent operating budget cuts, as directed by the governor, to the state Department of Education, other state education agencies, and two academies for deaf and blind students would total \$612,000.

Among the higher education provisions in the bill are:

- MnSCU institutions are authorized to develop applied doctoral degrees and report to the Legislature by Jan. 15, 2007;
- A student convicted of a crime as a direct consequence of participating in a riot or criminal sexual misconduct is ineligible for a state grant award and must pay the highest applicable tuition rate for one year; and
- The Higher Education Services Office must examine the possibility of reinstating tuition reciprocity payments between Minnesota and South Dakota and report back to the Legislature by Jan. 10, 2005.

Passing student information

School districts and school employees would be protected against lawsuits when providing information about students with a history of violent behavior, under a bill passed March 29 by the House.

The vote was 129-1.

HF2586, sponsored by Rep. Tony Cornish (R-Good Thunder), now moves to the Senate, where Sen. Julie Rosen (R-Fairmont) is the sponsor.

The bill would amend state law to grant school districts immunity from liability for sharing a student's nonpublic school records, as well as juvenile justice data, with teachers or other school district employees that have a legitimate educational interest in knowing about a student's history of violent behavior.

"This is a fix-up of a law passed last year," Cornish said, that required teachers be notified before a student with a history of violent behavior was placed in their classroom.

Half of the state's school districts have not adopted a notification policy required by the 2003 law, because they were "exposed to liability" regarding student privacy rights, Cornish said.

The bill would provide immunity from liability in any "civil, administrative, or criminal action," as long as school districts and school employees act in good faith to notify teachers or other school district employees of potentially violent students.

The bill was also included in the omnibus education finance bill (HF1793), sponsored by Rep. Alice Seagren (R-Bloomington), passed by the House March 31.

Student readiness

One result of a two-year study of nearly 5,000 public school kindergarten students found that family income, rather than race or ethnicity, is more of a factor in children's school readiness.

The study, conducted at 52 public elementary schools, confirms research that children bring a varied range of skills and knowledge to school, and that girls are "more proficient" in five school readiness skill and behavior areas than their male counterparts.

The joint study by the state Education and Human Services Departments was presented to a March 29 joint meeting of the House Education Finance, Education Policy, and Higher Education Finance committees.

No action was taken on the study.

According to assessments by participating school kindergarten teachers, the study estimated that 12 percent of the state's 57,400 kindergarten students were "not yet" proficient in language and literacy, and 11 percent were not ready for math-related activities in kindergarten.

"We're really concerned about those children," said Betty Cooke, an Education Department early childhood education specialist. Cooke said the study indicates that between 7,000 and 8,000 children entering public school kindergartens in the fall of 2003 were "showing no skills yet" in literacy and math.

In the five school readiness skill and development areas assessed, students from families with annual incomes below \$35,000 "were over twice as likely to have a 'not yet' rating, than the students in the highest of the four income categories (\$75,000 or more)."

Parents' level of education also appears to be a factor in a child's school readiness, the report found. "The students of parents with the least amount of education (less than high school) were three times as likely or more to have a 'not yet' rating than the students with the parents with the most education (bachelor's degree or more)."

The report also included a survey of approximately 2,300 parents of kindergarten students in 13 school districts that found 77 percent of their children were cared for on a regular basis outside the home during the year prior to kindergarten.

More than half of the parents surveyed said

TEACHING TEACHERS



PHOTO BY TOM OLMSCHIED

Mary Bents, *left*, assistant dean of the College of Education and Human Development at the University of Minnesota, Linda Distad, *center*, president of the Minnesota Association of Colleges for Teacher Education, and Carol Anderson, *right*, College of Education dean at Winona State University, reviewed a study on teaching teachers to a March 29 joint meeting of the House Higher Education, Education Policy, and Education Finance committees.

their children were in more than one type of care or pre-kindergarten education program in the year prior to entering formal schooling.

The report recommended that the state and school districts continue to support parents through Early Childhood and Family Education programs, and encourage quality preschool programs funded privately or publicly.

"Parents are the first and most important teachers of children," Cooke said.

ELECTIONS



Campaign sign size, numbers

A new law signed by Gov. Tim Pawlenty March 26 will allow noncommercial signs of any size and in any number to be posted from

Aug. 1 of a state general election year until 10 days after Election Day.

During the 2002 campaign, Rep. Peter Adolphson (R-Minnetonka) was informed that several Eden Prairie residents had complained that he had more than one sign on a resident's property. He and Sen. David Hann (R-Eden Prairie) sponsored the new law.

Existing law states that municipalities can enact an ordinance regulating the size of non-commercial signs, but statutes say nothing about the number of signs. At the time Adolphson said the cities of Eden Prairie and Minnetonka interpreted the law to also mean one sign per candidate.

Effective Aug. 1, 2004, the new law designates that in any municipality, regardless of whether the municipality has an ordinance that regulates the size or number of commercial signs, noncommercial signs of any size and in any number can be posted during the designated time period.

During the committee process, Rep. Loren Solberg (DFL-Grand Rapids) said the Legislature typically allows municipalities to solve problems such as this locally. Adolphson said he had spoken with the municipalities and they had no problems with the changes.

HF307*/SF497/CH142

EMPLOYMENT



Omnibus bill amendments

Included in the omnibus bill approved March 25 by the House Jobs and Economic Development Finance Committee were amendments that deal with water consumption, petroleum inspection fees, and the assistance in refinancing mortgages for certain people.

Sponsored by Rep. Bob Gunther (R-Fairmont), HF3090 cuts \$1.1 million from operating budgets of the agencies and departments within the committee's jurisdiction to fulfill the governor's 3 percent agency reduction. It also moves \$14.7 million from specific funds, such as the 21st Century Minerals Fund, into the general fund.

Several amendments were made to the omnibus bill.

One offered by Rep. Chris Gerlach (R-Apple Valley) would require a manufactured home park owner who installs measuring devices to charge residents for actual water and sewer usage. If a third party provides the services, the park owner shall consider only the actual amount billed, and not consider administrative, capital, or other expenses.

Gunther was successful in adding a trio of amendments to the bill.

The first calls for the petroleum inspection fee to be raised from 85 cents to \$1 per 1,000 gallons. The additional 15 cents would be deposited into a special revenue account to be appropriated by the commissioner of commerce for costs of inspections performed. Annual testing requirements would be modified, as well.

Cort Holten, representing the Minnesota Propane Gas Association, testified in favor of the changes and said it provides more flexibility for inspectors.

A second amendment would increase the bonding authority for the Minnesota Public Facilities Authority from \$1 billion to \$1.25 billion. The agency would also be permitted to enter into various agreements with third parties with regards to its bonds, such as: interest rate exchange or swap agreements, hedges, forward purchase or sale agreements, and loan sale or pooling agreements or trusts.

Additionally, authority would be given to the Minnesota Housing Finance Agency to re-finance long term mortgages for low- and moderate-income families or individuals. The loans would only be made upon the "determination by the agency that long-term mortgage loans are not otherwise available, wholly or in part, from private lenders upon equivalent terms and conditions."

Assistant Commissioner Tonja Orr said the agency was in favor of the provision because it would help preserve affordable housing.

The bill's Senate companion (SF2591), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action in the Senate Finance Committee.

Registering debt collectors

The House passed a bill March 29 that would change the regulation of individual debt collectors from licensing to registration.

Following a 129-3 vote, the bill will now go

to the Senate, where Sen. Dan Sparks (DFL-Austin) is the sponsor.

The bill would "streamline the process" while maintaining current consumer protections, said Rep. Doug Stang (R-Cold Spring), sponsor of HF2187.

He said the licensing process is supposed to take several weeks but has been backlogged two months or longer. Changing from licensing to registration would allow debt collectors to go to work immediately.

According to the Department of Commerce Web site, a collection agency is "a business that collects, for others, bills or other indebtedness from debtors who have not paid an account to a creditor." Collection agencies hire individuals to work as debt collectors.

Currently, both agencies and those they hire must be licensed by the department. Under the bill, the department would still provide oversight; only the type of regulation would change. Collection agencies would continue to be licensed, but individual collectors would be registered. Those who violate state law would face the same sanctions they do now.

For example, in March, Alliance One Receivables Management of Pennsylvania was penalized \$70,000 by the department, the largest civil penalty ever assessed against a collection agency operating in Minnesota. The department said the company allowed its debt collectors to give out false information to consumers in order to collect debt. The company also allegedly employed unlicensed debt collectors.

Since Jan. 1, 2000, the department has imposed \$290,750 in civil penalties against collection agencies and debt collectors.

Under the bill, collection agencies would still be responsible for the actions of debt collectors who work for them, Stang said.

Agency provisions

The House passed a bill March 29 that would reenact a provision exempting search firms from regulation as employment agencies.

Rep. Dean Simpson (R-New York Mills), the sponsor of HF2071, said the provision was mistakenly repealed in 2001.

The bill defines a search firm as "any person, firm, corporation, or association" hired and paid by employers to act on their behalf in filling a position. An employer who retains a search firm to fill a position could not require an employee placed with them by the firm to pay any part of the placement fee.

On the other hand, an employment agency, as defined in statute, is "any person, firm, corporation, association, or job-listing service" hired and paid for by job seekers to help them find employment.

Under this bill, a search firm could not solicit or persuade an individual they have placed with an employer to quit that position. In addition, a search firm could not engage in any activity that fits the definition of an employment agency.

There was no discussion on the bill, which passed 130-2. It will now go to the Senate, where Sen. Carrie Ruud (R-Breezy Point) is the sponsor.

★ ENVIRONMENT

Diabolic aquatic species

House approval was given to a bill that would revise statutory terminology relating to aquatic invasive species and put a little more teeth behind criminal penalties for those who disregard laws designed to keep Minnesota waters free from infestations.

The March 30 vote was 131-0.

HF2363, sponsored by Rep. Denny McNamara (R-Hastings), would define invasive species as nonnative species that can naturalize and either “causes or may cause economic and environmental harm or harm to human health, or threatens or may threaten natural resources or the use of natural resources in the state.”

In 1996, McNamara said, Minnesota was one of the first states to enact legislation to control invasive species and it’s time to make some updates.

The bill addresses the issue of transferring nets and other implements between infested and non-infested waters, as designated by the Department of Natural Resources. In most cases, resetting between the two is prohibited.

As amended on the House floor by Rep. Bill Haas (R-Champlin), the bill would set tagging requirements for nets used in non-infested waters by commercial anglers who fish both infested and non-infested waters. As introduced, the bill would have set tagging requirements for all nets in infested waters, regardless of whether the anglers focus their efforts in infested or non-infested waters, or both, and this provision reflects a compromise between the commercial fishing industry and the department, Haas said.

However, under the bill, there is an exception for waters infested solely with Eurasian water milfoil. Nets used for commercial fishing and turtle, frog, or crayfish harvesting in milfoil-infested waters could be transferred but would have to be dried for a minimum of 10 days or frozen for a minimum of two days to kill any invasive organisms before use in non-infested waters. Commercial anglers would also be required to notify the department before making such a transfer.

Another provision would change the penalty from a misdemeanor to a gross misdemeanor for anyone who refuses to obey an order to remove invasive species from watercraft.

The bill now moves to the Senate, where Sen. Wesley Skoglund (DFL-Mpls) is the sponsor.

Selling state timber

A bill that modifies state timber sales is one step closer to fulfilling some recommendations from the recent governor’s task force on Minnesota’s forestry industry competitiveness.

HF2383, sponsored by Rep. Doug Lindgren (R-Bagley), passed the House March 30 by a 126-4 vote. It now moves to the Senate, where Sen. Tom Saxhaug (DFL-Grand Rapids) is the sponsor.

The bill would add the College of Natural Resources and the Natural Resources Research Institute, both at the University of Minnesota, to the membership list of an existing Forest Interagency Information Cooperative.

It would remove a 6,000-cord limit that is currently in place for timber sales on state lands at regular auction sales. The legal definition of a cord, according to the Department of Natural Resources, is a standard measure of a stack of wood that is 8 feet long, 4 feet wide, and 4 feet high.

Another provision would allow the department to enter into agreements with weight scale owners or operators to guarantee that state timber is properly measured.

Rep. Larry Howes (R-Walker) failed in an attempt to amend the bill to change from county administrator to timber sale administrator the position at the county level responsible for timber sales on tax-forfeited lands. Not all counties have administrators, Howes said.

Rep. Mark Buesgens (R-Jordan) said the amendment could generate more government by requiring that each county create a timber sale administrator position in addition to the county administrator role.

The bill would, however, modify the authority of county administrators to allow them to accept a bank letter of credit in place of a down payment from purchasers for certain sales.

SPAM SERENADE



PHOTO BY TOM OLMSCHIED

Spammy, left, the Spam mascot stands by as the Spamettes, from left, Denise Condon, Nancy Heimer, Leslie Meyer, and Sonia Larson, opened the House floor session March 31 with their singing of “God Bless America.” The symbols of the Hormel product performed as part of Spam Day at the Capitol. Hormel is headquartered in Austin.

★ GOVERNMENT

Spending reductions, increases

The House Ways and Means Committee approved the omnibus state government finance bill March 30.

Sponsored by Rep. Bill Haas (R-Champlin), HF2684 would reduce several state agencies budgets by 3 percent, as recommended by the governor, but raise general fund revenue by \$7.8 million. The net savings to the general fund equals about \$12.8 million.

Constitutional offices would receive across the board 3 percent cuts. Also forced to trim would be the Departments of Administration, Finance, Employee Relations, Military Affairs, and Veterans Affairs.

Revenues would still come from \$6.1 million

in state land sales, \$4 million in legislative carry forward funds, and \$2.1 million in unclaimed prize money from the Minnesota State Lottery. However, \$4.4 million of that money would be allocated to the Department of Military Affairs to fund three programs.

Several amendments were successfully offered to the bill during the committee, including one that would improve pensions for users of the Minneapolis Teachers Retirement Fund Associations.

Originally introduced as HF2773, sponsored by Rep. Jim Knoblach (R-St. Cloud), the provision would not completely solve the problems of the pension fund but would help push out the default date to 23 years away. If the Legislature took no action, the fund would default in seven years, he said.

Another amendment would allow complaints filed over local elections to be handled by the Campaign Finance and Public Disclosure Board instead of county attorneys, as in the past.

Originally offered as HF2058, sponsored by Rep. Doug Meslow (R-White Bear Lake), the measure would also repeal the mandate that county attorneys investigate every complaint filed, turning over the duties to the board and setting guidelines.

House Speaker Steve Sviggum (R-Kenyon) successfully offered an amendment that would add to the list of campaign contribution exemptions a business entity established or operated by a foreign government or tribal governments.

Rep. Irv Anderson (DFL-Int'l Falls) said the proposed change would just delay the length of the legislative session through the negotiation process with the Senate. The Senate would not agree to such a provision, he said.

Knoblach offered an amendment that would organize special revenue funds, a process that he says the Legislature has not looked at "in more than a few years." Part of the provision allows for the elimination of accounts with less than a \$1,000 balance on average for the previous four years that are four or more years old. The measure was previously introduced as HF2446.

The bill now goes to the House floor. Its Senate companion (SF2687), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits committee action.

Buying in bulk with others

The House State Government Finance Committee approved a bill March 30 that would allow state agencies to enter into volume contracts with national purchasing alliances in order to acquire goods at a lower cost.

Rep. Laura Brod (R-New Prague), the sponsor of HF2905, said it would "provide another

opportunity for the state to save money." Although agencies are already permitted to combine purchases to achieve volume discounts, the bill says the "commissioner shall expand the choices available to agencies by recognizing contracts bid by a national purchasing alliance domicile in Minnesota."

Brod said the language is designed to elevate the use of contracts with alliances as another choice for state agencies and give alliances preferential treatment.

Kent Allin, materials management director of the Department of Administration, said the department now has 200 contracts with multiple vendors, and alliances are permitted to bid on those contracts along with other entities.

Gary Nytes, executive director of the Staples-based National Joint Powers Alliance, said the organization works to "help agencies save money" through large volume contracts that allow for goods to be purchased at lower prices. The bill is a result of state agency heads asking the alliance to work on legislation that would allow it to enter into contracts, he said.

Historically the department has not entered into contracts with such alliances, because they have failed to meet state contract requirements, Allin said. The bill is "not of vital interest to the state," he added, because the commissioner is permitted to enter in contracts with alliances if they meet state requirements.

Because of that, Rep. Phyllis Kahn (DFL-Mpls) raised concerns over whether the bill was necessary.

Brod said she would be willing to work on changes to the legislation with Kahn and others before the bill is heard at its next stop, the House Ways and Means Committee.

A Senate companion (SF1859), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action on the Senate floor.

Settling claims

The House Ways and Means Committee approved a bill March 25 that would pay out claims against the state.

Sponsored by Rep. Bruce Anderson (R-Bufalo Township), HF2255 would appropriate \$67,825 from the Department of Corrections for injuries suffered by eight people performing community service or sentence-to-service work. The claims range from \$247.50 to \$35,090.

Another \$66,472 would be paid by the Department of Natural Resources for three claims.

Much of the committee discussion revolved around a payment to Linda and Judy Bode of Nicollet.

The bill would give the Bodes \$27,000 to restore tiling destroyed by the department in

1992 and 1993. The homeowners installed the tile to drain a wetland after a local panel heard the case and ruled that the approximate 10 acres did not qualify as a wetland. The department contested that the owners didn't have the right to tile, and the disagreement thus went through the court system.

Rep. Dennis Ozment (R-Rosemount) recounted that the Minnesota Supreme Court ruled the area of the farm in dispute to be a wetland. He offered a successful amendment that removed language from the bill that he said allowed one piece of property to "avoid state law" and redefine the farm area as not part of a wetland.

Anderson said the problem isn't the environmental laws, rather the landowners were not being treated fairly in the area because the neighboring farm was allowed to tile around the wetland area.

A similar payment was included in last year's claims bill approved by the House and Senate, but was vetoed by Gov. Tim Pawlenty.

"This section of the bill reverses the decision made by the courts, setting a terrible precedent for wetlands protection," Pawlenty wrote in his veto message. "The language ... would also have a chilling effect on the state's ability to protect wetlands."

Other claims are a \$38,118 for payment to a business in Wahkon for losses suffered because of a moratorium imposed on raising sunken logs, and \$1,353 to the Schoen family of Angle Inlet for reimbursement of trespass fines paid during settlement of a land exchange.

The bill now moves to the House floor. A Senate companion (SF2038), sponsored by Sen. Wesley Skoglund (DFL-Mpls), awaits action by the Senate Finance Committee.

★ GREATER MINNESOTA

Increasing speed limits

Speed limits on some Minnesota highways would increase under a bill that passed the House March 25. The vote was 109-22.

Sponsored by Rep. Marty Seifert (R-Marshall), HF1071 directs the Department of Transportation to conduct engineering and traffic investigations on portions of the state trunk highway system that are part of the U.S. Highway numbering system and have speed limits of 55 mph on trunk highways and 70 mph on interstate highways to determine if it would be "reasonable and safe" to raise the speed limit.

The department may raise the limit to 60 mph and 75 mph respectively if it is determined that it would be safe to do so. The department is to report its findings to the chairs of the legislative transportation policy and finance committees by Feb. 1, 2005.

Rep. Jean Wagenius (DFL-Mpls) successfully amended the bill to include that the department must also determine if an increased speed would be “unlikely to raise the medical costs associated with motor vehicle crashes.”

Seifert said the bill is a better reflection of what is now occurring on Greater Minnesota highways. In parts of rural Minnesota, wide roads create a safer environment for speeds to be increased, he said, and the vast majority of the population drives faster than the speed limit.

The approximate cost for the change is \$792,710, which would include signage, signal retiming, loop detector repositioning, and speed study reports. The costs would be shared among the department’s eight district offices and the central office over three fiscal years beginning in 2005.

The bill also amends portions of state statute relating to speeding tickets.

Currently, violations are kept off an offenders’ record if the speed was within 10 mph of a 55 mph limit. An amendment successfully offered by Rep. Tom Rukavina (DFL-Virginia) provides for a 10 mph cushion at the 65 mph and 70 mph mark.

An approved amendment by Rep. Joe Opatz (DFL-St. Cloud) would add a 5 mph cushion to a 60 mph zone.

Rep. Tim Wilkin (R-Eagan) offered a successful amendment that would change the speed limit on Interstate 35E between W. Seventh St. and Interstate 94 in St. Paul to 55 mph.

Opposing the change, Rep. Michael Paymar (DFL-St. Paul) said an arrangement was made years ago when the stretch of road was constructed, and the speed limit increase would be against the wishes of constituents in the area and would violate a court agreement that established the speed.

The bill now goes to the Senate, where Sen. David Tomassoni (DFL-Chisholm) is the sponsor.

★ HOUSING

Proof of mortgage payoff

The House passed a bill 130-0 March 30 that would ensure that homeowners who are paying off mortgages receive certificates of satisfaction, despite any occurrence of multiple refinancing efforts.

It now goes to the governor.

According to Rep. Thomas Pugh (DFL-South St. Paul), the House sponsor, HF1805/SF1621* addresses a problem stemming from today’s climate in which finance companies frequently change names and homeowners refinance mortgages multiple times in search of lower interest rates. As frequently happens, transferring documents are not filed with the county records

office. This makes it difficult to clear the mortgage, Pugh said.

The bill would require that the satisfaction certificate list the name of the broker, the mortgage provider and the property owner, the date of the mortgage, the date of the recording of the document, and the volume and page number or document number of the mortgage in the real property records where the mortgage is recorded.

The House bill would have initially applied only to mortgages with principals of \$500,000 or less. However, a Senate committee removed that provision, Pugh said.

Pugh said the bill was brought to him by the real estate section of the Minnesota State Bar Association, which worked with the lending industry on the matter.

The Senate sponsor is Sen. Thomas Neuville (R-Northfield). That body passed the bill 63-0 on Feb. 16.

Paying for water and sewer

Owners of manufactured home parks could collect fees for water and sewer usage, under a bill passed March 29 by the House.

Rep. Chris Gerlach (R-Apple Valley), the sponsor of HF2227, said the bill would establish standards and processes by which park owners may meter and charge for water usage while protecting the interests of park residents.

There have been a number of court cases in which residents have sued manufactured home park owners who have begun charging for water usage when leases originally included water, according to Gerlach. He said there has been a “mixed bag” of court rulings, and it is his intent to provide standards for the industry.

During a Feb. 26 hearing in the House Commerce, Jobs, and Economic Development Policy Committee, several park residents said they feared eviction if they could not afford increased utility charges.

On the House floor, Gerlach said he had worked with the parties involved to improve the bill, and changes protecting homeowners had been made. Even so, “not all parties are 100 percent happy with this.”

Rep. Barbara Goodwin (DFL-Columbia Heights) said the bill undermines lease agreements and would result in homeowners paying a higher monthly amount.

Gerlach said the reworked bill includes a permanent “rollback” in the lease amount equal to the average monthly water charge over the previous 12 months to make it fair to those who originally had water included in their leases.

“To say this is not good for the residents defies all logic,” he said.

Rep. Loren Solberg (DFL-Grand Rapids)

said he was concerned that, in the case of private wells, the bill would allow park owners to spread the costs equally over all residents, so those who used less water were paying for those who used more. An amendment to prevent that occurrence was agreed to by both Solberg and Gerlach.

The intent, said Gerlach, is that charges reflect the actual water usage by each homeowner as measured by a certified measuring device.

“This is a good water conservation option,” said Rep. Dennis Ozment (R-Rosemount).

The amended bill passed 91-39. It now goes to the Senate where Sen. Linda Scheid (DFL-Brooklyn Park) is the sponsor.

★ HUMAN SERVICES

Meeting through technology

The Minnesota State Council on Disability would be allowed to meet by telephone or electronic means under a bill approved 131-0 by the House on March 30.

The incentive for HF2691, sponsored by Rep. Fran Bradley (R-Rochester), was logistical. The Jan. 15 council meeting was cut short because a quorum was not present. At its next meeting the council voted to request a waiver of the Minnesota Open Meeting Law from the Legislature so council members could participate in meetings by teleconference.

Traditionally, meetings are held in a common space where members of a group can gather. Some groups, including state boards or agencies such as the council, are subject to the open meeting law, meaning their meetings must be open to the public. The ability to meet electronically is relatively new and becoming increasingly popular for business. Of course, all electronic media are not the same, and the ability to accommodate the public differs depending on the medium.

Current Minnesota statute allows meetings by interactive television as long as at least one member of the group is physically present at the regular meeting location, which is open and accessible to the public, and as long as all members of the group and those in attendance “can hear and see one another and can hear and see all discussion and testimony presented.”

In the case of the council, the bill would change “hear and see” to “hear,” thereby allowing its members to participate in meetings by telephone.

Joan Willshire, executive director of the council, told the House Health and Human Services Policy Committee March 10 that inclement weather has made it difficult for council members to meet in the same physical location. She

said the Minnesota State Services for the Blind instituted the same change last year, and it has meant fewer absences at meetings.

The bill now goes to the Senate, where it is sponsored by Sen. Linda Higgins (DFL-Mpls).

Acquiring abandoned property

"It is said 'A nation that ignores its past has no future,'" said Rep. Dean Urdahl (R-Grove City) in presenting a bill that would set up a procedure through which museums may acquire ownership of loaned items that have been abandoned.

The House passed the measure 129-2 March 29.

Urdahl, who sponsors HF1645, said his 10-year experience as president of the Meeker County Historical Society gave him "an appreciation for the value of preserving our past as we look to the future."

Museums accumulate unclaimed and undocumented objects when people do not claim them after loaning them for exhibits, identification or evaluation, or even just leave them on the museum's doorstep.

Museums hesitate to deal with these items because of potential liability, Urdahl said. Despite their limited use of these items, museums must bear the costs of storing and caring for them, providing storage space, climate control, security, and insurance, among other things.

The bill would:

- regulate loans of property made to museums and historical societies,
- establish provisions for these organizations to acquire title to abandoned property,
- regulate the acquisition of title to undocumented property, and
- allow museums and historical societies to apply conservation measures to objects of uncertain ownership.

Urdahl said the Minnesota Historical Society and dozens of local museums statewide support the bill.

It will now go to the Senate, where it is sponsored by Sen. Linda Higgins (DFL-Mpls).

LAW

Appealing a conviction

A bill that would impose restrictions under which convicted criminals could appeal their convictions and sentences passed the House March 30 on a 123-7 vote.

Sponsored by Rep. Steve Smith (R-Mound), HF2630 states that a petition for post-conviction relief after a direct appeal may not be based on grounds that could have been raised on direct appeal of the conviction or sentence.

YELLOW RIBBON RALLY

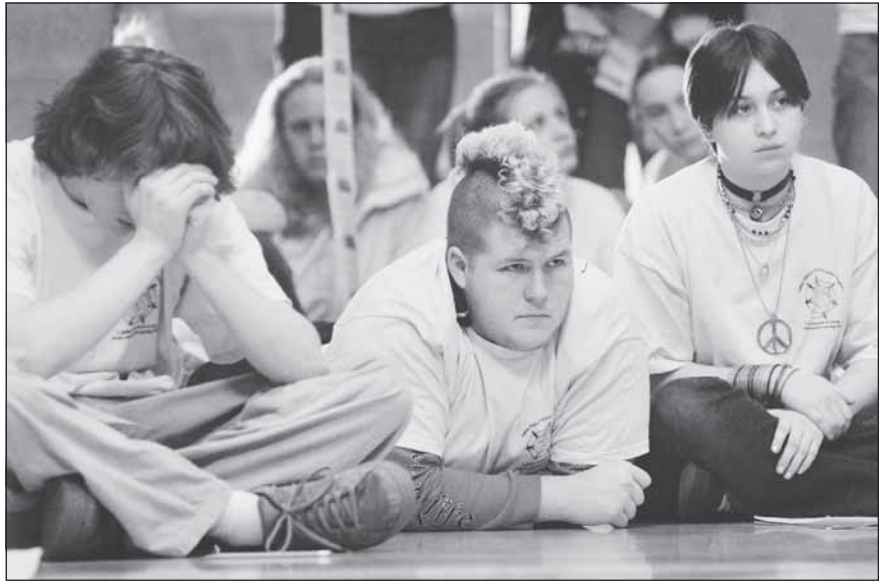


PHOTO BY TOM OLMSCHIED

Tartan High School students Alex Lehmicke, *left*, Peter Bublitz, *center*, and Serena Chaves, *right*, listen to a speaker during a rally of participants in the Yellow Ribbon Suicide Prevention Program March 30 in the Capitol Rotunda. Participants met with legislators to encourage their continued funding of the program.

Furthermore, any such appeal must be sought within two years of the person's conviction or sentence, under the bill.

However, the bill would provide exceptions to the two-year period, including the submittal of newly discovered evidence, such as DNA, that could not have been ascertained earlier. This exception would apply only if the evidence establishes a clear and convincing standard that the person is innocent, and only if the appeal does not allege impeachment.

The House voted down an amendment by Rep. Keith Ellison (DFL-Mpls) that would have allowed impeachment as a reason for seeking post-conviction relief.

Ellison said a number of people go to trial on the testimony of one or two witnesses. Sometimes the "checkered" histories of witnesses can taint the veracity of the verdict, Ellison said. But this information may not be known at the time of the court proceedings if the county attorney or the defense does not conduct criminal background checks.

Therefore, he argued, impeachment should be grounds for appeal.

Smith argued against the amendment, noting that it was earlier rejected by the House Judiciary Policy and Finance Committee.

Twenty-four states have time limitations for post-conviction appeals, with some providing only a 60-day window, Smith said. The counties, public defenders, and the state agreed to the 24-month period in the bill, he added.

The bill now goes to the Senate, where Sen. Leo Foley (DFL-Coon Rapids) is the sponsor.

★ LOCAL GOVERNMENT

County plat review

A bill that would regulate county review of city and township development proposals that about county highways was approved by the House Transportation Finance Committee March 25.

HF1913, sponsored by Rep. William Kuisle (R-Rochester), has changed since its initial March 3 hearing. It no longer requires review of relevant proposals by county commissioners. Instead projects must be submitted for review to either the county engineer or the state highway department commissioner, depending on road ownership. Any review comments submitted by either the county or state must subsequently be submitted as part of the official record at public hearings related to the proposal.

Projects would have to be submitted to the county or state at least 30 days before the developer files the plat application with the city or township.

The committee unanimously voted down an amendment by Rep. Mary Liz Holberg (R-Lakeville) that would have eliminated drainage as one component open for review among proposed developments. Anoka County Engineer Doug Fischer said drainage is an essential element of review for development projects abutting highways.

The bill allows county review of right-of-way land dedicated to highways, drainage, highway access control, and traffic congestion management and flow.

At an earlier committee meeting, Fischer said current law requires that a city or township solicit comments from county engineers on developers' preliminary or initial plats abutting county highways. The city and townships are not required to heed the comments, however, which often pertain to perceived traffic problems and restrictions on future highway design and construction.

The idea of the bill, Kuisle said, is to force counties and cities to work together on highways and access issues.

Supporting the bill are the Association of Minnesota Counties and the Association of Metropolitan Municipalities.

Opposed are the Builders Association of Minnesota and its Twin Cities counterpart organization. Peter Coyle, a lobbyist for the Builders Association of the Twin Cities, said the bill is not necessary because state statutes already dictate that counties and cities work cooperatively. The only change is that the developer now would have 30 days to submit the plan to the county, he said.

The bill now moves to the House Rules and Legislative Administration Committee. Its Senate companion (SF2600), sponsored by Sen. Mark Ourada (R-Buffalo), awaits committee action.

Storm sewer charges

A new law that will allow the city of Minneapolis a different way to calculate storm sewer charges for multiple unit apartment buildings was signed by Gov. Tim Pawlenty March 26.

Effective dates of the law will vary. A provision that will include Minneapolis and other cities "of the first class" in a state statute covering storm and sanitary sewer authorizations takes effect Aug. 1, 2004. The remainder of the new law will be effective Jan. 1, 2006.

Sponsors of the new law are Rep. Frank Hornstein (DFL-Mpls) and Sen. Chuck Wiger (DFL-North St. Paul).

Hornstein said the law will allow Minneapolis to correct a problem with the way it charges large multiple family buildings for sewer and water services. Basing the charges on water consumed, as required by existing law, is not equitable for owners of multiple unit buildings, he said.

The new law will allow Minneapolis four options to calculate storm sewer charges "adjusted for reasonable calculation of storm water runoff."

In earlier testimony before the House Local Government and Metropolitan Affairs Committee, a city official said the change would not mean a new fee for property owners. A

representative of the Minnesota Multi-family Housing Association testified in committee that apartment building owners were paying more than their proportional share for storm sewer service.

HF1935/SF1626*/CH141

Electronic payments

Township governments would be able to pay bills and accept payments via electronic funds transfer under a bill passed 132-0 by the House March 29.

Passed 66-0 by the Senate seven days prior, the bill now goes to the governor.

Sponsored by Rep. Loren Solberg (DFL-Grand Rapids) and Sen. David Tomassoni (DFL-Chisholm), HF2033/SF1958* would provide townships the same authority cities and counties were granted by the 2001 Legislature.

Township governments would be added to the law that allows making payments by electronic or wire funds transfer, and accepting payments by credit or debit card and other forms of electronic or wire funds transfer.

A representative of the state's township association testified before the House Local Government and Metropolitan Affairs Committee in February that the bill would help town governments reduce service costs.

Regulating roadwork

The House passed a bill March 29 that would make it easier for local government units to oversee contract work on everything from snow plowing to new construction on county and township roads.

Under current law, counties and township boards are not allowed to make final payment on any road work contract until the engineer or person in charge of the work has certified to the county or township board that the work has been completed according to contract, and a certificate of performance has been filed with the county auditor or town clerk.

Kent Sulem, a staff attorney with the Minnesota Association of Townships, told the House Transportation Policy Committee in a committee hearing that the law makes it difficult to manage contracts for such routine work as snow plowing. The last snowfall can't be predicted, he explained, and therefore the engineer in charge of any such contract can't certify that snowplowing has been completed according to contract.

HF1691, sponsored by Rep. Laura Brod (R-New Prague), would change the law to make only road construction or improvement contracts conducted under a sealed bid process subject to such end-of-work certification.

Furthermore, exemptions to the proposed change would be provided for contracts less than \$35,000 in counties and townships with populations under 2,500, and less than \$50,000 in larger counties and townships.

In addition, the bill would repeal a section of law making a county auditor or town clerk guilty of a misdemeanor for making final payment before a certificate of performance has been filed. Sulem said such a penalty serves no purpose.

Following a 131-0 House vote, the measure now moves to the Senate, where Sen. Chuck Wiger (DFL-North St. Paul) is the sponsor.

Taking by eminent domain

Government entities would maintain the ability to take private property, but only when there is overwhelming evidence that the land is needed for a public purpose, under a bill approved March 26 by the House Transportation Finance Committee.

Furthermore, private property owners could be awarded attorney fees in contested cases if the court found that the government's taking of their land was "not reasonably necessary," authorized by law, or is for a private purpose, as opposed to a public one.

Eliminated were provisions that would have automatically awarded attorney fees to private property owners in contested cases when the final judgment for damages exceeded the last written purchase offer by 20 percent or more. This provision was removed with a successful amendment introduced by Rep. William Kuisle (R-Rochester), chair of the committee.

The remaining provisions were contained in HF1901, sponsored by House Majority Leader Erik Paulsen (R-Eden Prairie), and were adopted as an amendment onto HF2625, sponsored by Kuisle. The bill now moves to the House Ways and Means Committee.

Kuisle said he offered the amendment removing the attorney fees in recognition of the provision's controversial nature.

The committee heard considerable testimony regarding the city of Richfield's 2001 condemnation of land owned by the Wally McCarthy and Walser auto dealers, allowing for the construction of Best Buy's corporate headquarters.

Alyssa Schlander, director of government affairs for the Minnesota Auto Dealers Association, said the case illustrated how private property can be taken by government units to favor another private entity.

Typically, eminent domain proceedings occur, for example, when a city needs to extend a stormwater sewer pipe, create a walking trail, or build a road. The local government entity has the right to condemn the property for public

Signed
by
the
governor

projects, but fair market value must be paid to the owner. Major court cases have resulted on several occasions, such as when the Minnesota Department of Transportation has condemned land for major highway expansions.

Schlender argued against removing the attorney fee provision, stating that private property owners are the underdog in condemnation cases. They are required to give up their property and to pay their own attorney fees should they choose to fight the matter.

"We're not looking to make lawyers rich," she said. "We're really looking to make sure the property owner is compensated and really made whole."

The Senate companion to Paulsen's bill (SF2037), sponsored by Sen. Sheila Kiscaden (IP-Rochester), awaits action by a second committee.

A companion to Kuisle's bill (SF2643), sponsored by Sen. Steve Murphy (DFL-Red Wing), was rolled into SF1653, sponsored by Sen. Yvonne Prettner Solon (DFL-Duluth). That bill received Senate approval March 22.

The House passed it April 1 124-4.

Sub-metering program for cities

A bill that would allow cities to establish water sub-metering programs in multi-unit housing was heard March 25 by the House Taxes Committee and will be considered for inclusion in the public finance bill.

However, members and representatives from the state attorney general's office questioned the bill's provisions from the position of the role of government in promoting water conservation to tenants rights with regard to accurate billing for utilities.

The bill (HF2975), sponsored by Rep. Aaron Peterson (DFL-Madison), would essentially allow cities to establish sub-metering programs, and issue bonds to fund costs associated with installing the systems that landlords would pay back on their utility bills.

Sub-metering involves placing gauges on water sources, such as a toilet or sink, to measure how much water is consumed. It is particularly effective in apartment buildings and other multi-unit housing, where it may be difficult to detect a leak.

Michael Norton of Water Monitoring Inc. in Ortonville testified that undetected leaks can cost property owners thousands of dollars in additional water usage costs, and for the most part, the excess water is wasted. Norton's business has created technology used to make and sell sub-metering equipment.

Said Peterson, the bill is intended to encourage conservation and decrease runoff into wastewater streams.

Norton testified that he owns an apartment

SILHOUETTES



PHOTO BY ANDREW VONBANK

Lobbyists waiting near the House chamber are silhouetted by beams of spring sunlight that penetrate the Capitol Rotunda.

building in south Minneapolis and he decreased his monthly water bill from \$10,000 to \$3,500 by using meters.

"The waste is greater than the use," he said. "We're trying to incent property owners. Everyone thinks the water is free" and generally the costs simply get passed on to the consumers or tenants.

Rep. Peter Nelson (R-Lindstrom) said he supports the idea of conserving water but expressed concern about the city's involvement, under the bill.

"This is not a place where government belongs," Nelson said. "You ought to be sharp enough to figure out you've got a problem there."

Norton emphasized the bill is not a mandate or requirement. It's merely a pass-through

program that facilitates capital investment for property owners, he said.

Jack Horner, a lobbyist for the Minnesota Multi-Housing Association, said members are supportive of ways to conserve water and detect leaks. When there is a problem, it can be very difficult and expensive to detect because of where pipes are placed in the buildings.

However, Ron Giteck, an attorney for the state attorney general's office, said the office has concerns about the bill because it continues to allow landlords to bill tenants for water rather than allowing the city to meter each unit and administer water costs directly. Giteck referenced legal actions in recent months that have raised this issue and whether landlords are equitably charging for actual utility costs.

The bill's Senate companion (SF2281), sponsored by Sen. Lawrence Pogemiller (DFL-Mpls), awaits committee action.

Special taxing districts

A bill that would allow a city to contract with a nonprofit entity to provide certain services in a special services district was heard March 25 by the House Taxes Committee and will be considered for inclusion in the public finance bill.

The measure (HF2776), sponsored by Rep. William Kuisle (R-Rochester), would provide an option for cities to administer the districts, which are established by ordinance and funded by tax revenues from the geographic area, typically property taxes. Currently, those services are typically provided by cities, but the services are above and beyond what a city would normally be able to provide.

As an example, Bob Greenberg from the Nicollet Mall Advisory Committee, testified that a similar situation exists along the mall in downtown Minneapolis. The mall, a busway and dedicated pedestrian walkway, requires special snow removal, and has special lighting and decorative bus stations that require more intense maintenance.

Committee members expressed concern about whether allowing a nonprofit organization or corporation to provide the services would displace city workers who provide them now. Under the bill, the city would contract with the nonprofit to administer the services, but city workers could still be performing them.

Rep. Joe Mullery (DFL-Mpls) asked whether the special service districts could replace existing services, such as court services or police and fire services. Kuisle indicated that the special districts are only intended to provide extraordinary services, such as more specialized maintenance or additional sidewalk snow removal.

The Senate companion (SF2304), sponsored

by Sen. Lawrence Pogemiller (DFL-Mpls), awaits committee action.

METRO AFFAIRS

Bonding for transit

A bill that would authorize bonds for transit capital improvement projects was heard by the House Taxes Committee March 26 and will be considered for inclusion in the committee's public finance bill.

HF3091, sponsored by Rep. Ron Abrams (R-Minnetonka), would allow the Metropolitan Council to issue \$32 million in bonds for the improvements.

Each year, the Legislature authorizes the bond sale, in varying amounts. The funds may only be used for capital improvements throughout the system, such as buses, facilities and equipment, bus shelters, and other similar items.

Nacho Diaz, director of transportation services for the Metropolitan Council, said the bonds are intended to maintain the existing bus system and can be used to match federal funds. The bonds are tied to the life of the project, meaning if a project extends the life of a vehicle for five years, the bonds are sold for five years.

"We attempt to provide a very good balance," Diaz said.

The debt service on the bonds is paid through a property tax levy.

About 40 percent of the bonds would pay for replacing and expanding the bus fleet; another 40 percent would go to support facilities, such as bus garages and scheduling systems; and the remaining 20 percent would pay for improvements to bus shelters and park and ride facilities.

Since 1999, the Legislature has authorized nearly \$200 million in regional bonds, including \$45 million in 2003.

The Senate companion bill (SF2999), sponsored by Sen. Lawrence Pogemiller (DFL-Mpls), awaits action in the Senate Taxes Committee.

RETIREMENT

Pension funding

The House Ways and Means Committee approved a bill that would improve pensions for investors in the Minneapolis Teachers Retirement Fund Association March 25.

Rep. Jim Knoblach (R-St. Cloud), the sponsor of HF2773, said it would not help completely solve the problems of the pension fund, but would help push out the default date to

23 years. Knoblach said the fund currently has a large deficit and without urgent legislative attention would default in roughly seven years.

Changes would include:

- if the association has underperformed the State Board of Investment basic retirement plans in its investment of teachers retirement fund assets, a charge must be imposed on active members, retired members, and other benefit recipients set to recover the amount of underperformance;
- administrative costs need to be reduced to that of other state pension funds; and
- post-retirement adjustments would be modified – for example, the current annual 2 percent increase in pension would not be increased until the fund itself is fully funded.

Rep. Lyndon Carlson (DFL-Crystal) said the bill imposes severe penalties on active and retired teachers, while not solving the problem.

Knoblach said he was open to exploring other options, but the bill, "gets us a start" in the right direction. The association does not approve of the bill, Knoblach said, but he is in a good working relationship to address some changes for their concerns.

The bill now goes to the House floor. It has no Senate companion.

SAFETY

Personal protection orders

A new law signed by Gov. Tim Pawlenty March 26 will allow victims of domestic violence to receive orders for protection and restraining orders sooner in some cases.

Effective Aug. 1, 2004, the law will make *ex parte* orders for protection and temporary restraining orders effective upon the signature of a court referee. Currently, the process is delayed in some counties where orders must be forwarded for a judge's counter signature following the referee's signature.

The bill received support, according to House sponsor Rep. Michael Paymar (DFL-St. Paul), from the chief judges of Hennepin and Ramsey counties and from domestic violence programs.

Sen. Wesley Skoglund (DFL-Mpls) was the Senate sponsor.

HF2491/SF2498*/CH145

No light-changing mechanisms

Traffic signal devices often used by ambulances and emergency vehicles to change red lights to green could not legally be used by

ordinary individuals, under a bill approved 131-0 by the House March 30.

Rep. Steve Strachan (R-Farmington), the sponsor of HF1683, said the mobile infrared transmitters are being marketed by a company on the Internet to private detectives and expectant fathers, as well as being sold on Ebay. The devices sit on vehicle dashboards and change red traffic lights to green for speedier passage through intersections.

Strachan said the Internet site states that purchasers must verify whether such devices are legal in their state. However, he said he doubts any purchaser would do so.

Problems have not arisen in Minnesota from individual use of the devices, Strachan said, but he added that he does not want to wait to act until an accident occurs or an ambulance is delayed.

"You can imagine the kinds of problems that this could cause," he said.

Under the bill, no person could operate a vehicle equipped with a traffic override signal system unless the vehicle is an authorized emergency vehicle, a transit bus, a road maintenance vehicle, or a vehicle approved by the Department of Public Safety to use such a device.

A violation of the provision would be a misdemeanor.

An amendment, successfully offered by Rep. Bill Haas (R-Champlin), would allow law enforcement vehicles responding to emergencies the option of not using their sirens. The bill states, however, that emergency lights must be employed.

Haas said he was asked by the city of Champlin to present the amendment following an accident involving a police car that was running with its lights engaged, but without its siren. When the matter went to court, the judge said that state statute clearly defines that ambulances must employ both lights and sirens during emergency runs. However, it is not clear about police cars.

Its passage would limit the liability of municipalities if such an accident were to occur again, Haas said. He added that the Departments of Transportation and Public Safety do not object to the amendment.

The bill now goes to the Senate, where its sponsor is Sen. Sharon Marko (DFL-Cottage Grove).

Call before you dig

Gopher State One Call is a notification system designed to protect personal safety and pocketbooks in the excavation process.

Under current law, homeowners and contractors are required to notify the nonprofit statewide call center of any intended excavations within 48 hours. An excavation means

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“an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically powered tool, or machine-powered equipment of any kind, or by explosives.”

Operators collect certain data from callers, including when, where, and how long the dig will be, and inform utilities with buried lines of the intentions to dig. The utilities are then to mark the location of the underground facilities. Participating utilities include gas, electric, cable television, sewer, telephone, and water line operators. The utilities pay for the service, and participation is mandatory under state law.

HF995, sponsored by Rep. Ray Cox (R-Northfield), would make some technical changes to the blueprint requirements excavators follow during the bid process and modify the timeline for call center notification in both emergency and non-emergency situations. The responsibilities of both excavators and utilities would be modified.

The bill aims to ensure that excavating around public utilities is done in a safe manner, Cox said.

The measure passed the House March 29 by a vote of 130-0. It now moves to the Senate, where Sen. Dan Sparks (DFL-Austin) is the sponsor.

TAXES

Biotechnology zone credits

A bill that would increase the authorized amount of tax credits and exemptions for biotechnology zones from \$1 million to \$2 million was heard by the House Taxes Committee March 30 and will be considered for inclusion in its omnibus bill.

HF2344, sponsored by Rep. Doug Magnus (R-Slayton), would allow for the additional value of authorized credits under the biotechnology zone law enacted in 2003. Those tax incentives include exemptions from property, corporate franchise, and sales and use taxes, as well as certain research, development, and job-related credits.

Susan Dvorak, president of Algos Therapeutics Inc. in St. Paul, testified that businesses like hers, which involves a smaller lab operation, have limited resources for capital investment. “The tax credit ... allows us to make better use of our capital,” she said.

Dvorak, a member of Gov. Tim Pawlenty’s biosciences council, also said that tax credits such as the ones in the bill are investments that are returned many times over in job creation and economic activity.

Members questioned whether the biotechnology zones could be used to benefit Greater



David Lagermeier of Smartrak Group Inc. uses a graph to show the savings between filing your tax return by mail and electronically during a March 30 hearing of the House Taxes Committee. The committee was reviewing a bill that would authorize early payment of property tax refunds that are filed electronically to encourage e-filing as a cost savings measure.

Minnesota communities like the other job opportunity zones created in 2003. Rep. Mike Jaros (DFL-Duluth) said the bill is good, but it would be better to direct efforts to areas where there isn’t much growth.

So far, three biotechnology and health science zones have been designated – two in Minneapolis and one in Rochester – because of their proximity to the University of Minnesota and the Mayo Clinic, said Gene Goddard, bioscience industry specialist for the Department of Employment and Economic Development.

Other members noted the connection between biotechnology research and benefits to Greater Minnesota, particularly in terms of value-added agriculture products and businesses providing services to businesses in the Twin Cities metropolitan area.

The Senate companion (SF2270), sponsored by Sen. Julie Rosen (R-Fairmont), awaits committee action.

Early refunds for e-filing

Individuals filing income tax returns may receive their refunds as soon as the state Department of Revenue has time to process those returns. In addition, the department is encouraging individuals to file electronically because it saves both processing time and money.

A bill being considered for inclusion in the omnibus tax bill would allow the state to provide property tax refund payments up to 30 days earlier than allowed in current law, in an

effort to encourage electronic filing.

HF2692, sponsored by Rep. Jeff Johnson (R-Plymouth), was heard by the House Taxes Committee March 30.

Under existing law, renters or manufactured home owners must receive their refunds between Aug. 1 and Aug. 15 and other homeowners between Sept. 15 and Sept. 30.

Members asked whether some of the larger tax preparation software programs facilitated electronic filing for Minnesota property tax refunds as it does for income tax returns.

For example, one program will provide the property tax refund form that individuals can fill out, but it must be mailed in. Nonpartisan House Research staff said companies are working to facilitate e-filing for the property tax refund and the capability may be ready in time for filing 2004 taxes.

A fiscal note prepared by the department said the bill would have no effect on the general fund. Wende O’Brien from the department testified that the bill would actually increase administrative costs slightly, because of date programming to processing systems, but that savings might be realized down the road.

The bill has no Senate companion.

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Standards for tax preparers

A bill that would extend certain standards of conduct for tax preparers to a group previously exempted will be considered for inclusion in the omnibus tax bill, following a hearing in the House Taxes Committee March 30.

The bill (HF2371), sponsored by Rep. Paul Thissen (DFL-Mpls), would require two things of tax preparers. First, all tax preparers would be subject to some standards of conduct, whether they offer refund anticipation loans or not. Also, individuals who prepare returns for fewer than six clients would be required to disclose certain items related to refund anticipation loans if they offer them. These individuals are currently exempted from law.

The conduct standards were initiated in 2003 and pertain to any tax preparers, with some exceptions. Thissen testified that the standards were derived from those required by licensed tax preparers, such as attorneys and certified public accountants.

They include assuring preparers are attending to such items as properly completing a tax return, signing the return, claiming credits or deductions the preparer knows the individual actually does qualify for, and others.

Refund anticipation loans are similar to advance payments based on a client's anticipated tax refund, except there are interest charges attached, as would be the case with regular loans.

Among the businesses with a large client base providing refund anticipation loans are H & R Block and Jackson Hewitt. According to the H & R Block Web site, average loans range between \$200 and \$7,000 and carry bank finance charges of \$5 to \$75. When translated to an annual percentage rate, as required by the federal Truth-in-Lending Act even for short-term loans, that ranges from 34 percent to 129 percent.

Thissen testified that without including the individuals in the required conduct standards and disclosure requirements, anyone who receives their services has no course of action if they are wronged in any way. Among the examples passed out to the committee was an instance where a tax preparer, not covered by the standards currently, improperly indicated business income and allowable deductions on a tax return and then did not sign the return.

The Senate companion (SF2476), sponsored by Sen. William Belanger (R-Bloomington), awaits action in the Senate Taxes Committee.

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TRANSPORTATION



Bridge replacement review

A bill that would streamline the review of bridge replacements and repairs was approved 130-0 by the House March 29.

Sponsored by Rep. Peter Adolphson (R-Minnetonka), HF1851 repeals a section of law that requires review by the appropriate regional development commission or the Metropolitan Council of all bridge replacements and repairs that are funded by grants from Minnesota state transportation bonds. The reviews were originally envisioned to ensure consistency with long-term comprehensive development plans.

Organizations representing county governments want the law changed, said Adolphson. The Metropolitan Council is not opposed to it, he added.

When presenting the bill to the House Transportation Finance Committee Feb. 11, Adolphson characterized the bill as "mandate relief." Dennis Berg, an Anoka County commissioner, said at the same meeting that many regional development commissions haven't been reviewing bridge repairs and replacements. Eliminating the law wouldn't damage the integrity of the process, which still requires local government unit approval, Berg said.

The law, according to nonpartisan House Research staff, was enacted in 1976 when the state transportation fund was created. At the time, the state had no process for reviewing bridge projects funded by state grants and lawmakers wanted to ensure adequate local review. Since then, such projects have been reviewed *pro forma* by regional development commissions without substantial impact.

The bill now moves to the Senate, where it is sponsored by Sen. Ann Rest (DFL-New Hope).

Trucking trailers

Livestock trailers could more easily be transported from manufacturer to dealer, and Minnesota statutes would be amended to accommodate federal motor carrier regulations, under a bill that passed the House March 29 by a vote of 122-7.

Sponsored by Rep. Peter Nelson (R-Lindstrom), the bill (HF2671) would allow manufacturers of trailers used for cargo, horses, and livestock to purchase a \$120 annual permit allowing them to hitch two empty, new trailers to a vehicle for transportation only to the dealer. The trailers could not exceed 28.5 feet in length and could only be moved in a three-vehicle combination on routes where such a configuration is allowed.

Manufacturers want to bring empty horse trailers to the dealership two at a time, said Ward Briggs, a program director with the freight and commercial vehicle operations office at the Minnesota Department of Transportation. His comments came at the March 9 meeting of the House Transportation Policy Committee.

Other components of the bill are in keeping with federal motor carrier regulations.

One provision would require truck drivers transporting hazardous materials to immediately telephone the state hazardous materials emergency reporting line in three situations: when a hazardous materials accident occurs, when hazardous materials are unintentionally released from a package, or when a shipment containing a hazardous material not previously declared is discovered.

The bill now goes to the Senate, where Sen. Mark Ourada (R-Buffalo) is the sponsor.

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Stronger sentences

House approves bill that could keep some sex offenders locked up for life, would create tougher methamphetamine penalties

By MIRANDA BRYANT

A bill that by the House majority leader's standards is the most massive restructuring of criminal statutes in Minnesota's history — spurred by a desire to get tough with violent sex offenders and methamphetamine dealers — passed the House March 31.

Following a three-hour debate, the House endorsed the judiciary finance omnibus bill 117-13. HF2028 is sponsored by Rep. Steve Smith (R-Mound).

The largest provision in the bill would sentence aggravated first-degree sex offenders to life in prison without the possibility of parole (HF2308). First-degree sex crimes involve use of force or a weapon to rape or subdue a victim, resulting in physical or psychological harm.

"We've had it," said House Majority Leader Erik Paulsen (R-Eden Prairie), at a Capitol press conference the same day. "We have no more sympathy or patience for these criminals. We're going to lock them up and throw away the key."

The tougher sex offender initiatives were prompted in part by the abduction last fall of Dru Sjodin, a 22-year-old Minnesota student at the University of North Dakota in Grand Forks. She remains missing. A sex offender recently released from a Minnesota prison has been charged with her kidnapping.

Her boyfriend, Chris Lang, testified March 25 before the judiciary committee in support of tougher sentences for sex offenders.

"They need to be treated like animals, and animals stay in cages," Lang said.

The \$16.9 million omnibus bill contains at least \$8.8 million in fiscal year 2005 for sex offender initiatives, divided among the district courts, the state public defense board, and the Departments of Public Safety, Corrections, and Human Rights. Additional funds are contained in the House health and human services omnibus bill, according to nonpartisan House fiscal analysts.

In contrast, Gov. Tim Pawlenty recommended about \$4.3 million for sex offender initiatives within the judiciary omnibus bill.

An amendment to toughen penalties for registered sex offenders who have served their time and are now living outside of prison was approved 130-0. Rep. Joe Mullery (DFL-Mpls), who offered the amendment, said that the bill did not address the sex offenders "who are out on the streets."

"They are the real problem out there — the ones that are committing the crimes now, such as the Dru Sjodins," Mullery said. "This is a way to get at these people."

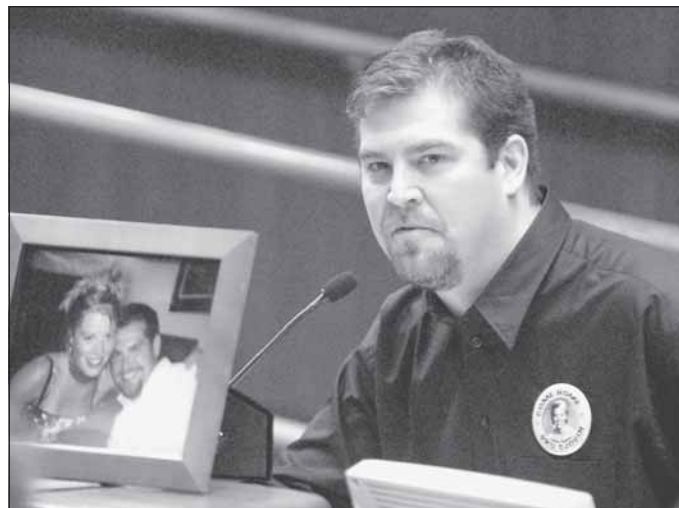


PHOTO BY ANDREW VONBANK

Chris Lang, the boyfriend of missing college student Dru Sjodin, speaks before the House Judiciary Policy and Finance Committee March 25 during public testimony on the committee's omnibus bill.

The provision, originally introduced as HF2354, would place all high-risk sex offenders on conditional release after they have served their sentences. This would allow the person to be reincarcerated for violations of that release, such as failing to register their address, as is now required, with law enforcement.

Other issues addressed in the omnibus bill include enforcement of proposed stricter methamphetamine laws. It allocates \$621,000 for such measures, as contained in HF1989, sponsored by Rep. Doug Fuller (R-Bemidji).

"Methamphetamine is an evil octopus with tentacles that are spreading out all over the rural area" and Minnesota, Smith said at a press conference.

The bill would make it a felony for a person to prepare methamphetamine in the presence of a child or a vulnerable adult. The maximum penalty for possessing chemicals used to manufacture methamphetamine, with the intent to do so, would increase from three years in prison and a \$5,000 fine to 10 years and a \$20,000 fine.

Those convicted of meth-related crimes would be required to pay for the cost of emergency response to labs. The bill would also require notification to county health officials of lab sites found in homes in order that such dwellings remain unoccupied until cleaned.

It would also make it illegal for businesses to sell in a single transaction more than three packages or more than 9 grams of any methamphetamine precursor drugs, such as those including pseudoephedrine or phenylpropanolamine. Such drugs are often found in cold medications.

With regard to housing the burgeoning Minnesota prison population, the omnibus bill includes an extra \$2.9 million for operations. It also calls for earning \$500,000 by renting vacant beds at the Rush City facility to out-of-state correctional facilities.

Rep. Irv Anderson (DFL-Int'l Falls) successfully offered an amendment that would expunge drunken driving offenses from criminal records after seven years, provided the

offense is isolated. The current time is 15 years. Anderson said drunken driving offenses are considered a felony in Canada, and Canadian officials do not allow individuals with a felony record to enter the country. As such, he said, fishermen can't travel to Minnesota's Northwest Angle, near Lake of the Woods, because access requires traversing Canadian land. As such, Northwest Angle resorts are losing business, Anderson explained.

Anderson's March 29 attempt to have the amendment added to the judiciary bill failed at the House Ways and Means Committee. The bill now goes to the Senate where Sen. Don Betzold (DFL-Fridley) is the sponsor.



Lowering the limit

House passes bill to decrease threshold for drunken driving, but delays implementation date

BY MIRANDA BRYANT

A plan to lower the blood-alcohol limit for drunken driving to 0.08 was approved by the House March 31, but an effort to quicken its enactment to this summer was overwhelmingly rejected.

On a vote of 113-15, the House approved HF97/SF58*, which reduces from 0.10 percent to 0.08 percent the legal limit for blood alcohol concentration, effective Sept. 1, 2007.

An amendment attempting to accelerate implementation to Aug. 1, 2004, was voted down 83-44. That is the implementation date in the bill that passed the Senate Feb. 12.

"I think we should just do it now," said Rep. Ray Cox (R-Northfield), who unsuccessfully offered the amendment. He noted that a drunk driver killed his mother.

The federal government is mandating that all states lower their blood-alcohol limit to 0.08 in order to continue receiving federal transportation dollars. Minnesota is one of three states — Colorado and Delaware are the others — that have not adopted 0.08 blood-alcohol limits. As such, it risks the withholding of \$100 million in federal transportation funds until the law is enacted.

Members arguing against a 2004 effective date said early enactment would have pushed implementation costs onto the counties. The state needs time, they said, to find funds for district

courts, probation officers, and jails to handle the higher number of drunken driving cases expected to result from a lower standard.

"They would have no more probation officers to help out on this and we are not really sending any funds to the counties," said Rep. William Kuisle (R-Rochester), who originally introduced at the committee level the amendment calling for the 2007 enactment date.

According to fiscal impact information prepared by state agencies, a 0.08 standard would

result in 1,320 new convictions annually. This would require an additional 14 prison beds for felony level offenders by fiscal year 2010, at a cost of \$306,000 annually, and 22 probation officers, each of which are paid \$75,000 a year in salaries and benefits. Total costs to county jails are estimated at \$557,073.

Rep. Steve Strachan (R-Farmington), the bill sponsor, preferred to talk about numbers of a different sort. The state Department of Public Safety estimates that 14 lives would be saved annually with a lower blood-alcohol limit. "Fourteen per year ... is a lot of lives," Strachan said.

At a press conference earlier in the day, he said, "I think it's time for us to start saving lives now."

The state traffic safety office has estimated that drunken driving accidents cost \$1.8 billion annually, \$1.1 billion of which is paid by someone

other than the drunk driver, Strachan said.

A career police officer, Strachan said that a 0.08 limit is a better indication of impairment. The 0.10 standard was "pulled out of the air" years ago because it was a round number, he added.

But Rep. Tom Rukavina (DFL-Virginia) wondered aloud whether stricter drunken driving standards would save lives. What it would do, he said, is create more arrests. The irony of the matter, he added, is that current law allows for the arrest of drivers with a 0.04 blood-alcohol content, provided that police can prove the driver's impairment.

At a March 29 House Ways and Means Committee, Rep. Neva Walker (DFL-Mpls) distributed placards from the Department of Public Safety delineating the costs of drunken driving to individuals. One arrest could cost a person between the ages of 21 and 24 \$19,248 in towing charges, impound fees, driver's license reinstatement fees, fines, alcohol assessments, lawyer fees, and increased insurance rates.

The placards stated that a 140-pound woman would have a 0.10 blood-alcohol count after consuming three drinks, and a 0.06 after two drinks. A 180-pound man would have a 0.08 blood-alcohol count after four drinks.

Kuisle, chair of the House Transportation Finance Committee, said he was concerned that the federal government will try mandating adoption of other laws by threatening to withhold money for any number of programs. He cited a move at the federal level regarding making seatbelt violations an offense for which officers may pull a driver over, called a primary offense. Seatbelt usage is mandatory in Minnesota, but the traffic stop must be prompted by another violation.

A federal mandate shouldn't dictate a state mandate to counties that as of yet are unequipped to handle the law's implementation, added Rep. Larry Howes (R-Walker).

"Let's not mandate it like the federal government is doing to us," Howes said.

Strachan replied that the state is not a victim for having a federal mandate imposed upon it, and drunken drivers are not victims for being arrested.

"They're not victims, they're breaking the law and 0.08 is impaired," Strachan said.


The House bill now returns to the Senate, where Sen. Leo Foley (DFL-Coon Rapids) is the sponsor. The Senate failed to adopt the House changes, and a conference committee will be convened. 



PHOTO BY TOM OLMSCHIED

Katherine Burke Moore, deputy director of the Minnesota Office of Traffic Safety, answered questions from the House Ways and Means Committee March 29 about a bill that would reduce the legal limit for blood-alcohol concentration to 0.08 percent.

Revenue stream?

Many states looking to increased tobacco taxes as way to resolve budget problems, discourage tobacco use

By MARY KAY WATSON

In a political climate of “no new taxes,” one category of tax is tempting state legislatures across the country — the excise tax on tobacco. In the past two years, 31 states have increased the tax on cigarettes and other tobacco products. This year the tax is on the docket in a number of legislatures, including Minnesota.

And most citizens are not complaining. They seem to agree with the conclusions of the Minnesota Citizens Forum on Health Care Costs that an increased tobacco tax can serve two important goals: be a disincentive for smoking and raise revenue for health-related funding.

In February 2004, the citizens’ forum recommended that Minnesota impose a \$1 per pack user fee on cigarettes in response to a resurgence of smoking in Minnesota, especially among teens, following cut-backs in tobacco prevention funding.

In response, Rep. Fran Bradley (R-Rochester) and Sen. Sheila Kiscaden (IP-Rochester) are sponsoring bills that would raise the excise tax on cigarettes by 29 cents a pack, bringing the total per pack tax to 77 cents. The proposal would also increase other tobacco products proportionately and dedicate the revenue from the tax increases to the Minnesota Comprehensive Health Association.

The House Health and Human Services Finance Committee has approved Bradley’s bill (HF2533), which awaits a hearing in the House Taxes Committee. Kiscaden’s bill (SF2468) failed in a Senate committee. The bill was not included in the House health and human services omnibus bill.

Elsewhere, Michigan Gov. Jennifer Granholm has asked the legislature to approve a 75-cent-a-pack increase, which would result in a \$2 per-pack tax, placing the state second in the nation in cigarette taxes, behind New Jersey’s \$2.05 per-pack tax. Minnesota is currently 35th. Not surprisingly, Kentucky, which together with North Carolina produces 66 percent of the country’s tobacco, has the lowest per-pack tax at 3 cents. But Kentucky Gov. Ernie Fletcher is asking for a 24-cent hike in that state.

Legislators recognize that the revenue stream from tobacco taxes might taper off for the very reason that people will smoke less as the cost of smoking increases. But several Minnesota lawmakers have said that’s fine with them — the loss will be more than offset by the state savings in treating fewer tobacco-related illnesses, which currently totals \$2.5 billion per year.

Tobacco offers more opportunities for boosting state revenue than mere excise taxes. In 1998, 46 states settled lawsuits against the major tobacco companies to the tune of \$246 billion for the first 25 years. Governors at the time issued a resolution giving their commitment to using a “significant portion of the tobacco settlement funds on smoking

cessation programs, healthcare, education, and programs benefiting children.”

That was before nationwide state budget crises. Gov. Tim Pawlenty’s proposal to use \$1 billion from state tobacco endowments to help balance the 2004-05 budget has drawn criticism, but he is not alone in eyeing those funds for a budget rescue.

According to a 2004 report from the Cam-

paign for Tobacco-Free Kids, at least 20 states and the District of Columbia have sold, or legislated permission to sell, their rights to all or part of their future tobacco settlement for much smaller, up-front payments. Several states have used the proceeds to balance budgets for just one year. In Florida, Massachusetts, and Oregon, tobacco prevention programs have been “decimated,” the organization said. And programs in Minnesota, Maryland, Nebraska, Indiana, and New Jersey have been “seriously hampered.”

This comes at a time when states are reducing funding for health programs in general, so those in the smoking-cessation movement see it as doubly harmful.

Not surprisingly, proposed excise tax increases have triggered a negative reaction from tobacco companies.

“Cigarettes don’t pay taxes, Minnesota (or whichever state you log onto) smokers do,” states the R.J. Reynolds Tobacco Company Web site. The company reports that Minnesota smokers paid \$609 million in excise taxes, sales taxes, and settlement payments on tobacco in 2002 — more than 10 times as much as the amount collected for state alcohol taxes. Excise taxes alone totaled \$169.4 million.

Those opposed to a tobacco tax say it is regressive and punishes a small segment of the population. They say if states tried to raise gasoline taxes that much, there would be a public outcry. Some groups have raised the specter of interstate smuggling, black markets, and increased criminal activity.

Tobacco companies are not idling in their search for new customers. In fact, according to the Federal Trade Commission, they increased their advertising budgets by 66 percent during the three years following the 1998 settlement.

There is broad support among health care organizations for increased tobacco taxes. Tobacco use is the leading preventable cause of death in the United States. Each year, according to the Centers for Disease Control and Prevention, it causes more than 440,000 deaths and results in more than \$75 billion in direct medical costs.


The Minnesota Medical Association reports that more than 90 percent of all smokers began as teens. Studies indicate that a \$1 increase in the per-pack price of cigarettes would result in an 18.5 percent reduction in the number of teens who smoke. 



PHOTO ILLUSTRATION BY TOM OLMSCHIED

States are mulling cigarette tax increases to help balance budgets and discourage smoking.

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Tracking new laws, vetoes

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

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill; or
- do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the second year of the biennium (even-numbered years), as this year is, a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

(Sundays are not counted in the three-day limit, but holidays are.)

But if a bill is passed during the last three days of session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "*sine die*" (Latin for adjournment "without a date certain"). If the governor does not sign a bill within this time frame, it will not become law, an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed

during the final three days of the session, or within three days after the governor receives the bill at any other time.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

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

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

This information is also available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:

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

CH	HF	SF	Description	Signed	Vetoed
134	921	906*	Sex offender treatment co-payments authorized.	2/17/2004	
135	973	1015*	Veterans Affairs Dept. authorized to access taxpayer ID information to notify veterans of health hazards.	2/26/2004	
136	1794*	1615	Airport federally funded projects minimum required local contribution decreased.	3/10/2004	
137	480*	837	Job reference information, school violence data, and employee personnel records disclosure regulated.	3/22/2004	
138	1743	2182*	Public utility performance-based regulation plan purpose modified.	3/19/2004	
139	1980	1799*	Watershed and soil and water conservation district officers conflicts of interest clarified.	3/19/2004	
140	1822	1814*	Metropolitan Council government electronic funds transfer use authorized.	3/19/2004	
141	1935	1626*	Storm and sanitary sewer financing provisions modifications.	3/26/2004	
142	307*	497	Noncommercial sign ordinance exemption provided during state general election years.	3/26/2004	
143	1064*	1197	State employee technical and housekeeping changes provided.	3/26/2004	
144	1702	1748*	Emergency medical services provisions modifications.	3/26/2004	
145	2491	2498*	Domestic abuse ex parte protection or temporary restraining orders effectiveness.	3/26/2004	
146	1803	1745*	Trust law provisions modified and guardianship and conservatorship law changes provided.	3/26/2004	

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

Friday, March 26

HF3142—Lanning (R)

Taxes

Market value homestead property tax credit cuts made permanent.

Monday, March 29

HF3143—Abeler (R)

Education Policy

School districts and charter schools prohibited from purchasing chromated copper arsenate treated lumber.

HF3144—Dorn (DFL)

Taxes

Mankato local sales tax revenue use expanded.

HF3145—Abeler (R)

Health & Human Services Policy

Licensed professional counselor licensure requirements modified.

HF3146—Abeler (R)

Health & Human Services Policy

Alcohol and drug counselor licensure requirements modified.

HF3147—Kahn (DFL)

Jobs & Economic Development Finance

Biotechnology and health science business grants authorized, income allocated for purposes of income tax, and money appropriated.

HF3148—Dempsey (R)

Education Finance

School districts authorized to participate in the state employee health and dental plans.

HF3149—Kelliher (DFL)

Health & Human Services Policy

Do not resuscitate/do not intubate orders provided, and liability protection established for certain health professionals.

Tuesday, March 30

HF3150—Mullery (DFL)

Education Policy

Special School District No. 1, Minneapolis, board of 13 members provided to be elected to staggered terms by district.

HF3151—Mullery (DFL)

Education Policy

Special School District No. 1, Minneapolis, board of 13 members provided to be elected by district.

Wednesday, March 31

HF3152—Cornish (R)

Taxes

Biomass fuel-burning stoves sales tax exemption provided.

HF3153—Samuelson (R)

Taxes

New Brighton tax increment financing district requirements modified.

HF3154—Sieben (DFL)

Taxes

Electric generation facility materials purchase sales tax exemption provided.

HF3155—Sieben (DFL)

Taxes

Electric generation facility property tax exemption provided.

HF3156—Wagenius (DFL)

Taxes

Electronic income tax filing requirements modified.

Thursday, April 1

HF3157—DeLaForest (R)

Local Government & Metropolitan Affairs

Ham Lake authorized to adopt and implement a long-term comprehensive plan.

HF3158—Larson (DFL)

Health & Human Services Finance

State contract expenditures restricted, income tax credit provided for nursing home residents, and money appropriated.

HF3159—Abrams (R)

Taxes

Estate taxation; qualified terminable interest property elections authorized, and definition of taxable estate modified.

What's on the Web

As the legislative session progresses and the spotlight turns to House floor and conference committee activity, Chief Clerk's Office staff members post several unofficial, but helpful, lists to the House Web site.

To follow along with House floor business, look to the Daily Business heading on the House home page (www.house.mn). Bill introductions, calendars, motions and resolutions, committee reports, and other parliamentary procedures are posted at www.house.leg.state.mn.us/cco/orders/orders.htm.

Look for the following links under the House Legislation heading on the House home page (www.house.mn):

Chapters

Bills passed by both houses are sent to the Office of the Revisor of Statutes, where they are assigned a chapter number in sequential order and then presented to the governor. A listing of chapter numbers by biennium are compiled, along with House and Senate file numbers; a short bill description; dates of presentation to the governor, governor's action, and filing with the Secretary of State's Office; and effective dates are posted at www.house.leg.state.mn.us/bills/chapters.asp?ls_year=83&session_number=1.

The Hot List 2004

An unofficial listing of House and Senate files that have become somewhat to very well known is compiled by subject.

Point your Web browser to www.house.leg.state.mn.us/bills/hotlist.asp?ls_year=83&session_number=0.

Conference Committee Activity

A list of conference committee goings-on, including date of bill passage in both bodies, conferee appointments, and other status information is posted in sequential order by biennium at www.house.leg.state.mn.us/ccodoc/ccr.htm.



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MINNESOTA

I N D E X

Stadium financing

Year the Metrodome opened	1982
Months from when ground was broken until first Twins game	28
Full cost to construct Metrodome, including team investments for exclusive space, city infrastructure improvements, and land donation, in millions	\$124
Amount approved by the 1977 Legislature in a "no-site" bill that allowed for construction of a domed stadium, in millions	\$55
Potential millions allowed for bonding in 2002 stadium law	\$330
Millions the Minnesota Twins and other private resources would have been required to contribute up front	\$120
Year Metropolitan Stadium opened as home to the Minneapolis Millers	1956
Cost to build The Met, in millions	\$8.5
Year the Twins, Vikings moved in	1961
Major League Baseball stadiums constructed between 1991 and 2003	15
Average seating	44,700
Average cost, in millions	\$286.1
Average public financing, as percent	74
Seating proposed for new Twins stadium	42,000
National Football League stadiums constructed or renovated between 1995 and 2003	19
Average seating	69,200
Average cost, in millions	\$323.1
Average public financing share, as percent	64.5
Seating proposed for new Vikings stadium	68,500
Capacity stadium would be expandable to	72,000
April 2003 value of Minnesota Twins, in millions	\$148
Millions in 2001	\$99
Minnesota Vikings value, in millions, in September 2003	\$542
Millions in 1998	\$233
Approximate worth of Twins owner Carl Pohlad, in billions	\$2.2
Vikings owner Red McCombs, in approximate billions	\$1.1
Amount spent on lobbying in 2003 by the Minnesota Twins	\$480,000
In 2002	\$960,474
Amount spent by Minnesota Vikings in 2003 on lobbying	\$560,000
In 2002	\$560,000
Year Memorial Stadium was torn down at the University of Minnesota	1992
Estimated cost to construct a 50,000 seat on-campus stadium, in millions	\$222

Sources: Minnesota Campaign Finance and Public Disclosure Board; Gov. Tim Pawlenty's Stadium Screening Committee; Ballparks of Baseball; Forbes magazine; Minnesota Twins; Minnesota Vikings; University of Minnesota.

FOR MORE INFORMATION

For general information, call:
House Information Office
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A NONPARTISAN PUBLICATION

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

APRIL 9, 2004

VOLUME 21, NUMBER 10

In this issue:

TRANSPORTATION FINANCE BILL PASSES

HOUSE SENDS OMNIBUS BILLS TO SENATE, AND MORE

HF3160-HF3170

Session Weekly

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On the cover: Spring finally settled on the State Office Building April 6 with warm temperatures and sunny weather. Ionic columns adorn the building built in 1932, under the administration of Gov. Floyd Olson.

—Photo by Tom Olmscheid

Funding formula

Transportation finance bill cuts revenue levels for transit, provides no privatization study or transit strike solution

By MIRANDA BRYANT

An omnibus transportation finance bill that would reduce Metro Transit funds by \$5.7 million during the next 15 months passed the House April 7, but without measures calling for the privatization of transit or a specific solution to the current Twin Cities metropolitan area transit strike.

The vote was 83-50.

The 3 percent Metro Transit operations cut in HF3141, sponsored by Rep. William Kuisle (R-Rochester), is in keeping with Gov. Tim Pawlenty's supplemental budget proposal. The reduction would equal \$1.7 million in the current biennium.

A second measure would cut \$4 million to Metro Transit and \$264,000 to Greater Minnesota transit services in the current biennium. This would result from freezing motor vehicle sales tax revenues appropriated for transit at the projected 2004 collection levels.

With DFL members chiding the governor and the Metropolitan Council for failing to act to end the month-old Metro Transit strike, Rep. Karen Clark (DFL-Mpls) unsuccessfully introduced an amendment that would order the council to reinstate the labor contract that existed prior to negotiations.

"We need to send a message that the contract that was originally in place should continue in place," Clark said. "That's what the union has asked."

In total, 28 amendments were offered on the House floor; 12 were successful.

Defeated was an amendment by Rep. Mark Buesgens (R-Jordan) that would have moved toward privatizing the metropolitan transit system. The amendment directed the Transportation Department to prepare a proposal by Dec. 15, 2004 allowing the transit system to be operated by nongovernmental entities.

The proposal would have included a process for soliciting bids from private entities and transferring transit contracts and assets to the successful bidders by July 1, 2006. It would have also included a plan to permit the Metropolitan Council to continue serving as the Twin Cities metropolitan area transit operator.

Buesgens, responding to objections brewing for several days, said voting against the amendment constituted approval of a system paralyzed by a labor strike.

"There is no (proposed) policy change," Buesgens said. "What this does, though, is it gathers information from now over the interim so we can indeed have that policy discussion next year."

Rep. Tim Mahoney (DFL-St. Paul) disagreed, saying the amendment sent a message to striking transit workers to "sit down, take the offer, shut up."

"What do you have against working people?" he said. "I don't understand."

Addressing the absence of a dedicated

transit fund in the state budget, Rep. Frank Hornstein (DFL-Mpls) offered an amendment to create a transit financing task force. Alternative sources for secure and stable funding would have been required for the study, including taxes on motor vehicle sales and commercial-industrial property, as well as state and regional sales taxes on goods and services.

Year after year, Hornstein said, it's the same: "Cut, cut, cut."

"We're going to have to deal with a permanent source sometime soon."

The amendment failed 73-58.

Rep. Alice Hausman (DFL-St. Paul) also offered a failed amendment to reverse the proposed freeze on transit appropriations from motor vehicles sales taxes.

Under current law, 21.5 percent of such revenues, which come from the general fund, are dedicated to Metro Transit and 1.43 percent to Greater Minnesota transit. This method of funding arose in 2001 when lawmakers disallowed continued use of property taxes for transit services.

The bill would change the percentages to dollar amounts of \$130.7 million and \$8.7 million, respectively. These amounts equal the projected 2004 collection amounts.

"Without this amendment we are starving the system out into the future and it's against the advice of virtually all transportation groups watching us," Hausman said.

Generating the most debate, however, was the failed amendment offered by Rep. Marty Seifert (R-Marshall) that mandated English-only driver's license tests. Debate began April 5 and continued April 7.

Seifert said an individual sent him an e-mail describing how a person who had taken the



PHOTO BY TOM OLMSCHIED

Funding for Metro Transit and transit services in Greater Minnesota would be reduced under the omnibus transportation bill approved by the House. An idea for ending the Metro Transit bus strike and a proposal to study the privatization of metropolitan transit were defeated.

driver's exam with the aid of a translator later drove through a "Road Closed" sign. Seifert said Minnesota administers the test in six languages and allows for translators to assist non-native English speakers. South Dakota and other states administer the test only in English, he said.

"If we were to go to a country where we had no idea what the language was, how would we be able to read the road signs?" said Seifert.

Kuisle, the bill's sponsor, supported the amendment. He said more electronic "scrolling" signs are being used at accident scenes and construction sites. Unlike traditional road signs, scrolling signs contain complex instructions that change with the situation.

"People have to know how to read in English in order for the change in technology that is coming," Kuisle said.

Dozens of legislators spoke passionately against the amendment, citing Minnesota's growing immigrant population as well as native English speakers who are illiterate. Several suggested that people would begin driving illegally if unable to receive a driver's license and corresponding automobile insurance because of the language requirement.

A recent U.S. Census counted 38,297 people employed in Minnesota who are not fluent in English, said Rep. Rebecca Otto (DFL-Marine on St. Croix). "We want people to work and not sit on welfare," she said.

Rep. Joe Mullery (DFL-Mpls) said current law requires all drivers to understand road signs. The Minneapolis deputy police chief, Mullery said, finds no correlation between English language skills and accidents.

"So do we stick our heads in the sand and say we don't want the facts to get in the way of prejudice?" Mullery said.


Rep. Cy Thao (DFL-St. Paul), who was born in Laos, spoke against the amendment.

"I think we're going backward," Thao said. "This is not the Minnesota that I love."

HF3141 also contains 3 percent operations cuts of \$118,000 to the Department of Public Safety and of \$15,000 to the Minnesota Department of Transportation.

The bill includes a directive to the Transportation Department to study the possible alignment of a second beltway outside Interstates 494 and 694 in the Twin Cities metropolitan area. In keeping with HF2247, sponsored by Rep. Andrew Westerberg (R-Blaine), a report — including timetables and right-of-way needs — would be due to the Legislature by Jan. 15, 2005.

An amendment to remove the study from the bill, offered by Rep. Ann Lenczewski (DFL-Bloomington), was defeated. A second beltway is estimated to cost between \$5 billion and \$8 billion, and Lenczewski said the beltway alone would require a \$1.10 gas tax hike.

The bill now goes to the Senate. 



Promoting Minnesota

Immigration board created in 1907 to attract immigrant settlers

Early in the 20th century, Minnesota's leaders were eyeing the number of immigrants to the United States and a potential boon to the state's economic development.

And in order to attract immigrants, particularly farmers, to Minnesota rather than surrounding states or further west, they passed a law to sponsor a concerted effort to promote the state's virtues to immigrant populations.

The State Board of Immigration was created in 1907 to disseminate information regarding the "general and special resources of the State of Minne-

sota, and the advantages of the state as a place of residence." The law further authorized letters, speaking tours, and legitimate advertising of the state "throughout the civilized world" in an attempt to "facilitate immigration of such persons of good moral character as may desire a change of domicile."

To achieve this goal, the board commissioned a railroad car and equipped it with crops, goods, and other natural resources that displayed the bounties of the state. The board also had a similar traveling display that made appearances at fairs, cultural events, and other similar functions.

In addition, the board prepared and distributed several publications and pamphlets about the state, land available, and other benefits to individuals. Its first year it received a \$25,000 appropriation, got a bump to \$35,000 shortly thereafter, and the budget dropped to \$25,000 per year before being reduced to \$18,000 in 1921. Attempts to increase the budget to \$100,000 with each biennial report were unsuccessful.

Each report also attempted to track how its efforts translated to individuals moving to Minnesota from neighboring states.

"In addition to seeking new settlers for Minnesota," wrote the commissioner in the 1912 report, "the department has paid special attention to the matter of inducing Minnesota people to stay in Minnesota, rather than go to Canada and other western countries."

"It seems to be the general consensus (sic) of opinion that Minnesota should not lag behind other sections in presenting her claims to the world. This is an age of great

competition between states and countries. The west is offering most inviting propositions to the land seeker."

Many times, the board contended that attracting settlers was essentially a business proposition, which benefited all regions and taxpayers.

"Every time a new settler is brought to Minnesota and placed on the land, the tax-

able value of the state receives a substantial addition," said a 1922 report. A new settler "not only adds to the resources of the state, but he

helps lift a portion of the burden of taxation from the shoulders of the other taxpayers of the state."

Reports indicated that the board responded to thousands of requests for information about the state's opportunities, and the traveling displays were always popular features, attracting thousands of spectators.

In addition to its promotional activities, the board collected statistics regarding trust lands, land sales, land use, crop production, and other such details. Those figures were used to show the prosperity the state's lands could offer someone new.

And the board ultimately became an advocate for real estate licensing, having discovered evidence that land was being sold for far more than its fair market value to inexperienced buyers.

In 1922, the board's report called the unscrupulous dealer "the land shark," advertising themselves as government homestead locators and selling the same piece of land to different settlers. The report detailed how the dealers preyed on poorer settlers who already came to Minnesota with limited means.

"Minnesota can ill afford to continue to carry these heavy liabilities, to say nothing of losing the settler, who, with a fair deal, would in due time have become an asset."

A government reorganization effort in 1925 transferred the duties of the immigration board and the commissioner to the Department of Conservation, which later became the modern-day Department of Natural Resources.

(M. KIBIGER)



The Minnesota Exhibit Car.

Editor's Note: The House has passed all of its omnibus bills, except for the bonding and taxes bills, which may be forthcoming. The Senate has also passed supplemental budget bills, but it combined all of its measures into two bills. The first contains all the reduced appropriations necessary to balance the biennial budget – those measures were amended into HF2028, the House judiciary finance bill. The other bill (HF956) deals with supplemental budget and policy issues. The differences must now be settled by conference committees.

★ AGRICULTURE

Omnibus provisions

Across the board 3 percent budget cuts to the Department of Agriculture and Board of Animal Health are included in a bill passed 81-48 by the House April 5.

Under the omnibus agriculture and rural development finance bill (HF2755), sponsored by Rep. Elaine Harder (R-Jackson), a combined \$390,000 would be cut from the entities operating budgets, as recommended by Gov. Tim Pawlenty.

The bill also calls for an additional \$191,000 to be appropriated from the general fund for control of tree-damaging gypsy moths and other non-native "invasive species."

The governor recommended \$200,000 for combating insects and other pests harming plants and vegetation.

The bill, which now moves to the Senate, includes \$77,000 in proposed fee increases for grain producers, elevator operators, and licensed public grain warehouses and would expand farmer access to a number of public/private loan programs coordinated by the Rural Finance Authority.

"Using existing money, this bill improves (farmers') access to capital," said Rep. Dean Urdahl (R-Grove City). "We lose a dairy farm every day in Minnesota. There is an impending disaster in the pasture."

The bill would increase the maximum state share of loans and the property base value that loan applicants declare to be eligible for the private sector initiated loans. State bonding proceeds and some general fund revenue primarily fund the finance authority's loan programs for beginning and established farmers.

Much of the House debate centered on a proposed change that would make it more difficult to bring a "nuisance" lawsuit against a farm.

As initially proposed in HF2658, sponsored by Rep. Howard Swenson (R-Nicollet), a farm

would have "an affirmative defense to a private or public nuisance claim" if it was in a properly zoned area; met federal, state, and county regulations; and operated under "generally accepted agricultural practices."

An amendment by Rep. Mary Ellen Otremba (DFL-Long Prairie) that would keep the existing state statute on nuisance claims was defeated.

Otremba said protections in law are necessary regarding potential injuries, health and safety, and environmental issues. "It's the small farmers who are jeopardized," she said. "It's the large farmers that sometimes go a little over the edge."

Countered Swenson, "The issues you brought up are completely irrelevant to the nuisance law."

Members defeated an amendment by Rep. Carlos Mariani (DFL-St. Paul) that would have ended state funded ethanol production credits for the Gopher State Ethanol plant in St. Paul.

"Why don't we take these credits and put (the plant) out in rural Minnesota," Mariani said. The ethanol plant — the only one located in an urban area — has been the subject of a number of odor and pollution complaints from nearby residents.

The bill would also change a number of requirements in ownership disclosure reports ethanol plant producers file with the Agriculture Department. The reports would be required annually, rather than quarterly, and would not be linked to state payment of ethanol production credits.

"This is more workable language," Harder said. The owner disclosure reports were enacted by the 2003 Legislature as a condition of ethanol plants receiving the 13-cents-per gallon production credit.

A companion bill (SF2731), sponsored by Sen. Jim Vickerman (DFL-Tracy), has been rolled into SF2428, also sponsored by Vickerman. It awaits action on the Senate floor.

★ BUSINESS

Registration, titles for vehicle dealers

A bill heard by the House Taxes Committee April 1 would allow motor vehicle dealers to register and apply for titles for vehicles in their inventory, without paying for a full year of registration tax. In addition, certain dealers would be allowed to keep their title information in a central location, under the bill.

HF2024, sponsored by Rep. Michael Beard

(R-Shakopee), will be considered for inclusion in the committee's omnibus bill.

Under the bill:

- dealers could register a vehicle — meaning they may obtain license tabs — they are holding for resale as long as it has a Minnesota title,
- motor vehicle dealers may apply for a vehicle title and pay one month's registration tax rather than the tax for the full year, and
- three or more dealers under common management may designate a central location to keep vehicle title records more than a year old.

At issue is an administrative change within the Department of Public Safety's Division of Driver and Vehicle Services. Pat McCormack, acting director of the division, said that officials found a discrepancy in the law governing whether dealers were required to pay one month of registration tax or 12 months when registering a vehicle.

Alyssa Schlander, director of government affairs for the Minnesota Auto Dealers Association, said the bill reflects practice prior to the department change requiring 12 months of registration tax to obtain a title.

In addition, she said, the association supports the bill because it's "bad business practice to offer vehicles for sale with expired license tabs."

A bill summary provided by the Department of Revenue indicated it would result in a loss of \$850,000 in revenue to the highway user tax distribution fund. However, members and witnesses had trouble determining whether the money would indeed be lost or if its collection would simply be delayed until the vehicles were sold, at which time the purchaser would pay registration taxes.

McCormack said the items are not tracked by the Public Safety Department, which makes the estimates "uncertain."

"At the end of the day, the state will get its money, it's just a matter of when," Beard said.

The bill's Senate companion (SF1957), sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action in the Senate Finance Committee.

Regulating Internet tobacco sales

A bill being considered by the House Taxes Committee for inclusion in its omnibus bill would impose restrictions on delivery sales of tobacco products, such as when individuals purchase the items on the Internet and they are delivered to an individual's home.

The bill (HF2912), sponsored by Rep. Kurt

Zellers (R-Maple Grove), was heard April 1 by the committee. Zellers described the essence of the bill as keeping cigarettes out of the hands of youth and making sure cigarette sales are reported so that the proper taxes are being paid and collected.

Specifically, the bill would require sellers to collect the following information from a consumer:

- copy of government-issued identification that verifies an individual's age,
- signed statement by purchasers that verify they are old enough to purchase the goods and willingly chose to receive solicitations, and
- e-mail address of purchaser, if the solicitation was Internet-based.

In addition, upon delivery of goods, the sellers must:

- provide the delivery service, such as United Parcel Service or Federal Express, with the age of the purchaser;
- mark the outside of the package to show that it contains tobacco products subject to age verification; and
- indicate any special requirements – including that individuals must sign for the package, must be the same person indicated on the package, and must show government ID to receive the package – to the delivery entity.

Many of the requirements aim to avoid situations where an underage person claims the item is for their parent who is unavailable or similar situations. Jeremy Hanson, public policy director for the Minnesota Smoke-Free Coalition, cited a report from the William Mitchell College of Law which showed a number of Internet tobacco sellers are allowing tobacco products to be purchased and delivered without verifying age.

One instance in the report, Hanson said, showed an 8-year-old receiving a package containing tobacco products.

Toby Spangler, a lobbyist for Phillip Morris USA, testified in support of the bill, saying estimates indicate states will lose at least \$1.4 billion in tax revenue in 2005 due to Internet tobacco sales. The organization is concerned with improper collection of excise taxes, illegal importation of tobacco products, and greater access to underage smokers.

Members expressed concern regarding how the taxes would be collected. Researchers explained that taxes are collected under the same procedures used for remote sellers, or companies and businesses whose place of business is not located in the state, but sales that involve Minnesota consumers are subject to Minnesota taxes.

The bill's Senate companion (SF1175), sponsored by Sen. Ellen Anderson (DFL-St. Paul), awaits action in the Senate Taxes Committee.

★ CRIME

Graffiti ramifications

A new law aimed at reducing the amount of graffiti on Minnesota walls, fences, and train cars was signed by Gov. Tim Pawlenty April 2.

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Effective Aug. 1, 2004, the law will allow individuals whose properties are vandalized by graffiti to collect up to three times the actual property damages from the offender in civil court. Courts may order offenders to clean up the graffiti as an alternative to paying damages. If the offender is a minor, the law holds parents liable for up to \$1,000 in damages, plus attorney's fees.

Supporters told the House Civil Law Committee in 2003 that the law would bring more offenders to justice because of the lower standards of evidence required in civil courtrooms. Graffiti vandalism is punishable in criminal courts, but police must obtain an eyewitness or a confession.

The Minnesota Defense Lawyers' Association opposed the provision that makes parents liable for their children's graffiti. The group said attorney's fees and the \$1,000 fine punish parents for activities beyond their knowledge or control. And, the association said, criminal courts should maintain jurisdiction in ordering clean-up duties.

Sponsors of the new law are Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls).

HF339/SF40*/CH149

★ DEVELOPMENT

JOBZ exclusion for retail

Retail businesses would be excluded from the businesses qualified to receive benefits through the job opportunity building zones (JOBZ) passed during the 2003 session under a bill heard April 1 by the House Taxes Committee.

HF2316, sponsored by Rep. Tim Mahoney (DFL-St. Paul), will be considered for possible inclusion in the omnibus tax bill.

According to Louis Jambois, director of the business and community development division of the Department of Employment and Economic Development, the bill would formalize in law the current practice of the department in the program.

The program, Mahoney said, was "designed and proposed to create \$10, \$15 per-hour jobs" which are not typical in retail establishments.

The JOBZ program established zones in Greater Minnesota to encourage economic

development. Within zones, businesses are eligible for a number of tax exemptions, including: corporate franchise tax, income tax for operators or investors, sales tax on goods and services, property tax on commercial and industrial improvements but not on land, wind energy production tax, and employment tax credit for high paying jobs.

Jambois said the current minimum wage for jobs in the zone is \$9.72 per hour, which equals 110 percent of federal poverty guidelines. He said it will increase as federal poverty guidelines increase.

Rep. Joe Mullery (DFL-Mpls) questioned why retail businesses weren't initially excluded in law if the intent was to exclude them eventually anyway.

Jambois said the department wanted to see what kind of retail establishments would apply for the program. In the department's experience, either "Main Street" retail businesses within zones are applying or large retailers that wish to compete with those businesses. He said the law was intended to stimulate manufacturing development and other such businesses, which attract workers and build communities.

Buzz Anderson, president of the Minnesota Retailers Association, said his organization opposes the bill because of the benefits retailers provide to a community – particularly small-town retailers – and the general negative attitude toward retail businesses the bill reflects.

"We object to the tone of this bill," Anderson said.

In response, Rep. Laura Brod (R-New Prague) said she understands the importance of strong retail businesses, but that the intent of the JOBZ program was to stimulate the local economy with high-paying, manufacturing-type jobs, which would put money in people's pockets they could spend on the local economy, including retail businesses.

The bill's Senate companion (SF2478), sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action in the Senate Taxes Committee.

★ EMPLOYMENT

Omnibus bill approval

An omnibus jobs and economic development finance bill that its author said is not perfect, "but it's about as good as we can get under the circumstances," passed the House 91-40 April 7.

The measure balances the budget without getting in the way of private sector job growth, said Rep. Bob Gunther (R-Fairmont), the sponsor of HF3090.

Included in the bill is a \$1.1 million cut to state agency budgets under the jurisdiction of

the House Jobs and Economic Development Finance Committee to fulfill a 3 percent reduction that the governor requested. It would also authorize an \$8.9 million shift from several accounts, including the 21st Century Minerals Fund, into the general fund to help balance the budget and it restores monies to some programs that received cuts in last year's budget cutting measures.

Minority Leader Rep. Matt Entenza (DFL-St. Paul) said, he and many of his colleagues, would be voting against the bill "because this is a jobless jobs bill." Many of the programs that help small businesses would receive cuts and it wouldn't develop many jobs for Minnesotans who want to work, he said.

Among the programs Entenza referred to were: WomenVenture, the Minnesota Film Board, and the Metropolitan Economic Development Association.

Other provisions in the bill include:

- an increase in petroleum inspection fees for costs of inspections performed,
- manufactured home park owners who install measuring devices would be required to charge residents for actual water and sewer usage,
- the Minnesota Housing Finance Authority would be permitted to participate in refinancing long-term mortgages for low- and moderate-income families or individuals, and
- the transfer of cosmetology regulations to the Board of Barber Examiners, which, under the bill, would be renamed the Board of Barber Cosmetologist Examiners. Currently, cosmetology regulation is done by the Department of Commerce.

The Minnesota Historical Society would receive a one-time appropriation of \$664,000 for the operation of seven historical sites, while making a base budget reduction of \$300,000. An additional \$368,000 per year base reduction for fiscal years 2006 and 2007 is included in the bill. The society would also be prohibited from charging a fee for general tours of the State Capitol.

Rep. Lynne Osterman (R-New Hope) said the bill positions the state for a better economy and job growth. She urged members to look at the "big picture job growth opportunity" the bill creates.

The only reason a person could vote in favor of the bill, said Rep. Tim Mahoney (DFL-St. Paul), was because of a provision that would give 38 reservists serving in Iraq unemployment compensation benefits upon their return.

A failed amendment by Rep. Tony Sertich (DFL-Chisholm) would have eliminated non-compete contracts for broadcast employees. Such provisions prohibit employees from working in a specific geographic area after the termination of employment.

For the Legislature to inject itself into the debate of non-compete contracts for one profession "doesn't seem good at all," said Rep. Jeff Johnson (R-Plymouth).

The bill now goes to the Senate, where Sen. Dallas Sams (DFL-Staples) is the sponsor.

★ ENVIRONMENT

Adjusting environmental budgets

The House passed a supplemental environment finance measure April 7 that aims to help cancel a forecasted budget deficit and improve the efficiency of the state's approach to cleaning up polluted waters.

The bill (HF1867), sponsored by Rep. Dennis Ozment (R-Rosemount), would reduce environmental agency budgets for fiscal years 2004 and 2005 by nearly \$3.6 million. The vote was 81-50.

The bill is closely aligned with the 3 percent overall agency reductions proposed by Gov. Tim Pawlenty, said Ozment.

Under the bill, general fund reductions to the Pollution Control Agency budget would be \$281,000. However, the agency would receive \$70,000 from the Environmental Fund to coordinate work on impaired waters through a Clean Waters Council that is established in the bill.

The council establishment was recommended by a recent impaired waters group

convened by the agency to reach consensus on policy and funding approaches to meet federal polluted waters cleanup requirements.

The bill places water as the number one priority, Ozment said, and it also includes provisions to extend shoreland protection efforts, provide loans for septic system repairs, and encourage the use of innovative technologies in septic systems.

Minnesota currently spends \$289 million per year on water pollution reduction and clean up, he said, and the council will provide for greater efficiency and focus of these efforts.

"A council is a lovely thing but we need action," said Rep. Jean Wagenius (DFL-Mpls).

The bill would make a budget reduction for the Department of Natural Resources of approximately \$2.6 million, including \$240,000 from metropolitan regional parks grant funding.

Other notable provisions would direct the department to study construction aggregates on school trust fund lands, snowmobile use in the state, as well as new concepts for local lake management funding.

The bill would modify the current forestry funding structure by creating a forest management investment fund in the state treasury to collect timber sale receipts from certain lands administered by the department's forestry division. Those dollars would be rededicated to forestry management.

Also under the bill, the Legislative Commission on Minnesota Resources is directed to

TARTAN DAY



PHOTO BY LISA MARIE SANDERS

Jack Campbell of Stillwater places his clan's flag among the many others representing Scottish clans that gathered on the State Capitol steps April 6 to celebrate Tartan Day. Designated by the U.S. Senate as April 6 each year, the day recognizes the contribution made by generations of Scots-Americans to the foundation and prosperity of modern America. The Scottish Declaration of Independence was signed on April 6, 1320.

review funding, examine funding inequities between regional parks in the metropolitan area and those in Greater Minnesota and the appropriation for certain commission initiatives would be extended.

Another provision would require auto recyclers to remove all mercury switches from vehicles before they are crushed, rather than merely make a good faith effort as is stated in current law. Under the bill, the penalty for the first violation would be a petty misdemeanor and a subsequent violation would be a misdemeanor.

Ozment successfully amended the bill to remove a number of all-terrain vehicle management provisions that would reverse some restrictions enacted in 2003 on off-highway vehicle use on certain types of wetlands, give the department the option to leave a state forest classified as managed, and create a vehicle safety and conservation grant program.

"There is a desire in this state not to retreat from an agreement that was made just last year," said Rep. Alice Hausman (DFL-St. Paul) in support of the amendment.

The provisions will be brought forward next week in a separate all-terrain vehicle bill, said Rep. Tom Hackbarth (R-Cedar). "Look forward to the battle," he said.

The House plan matches the governor's recommended budget cuts for the following agencies: \$132,000 from the Environmental Assistance Office, \$127,000 from the Board of Water and Soil Resources, and \$197,000 from the Minnesota Zoological Garden.

The bill now moves to the Senate, where Sen. Dallas Sams (DFL-Staples) is the sponsor.

★ GOVERNMENT

Funding state government

The House passed an omnibus state government finance bill April 6 that would cut several state agency budgets by 3 percent, as recommended by the governor, appropriate funds to three military affairs programs, and make changes to the functions of the Campaign Finance Disclosure Board.

The vote was 90-41.

Sponsored by Rep. Bill Haas (R-Champlin), HF2684 would raise general revenue funds by \$8.1 million through the sale of state lands, unclaimed prize money from the Minnesota State Lottery, and filing fees from fair campaign practices. Combined with the agency reductions, as recommended by Gov. Tim Pawlenty, the net savings to the general fund equals about \$12.8 million.

The Department of Military Affairs faces a general operating budget reduction of \$222,000; however, additional appropriations

for fiscal year 2005 are included for the tuition and textbook reimbursement program (\$3.1 million), re-enlistment bonus program (\$1.5 million), and National Guard Youth Camp at Camp Ripley (\$50,000).

The bill would also increase the size of the Campaign Finance and Public Disclosure Board by three members and gives the board, instead of county attorneys, the primary responsibility for handling complaints for violations of the Fair Campaign Practices Act and campaign finance reporting requirements for local elections.

Several amendments were added to the bill on the House floor.

One sponsored by Rep. Eric Lipman (R-Lake Elmo) combined several House bills (including HF1119, HF1703, HF1868, and HF2989) related to elections that Lipman said would "help break the log jam" in the Senate where the bills are not moving through committees.

One provision would create a uniform statewide system during elections that would entail the use of new voting machines to verify votes, to change or correct votes before ballots are counted, to produce a permanent paper record of a ballot, and to preserve the records in case of a recount. Dollars to do this would come from federal funds appropriated to the Minnesota Secretary of State's Office that are part of the federal Help America Vote Act of 2002.

Another portion creates uniform election days for both state and local elections, except for special elections to fill a vacancy, and requires that voting hours match those as the general election in each location for each election.

Rep. Lynne Osterman (R-New Hope) sponsored a successful amendment that would give the State Board of Investment the ability to invest in business opportunities without being required to disclose certain types of information. Originally introduced as HF3061, the provision provides for protection of proprietary information, which upon its release could cause competitive harm for a business or the board itself.

An amendment offered by Rep. Jim Rhodes (R-St. Louis Park) and added to the bill would permit sports tipboards to be added to the list of lawful gambling. A tipboard is defined as "a board or placard that is not required to contain a seal, but for which the winning numbers are determined in whole or in part by the outcome of one or more professional sporting events."

Other provisions amended to the bill include: allowing local units of government to opt out of unfunded mandates, giving schools the authority to erect and maintain electric windmills, and reinstating a child-care program for state employees.

Rep. Karen Clark (DFL-Mpls) failed to amend the bill to grant state employees sick

leave with pay for absences including the illness, disability, or death of a regular family member of the employee's immediate household.

★ HOUSING

Proof of a paid mortgage

A new law that will ensure homeowners who are paying off mortgages receive certificates of satisfaction — despite any multiple refinancing efforts — was signed by Gov. Tim Pawlenty April 6.

The law addresses a problem stemming from today's climate in which finance companies frequently change names and homeowners refinance mortgages multiple times in search of lower interest rates. As frequently happens, transferring documents are not filed with the county records office. This makes it difficult to clear the mortgage.

Effective Aug. 1, 2004, the law will require that the satisfaction certificate list the name of the broker, the mortgage provider and the property owner, as well as the date of the mortgage, the date of the recording of the document, and the volume and page number or document number of the mortgage in the real property records where the mortgage is recorded.

Sponsors of the new law are Rep. Thomas Pugh (DFL-South St. Paul) and Sen. Thomas Neuville (R-Northfield).

HF1805/SF1621*/CH153

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★ HUMANITIES

State observance

A new law signed by Gov. Tim Pawlenty April 2 declares October 16 as Dr. Norman E. Borlaug World Food Prize Day in honor of his contributions to humanity through work in agriculture.

Borlaug, one of only four living Nobel Peace Prize winners in the United States, is credited with saving millions of lives by averting famine and alleviating hunger and malnutrition through his invention of a high yielding, disease resistant variety of wheat available in more than 20 nations. He won the prize in 1970.

A University of Minnesota graduate, Borlaug, who celebrated his 90th birthday March 25, continues to fight hunger by helping farmers in several countries increase their production.

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The new law, sponsored by Rep. Alice Hausman (DFL-St. Paul) and Sen. Ellen Anderson (DFL-St. Paul), says that public schools may offer instruction and programs in observance of his contributions.

Hausman quoted Borlaug on the House floor: "Have you ever been hungry? Hungry for three or four days? One needs to have that experience. When people are hungry, it disrupts everything."

The celebratory date was chosen because it coincides with the United Nations World Food Day, said Hausman.

HF2878*/SF2537/CH148

★ INSURANCE

Life insurance premium tax

A bill heard by the House Taxes Committee April 1 would reduce the tax that life insurance companies pay on premiums from 2 percent to 1.5 percent.

The move would bring Minnesota in line with 16 other states.

Under current law, when a life insurance company sells a policy, it pays a tax on premiums to the state where the insured individual resides. However, if that life insurance company is located in Minnesota, the premium tax rate in Minnesota is applicable.

The practice is called a "retaliatory tax" in the industry, said Leslie Chapman, tax director for Minnesota Life, a St. Paul-based insurance company.

Even though the rate in Iowa is less than 2 percent, Minnesota companies pay a 2 percent tax on premiums sold there, Chapman said.

According to information distributed to the committee, life insurance premium taxes are higher than 2 percent in 18 states, 2 percent in 16 states, and less than 2 percent in 16 states.

Bob Johnson, executive vice president of the Insurance Federation of Minnesota, said that a number of companies have relocated to states that have lower premium taxes, including Aflac, which moved from Georgia to Nebraska recently.

HF2501, sponsored by Rep. Ron Abrams (R-Minnetonka), the committee chair, will be considered for inclusion in the committee's omnibus bill. Its Senate companion (SF2406), sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action in the Senate Taxes Committee.

Property and casualty companies would also be subject to the 1.5 percent rate, under the bill.

According to a summary provided by the Department of Revenue, enacting the change for fiscal year 2005 would result in \$7.2 million in lost revenue and \$8.4 million in 2006.

Several members discussed the fiscal implications of the bill and suggested that the change be phased in and asked that department officials examine the potential costs of that plan.

★ LOCAL GOVERNMENT

Electronic payments, receipts

Township governments may pay bills and accept payments via electronic funds transfer, under a new law signed by Gov. Tim Pawlenty April 6.

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governor
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Effective April 7, 2004, the new law provides townships the same authority cities and counties were granted by the 2001 Legislature to process business transactions electronically.

Township governments can make payments by electronic or wire funds transfer, and accept payments by credit or debit card, and other forms of electronic or wire funds transfer.

A representative of the state's township association testified before the House Local

RESORT REPORT

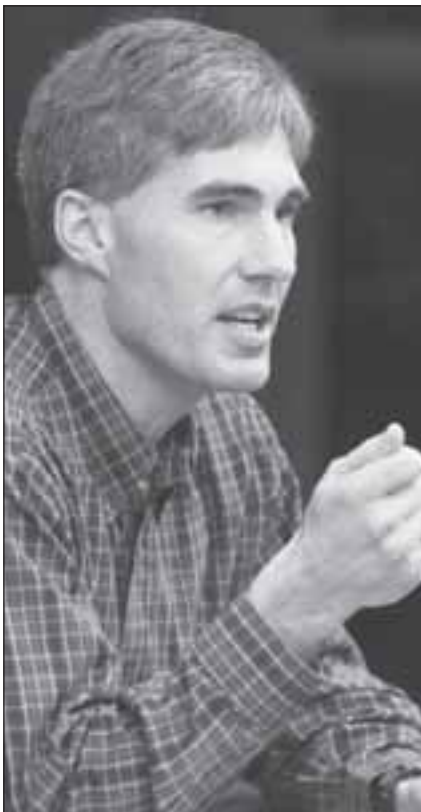


PHOTO BY TOM OLMSCHIED

David Burd of Fair Hills Resort in Detroit Lakes testifies before the House Taxes Committee April 1 in support of a bill that would modify the first-year inclusion calculations of resort property subjected to limited market value property tax provisions.

Government and Metropolitan Affairs Committee in February that the bill would help town governments reduce service costs.

Sponsors of the new law are Rep. Loren Solberg (DFL-Grand Rapids) and Sen. David Tomassoni (DFL-Chisholm).

HF2033/SF1958*/CH152

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'Ambitious goal'

Report assesses phosphorus in water treatment facilities and surface waters, recommends pollution prevention methods

By NICOLE WOOD

Phosphorus, a naturally occurring element in all living cells, is the primary nutrient polluting Minnesota's waters, according to the Pollution Control Agency. As an additive in fertilizers and detergents, phosphorus can help keep lawns green and dishes sparkling. But if an overabundance of this nutrient reaches lakes and streams, it can cause algae bloom, effectively choking other aquatic plants and depleting the oxygen supply.

The application of phosphorus fertilizers on most Twin Cities area lawns was restricted by law beginning Jan. 1, 2004. However, lawmakers continue to look at reducing other sources of phosphorus pollution.

Legislation introduced by Rep. Ray Cox (R-Northfield) in 2003 would limit the amount of phosphorus in dishwasher detergents sold in Minnesota to 0.5 percent by weight or less after Aug. 1, 2005. HF1401 has no Senate companion and did not advance from the House Environment and Natural Resources Finance Committee prior to House committee deadlines.

The current phosphorus limit is 11 percent by weight, and several leading brands range between 6 percent and 8 percent content by weight, according to the Minnesota Environmental Partnership. Cox said phosphorus-free detergents are available on the market for consumers to purchase.

While some cleaning agent industry representatives argued during committee discussion that phosphates are needed to soften water and perform a significant portion of cleaning during the wash cycle, others said those functions could be performed by auxiliary materials, such as sodium citrate, at comparable costs.

The Pollution Control Agency took a neutral approach toward the bill because they did not yet have enough scientific data on detergents or chemicals that could be used as alternatives.

Instead, a 2003 law gave the agency the responsibility to study the correlation between reduced-phosphorus dishwasher detergents and improved water quality and then report back to the Legislature and recommend how best to assist local governments with removing phosphorus at the

wastewater treatment stage.

The 2003 legislation also set a state goal for reducing phosphorus from sources, other than human waste products entering municipal wastewater treatment systems, of at least 50 percent based on a timeline developed by the agency, under the study, and a reasonable estimate of the amount of phosphorus from those sources entering the systems in 2003.

Preliminary findings from the study, released in March 2004, recognize that phosphorus con-

sources: residential, commercial, and institutional automatic dishwasher detergents; commercial and industrial process wastewater; and water treatment chemicals.

The study finds that automatic dishwashing detergents contribute 19 percent of phosphorus pollution in water going into municipal wastewater treatment facilities and, on the other end, approximately 3 percent of the total phosphorus contributions to surface waters in the state.

"Public education about the use of (automatic dishwasher detergents) based on (relative water) hardness and the availability of no- and low-phosphorus content products should be encouraged," according to the report.

The study also finds that a 50 percent phosphorus reduction goal at the treatment plants

"Because of the general nature of this analysis, it can be true that sources of phosphorus, which are deemed minor at the basin scale, may actually contribute the majority of phosphorus to specific surface water bodies. ... Because of this there is still a need to complete individual assessments of specific watersheds to evaluate specific loading conditions."

— Conclusion from a Pollution Control Agency report titled "Detailed Assessment of Phosphorus Sources to Minnesota Watersheds."

View the full report on the Internet at www.pca.state.mn.us/hot/legislature/reports/phosphorus-report.html

tributions to Minnesota waterways from point and nonpoint sources vary geographically and under diverse climates.

Point sources include municipal wastewater treatment and industrial facilities where the source of pollution is easily discernible at the end of a discharge pipe.

Major nonpoint phosphorus sources to surface waters include cropland and pasture runoff, deposits from the atmosphere (blowing soil, for example), and stream bank erosion.


The study concludes that under average flow conditions, the total phosphorus contribution from point sources represents 31 percent of the loadings to surface waters statewide versus 69 percent attributable to nonpoint sources.

The report's overall recommendations for reducing phosphorus loads to publicly owned water treatment facilities suggest that efforts should focus on the following incoming

"appears to be an ambitious goal." To reach that figure, phosphorus from automatic dishwasher detergents and water treatment chemicals would need to be eliminated completely and commercial and industrial process wastewater would need to be reduced by more than 64 percent.

But, according to the report, removing phosphorus discharges from industrial and commercial sources would be a difficult task.

"In most cases, reduction would have to come from resource/product substitution, improvements in technology, through recycling and reuse, and through pretreatment of wastewater prior to discharge to the (treatment facility)."

The agency has rulemaking authority over phosphorus standards, but a letter accompanying the report states it has no intention to adopt rules to remove additional phosphorus from cleaning agents and water conditioners without a legislative public policy decision and further direction. 

Tight budget

Health and human services finance bill provides additional cuts, new policy and cost containment measures

By MARY KAY WATSON

Lawmakers wrestled with their differences for almost five hours April 2 before passing HF1681, the omnibus health and human services finance bill.

The bill, as amended, would cut \$63.8 million from the 2004-05 general fund for health and human services spending and transfer \$71 million from the Health Care Access Fund to the general fund for 2004-05. It passed 83-46.

"The health care cost explosion is a huge problem," said Rep. Fran Bradley (R-Rochester), the bill's sponsor. "This bill addresses smart portfolio management and builds toward a better future."

Rep. Thomas Huntley (DFL-Duluth) lamented the "raid" last year on the Health Care Access Fund, which funds MinnesotaCare, a health insurance subsidy program.

"Some parts of this bill are good," said Huntley. "But there's nothing in the bill that will do anything about the 38,000 people who have lost their health insurance because of cuts last year."

"Those 38,000 people are still going to be there, they're still going to get treated, and the hospitals will have a shortfall, and when the hospitals don't get paid, they raise the rates," he said.

"This is a bill only the Sheriff of Nottingham would love, said Rep. Cy Thao (DFL-St. Paul). "First you steal from the poor, and then, if that isn't bad enough, you steal from the working poor."

"Minnesota's per capita spending on health care is \$379 – the highest in the nation, Bradley said. "We are taking the lead in trying to help with health care costs."

Bradley praised Minnesotans for their compassion toward people in need. He said the difference between the DFL and Republican sides of the House was not one of compassion but one of strategy.

Among the bill's features is an amendment successfully offered by

Rep. Gregory Davids (R-Preston) that would mandate health insurance coverage for ovarian cancer screening procedures for women who are at risk. The amendment reflected the language of a bill (HF2685) sponsored by Davids and approved by the House Commerce, Jobs, and Economic Development Policy Committee.

"This is a cost saving, life saving amendment," said Rep. Karen Clark (DFL-Mpls) in support of the measure. "Ovarian cancer is the deadliest gynecological cancer."

Ovarian cancer is often misdiagnosed because its symptoms are similar to many common complaints, Dr. Patricia Judson, from the University of Minnesota Gynecologic Oncology Department told the committee in March. When detected in stage one, the chance of survival is 95 percent, she said. However, with later diagnoses, it drops to 25 percent.

Clark said the cost of the test is \$106, whereas the cost of treating late-stage ovarian cancer is in the millions.

Bradley opposed the amendment on the grounds that the bill contains a moratorium

on mandates. "Every time we take action to mandate something we risk that people will not be given insurance," he said.

"We provided a mandate for men with prostate cancer screening," Clark said. "Should we do less for women? Let's get some equity here."

Mandates are going to be the "straw that breaks the camel's back," said Rep. Denny McNamara (R-Hastings). He said, as a small business owner, he has seen health care insurance costs quadruple since 1996.

The bill makes cuts in the Minnesota Family Investment Program, a reduction that caused many DFL legislators to express concern.

"We continue to balance the budget on the backs of those who can least afford it," said Rep. Frank Hornstein (DFL-Mpls).

Among the welfare-related provisions, the bill would cut welfare grants to people who live in subsidized housing by as much as \$150 a month. It would also place a one-year limit on postsecondary education or training as an approved work activity under the program. Current law imposes a two-year limit.

"We should be investing in people and helping them to have stable lives," Clark said. "If women don't have educational opportunities, they will remain stuck."

Rep. Mary Ellen Otremba (DFL-Long Prairie) offered a failed amendment that would repeal a family cap placed on the program last year. She said a New Jersey study showed when family caps put a ceiling on welfare assistance, the abortion rate increased by 14 percent.

Under the bill, family planning grant funds could not be paid to any organization that, directly or indirectly, subsidizes abortion services or administrative expenses or refers patients to organizations that provide those services.

"The obvious way to stop abortions is to prevent unintended pregnancies, and the best way to prevent unintended pregnancies is through increasing family planning efforts," said Rep. Katie Sieben (DFL-Newport). For every dollar spent on family planning, the state saves \$4, she noted. The Legislature cut 25 percent of family planning funding last year.


"All we're saying is abortion is not a family planning method," Bradley said. 



PHOTO BY TOM OLMSCHIED

Members debated the House Health and Human Services Finance bill for nearly five hours before passing it on to the Senate April 2. Included was an amendment to mandate insurance coverage for ovarian cancer screening. Speaking against the additional mandate was the bill's sponsor, Rep. Fran Bradley, right, and speaking for it was Rep. Phyllis Kahn, left.



DOME IN CHROME

The State Capitol is reflected in the chrome of the nearly 50 collector cars brought by members of the Minnesota Street Rod Association to the Capitol grounds April 7 as part of the association's Annual Run to the Hill.

Photos by Tom Olmscheid and Andrew VonBank





Financing the Metrodome

A combination of sources used 25 years ago could be mirrored to create new homes for Twins, Vikings

By TOM LONERGAN

It took 10 years of deals and disagreements in city halls, regional councils, the Legislature, and the courts before ground was broken in December 1979 for the Hubert H. Humphrey Metrodome.

If that time span is any barometer, 2004 could be a key year in the latest multiyear stadium debate that began in 1997 with consideration of a new publicly funded baseball stadium for the Minnesota Twins.

Since then, the Minnesota Vikings have jumped into the stadium ring of controversy. Both professional franchises say that due to changing sports industry economics, they need more stadium-based fan and related commercial revenue than the 22-year-old Metrodome can generate.

A bill (HF3089) to establish a Minnesota Stadium Authority that would negotiate with the teams and prospective host local governments to locate, plan, finance and build two stadiums, awaits a hearing before the House Taxes Committee.

Rep. Doug Stang (R-Cold Spring) is the sponsor of the House bill. Its companion (SF2536), sponsored by Sen. Steve Kelley (DFL-Hopkins), is set to next be heard by the Senate State and Local Government Operations Committee.

The Metropolitan Sports Facilities Commission, the regional agency that owns and operates the Metrodome, boasts in a 1995 report on the stadium's history that it's "the only public stadium in the country that does not rely on a continuous tax subsidy."

The commission levies a state-required 10 percent admission tax on tickets to all Metrodome events.

Public sector financing covered 70 percent of the \$123.7 million cost to build and initially operate the downtown Minneapolis multi-use stadium.

The Metropolitan Council issued \$55 million in revenue bonds for stadium construction, a Minneapolis lodging/liquor tax provided \$15.8 million, and a seven-county metropolitan area liquor tax provided \$8 million. Minneapolis also provided a \$4.5 million share of parking revenues and spent \$4 million to move sewer and water lines and re-route streets for the stadium.

Interest income on bond proceeds provided \$13.2 million for Metrodome construction. Private corporations—through gifts of land, funding the relocation of a juvenile jail, and other contributions—provided about \$23.1 million. The latter total included \$5.5 million from the Vikings and \$855,000 from the Twins.

When the sports facilities commission was

1984. Lodging/liquor tax revenue ended that year but could be re-activated if stadium revenues and reserves failed to cover remaining debt service and other obligations.

For 10 years, the city provided a portion of parking revenues from three city-owned structures. The Metrodome continues to receive \$75,000 annually from city parking meter revenues.

Dan McElroy, Gov. Tim Pawlenty's chief of staff, told a House committee in March that the Metrodome was the "model" for proposed legislation creating a new stadium authority.

In such areas as requiring 30-year lease agreements with the teams, setting a maximum public investment toward stadium project costs, and requiring that a "no strike" project labor agreement be negotiated with the building trades unions before any construction bonds are issued, the legislation is similar.

The proposed new authority, however, would have more leeway than its predecessor to negotiate the structure of the teams' one-third contribution to stadium construction costs, as well as setting the terms of new potential funding streams like "stadium tax increment financing" and investing bond proceeds in an arbitrage model endowment account.

In addition, the bill would allow a host local government to impose local user taxes on tickets, alcoholic beverages, food, restaurants, and lodging, as well as a general sales and use tax on goods and services within the host community's jurisdiction.

Citing the Metrodome, the former Metropolitan Stadium in Bloomington, and recent publicly financed new stadiums across the United States, McElroy said, "but for use of a public financing mechanism, we can't build these public facilities." But public officials backing new stadiums for the Twins and Vikings are

also aware that political support for publicly financing a privately owned professional team's home base can be unpredictable.

"The political dialogue from the left and the right have made it much tougher," said Steve Novak, manager of governmental services for Anoka County, which, with the City of Blaine, is a potential site for a new Vikings stadium.


"It has to work for the taxpayers and work for the teams or you've got no deal," Novak said. 



PHOTO BY TOM OLMSCHIED

Twenty-five years after legislators approved a funding package for the Hubert H. Humphrey Metrodome in Minneapolis, they are again discussing developing a plan for new stadiums for professional baseball and football.

created by the Legislature in 1977, a 2 percent metro-wide tax on liquor, beer, and wine sales was also enacted to fund a new stadium. Legislators repealed that tax in 1979 following the commission's decision to build a domed stadium in downtown Minneapolis.

The Legislature, however, provided the city with authority to levy a 3 percent tax on hotel/motel accommodations and liquor sales, which it collected over four years. The lodging/liquor tax was reduced to 2 percent in

Fare share

Legislators propose new solutions to old dilemma of dedicated funding for transit on par with dedicated highway funds

By MIRANDA BRYANT

Whether businesses statewide should pay more property taxes to provide for transit buses and commuter rail systems in order to reduce metropolitan traffic jams is the notion behind a bill offered by Rep. William Kuisle (R-Rochester), House Transportation Finance Committee chair.

The bill is controversial and unlikely to receive a hearing this session, Kuisle noted. But its aim — that of creating a dedicated fund for transit — is provocative because it points to a problem that transit advocates and transportation planners alike acknowledge: transit has no dedicated funding source through the Minnesota state budget and highways do.

State funds allocated to transit are drawn from the general fund and are subject to cuts during difficult economic times. For instance, the omnibus transportation finance bill (HF3141) calls for a \$5.7 million reduction in 2005 to the Metropolitan Council, which operates Metro Transit, the largest transit system in the state.

Greater Minnesota's 72 transit systems are funded through a combination of federal, state, and local funds. Seven counties in Greater Minnesota have municipal bus service only, while another seven counties have no transit service at all. In the 2002-03 biennium, the state appropriated \$34 million for such systems.

As of fiscal year 2003, local property taxes can no longer be used for the local share of transit operating costs. This funding has been replaced by money from a dedication of 1.25 percent of revenues from the motor vehicle sales tax.

Legislators have debated whether to dedicate funds specifically for transit since the mid-1990s.

"I do not support it," said Rep. Alice Hausman (DFL-St. Paul), regarding Kuisle's property tax proposal (HF3137). "I think, frankly, it's a little bit of a get-even bill."

Hausman said the business community has not always been willing to contribute toward solving larger transportation and transit problems, but now major business advocacy groups are supporting changes to the system.

The bill is a method of generating discussion, Kuisle said. "Everything should be on the table. We have to come up with something."

Using the state general fund for transit funding is not prudent, he said. The larger problem is funding pending transit additions such as the Northstar high-speed commuter rail and the Hiawatha light-rail systems.

"The business community comes into hearing after hearing looking especially for transit funding," Kuisle said.

But even Kuisle isn't convinced that increasing commercial-industrial taxes is the right idea. "Would I vote for it? Probably no."

Other ideas either get "bogged down," he said, or have problems. For instance, without a constitutional amendment, a gas tax increase

Until 2001 the majority of Metro Transit funds were generated through a property tax in the metropolitan transit taxing area. However, the Legislature replaced the property tax with dedication of 20.5 percent of motor vehicle sales tax revenues, a general fund revenue stream. Today, 65 percent of transit funds come from the state, with fare box revenues contributing 23 percent and the federal government 8 percent.

Kuisle's transit proposal specifically would dedicate to transit 11.36 percent of revenues from the proposed \$660 million state levy on commercial-industrial property and the \$40 million levy on resort property in 2005. Eighty percent of revenues would be allocated for capital and operating expenses for Metropolitan Council commuter rail service and light-rail transit, and 20 percent would be spent on Greater Minnesota transit systems.

Kuisle said he has received little input on the bill. However, he said he anticipates transit advocates would support it while businesses would object.


According to the Minnesota Chamber of Commerce Web site, the organization supports the notion that long-term revenue sources are necessary.

"The state should rely on transportation user fees when considering new state funding options, including: a gas tax increase, constitutionally dedicating the motor vehicle sales tax, a change in the vehicle tab fee depreciation schedule, and voluntary toll lanes."

Hausman said she supports broad-based taxes to pay for transit. It is in her interest, she said, to advocate for good rural roads for the trucking of agricultural products.

Likewise, she said, rural legislators should endorse metropolitan transportation upgrades because the Twin Cities region generates the majority of taxes.

"So I think we're all in this together," Hausman said. "Broad-based taxes ... are still the way to go."

Metro Transit has about 950 buses and in 2001 provided about 73 million rides. There are 72 public transit systems in Greater Minnesota communities. 



PHOTOILLUSTRATION BY PAUL BATTAGLIA

Legislators are debating ways to dedicate funding for transit projects and operations. Currently, those items are funded through the general fund, though highway funding is constitutionally dedicated.

— proposed several times in recent years as a potential solution — wouldn't help, Kuisle said, because gas tax revenues must be dedicated to roads, not to transit. The gas tax has not been increased for 16 years.

Efforts to fund transit through a metro-wide sales tax increase never advance, Kuisle added, and increasing rider fees raises objections. He said he opposes increasing motor vehicle sales taxes and license tab fees, because he believes automobile owners shouldn't pay for transit services.

Shifting costs

Legislators, health care professionals among people examining ways to keep health care costs in check

By MARY KAY WATSON

Among the many provisions of the omnibus health and human services finance bill (HF1681) passed by the House April 2 are several that take aim at a phenomenon known as cost shifting.

References to cost shifting are frequent in talk of health care cost containment, but definitions are rare. Most often discussed in relation to Medicare, Medicaid, and various state health programs, cost sharing is an elusive term defined by Paul B. Ginsburg, president of the Center for Studying Health System Change, as “the phenomenon in which changes in administered prices of one payer

Assistance payment rates were reduced, hospitals and other providers would raise prices to private payers to cover the gap. Ultimately, individuals who are not covered by state and federal programs would pay more, either directly or through increased insurance premiums.

There has been considerable discussion among economists as to whether cost shifting actually occurs and, if it does, to what degree. The advent of managed care in the 1990s reduced the ability of providers to shift costs, according to Ginsburg. However, due to hospital mergers and the creation of provider networks, the market power of hospitals and some

vices by acting as a gatekeeper between patients and providers. It encompasses an array of organizations, partnerships, and payment and review mechanisms. For example, a health maintenance organization contracts for services with certain providers that members of the plan are required to use to receive benefits.

The term “provider” usually refers to a hospital or doctor who offers care. A health plan, managed care company, or insurance carrier is not a healthcare provider but a “payer.” However, the lines are sometimes blurred between the two.

The question of who bears the burden of Medical Assistance payment reductions is a central concern in evaluating state and federal payment policies, according to Jason Lee, a former health policy counsel for the House of Representatives and principal senior adviser at the Washington D.C. office of the National Organization for Research at the University of Chicago.

As the cost of health insurance continues to soar, data indicate that businesses are shifting more of the portion they once paid to their employees.

Had employers not shifted some of the burden for health care costs to their employees, they would have averaged a 17 percent increase in 2003, according to the Kaiser Family Foundation. As it was, the increase was 14 percent.

In 2003 workers paid higher premiums, higher co-payments, and had higher deductibles than in the previous year, according to a study by Mercer Human Resource Consulting.

The American Medical Association opposes changes in the Medicare and Medicaid hospital reimbursement systems that would result in shifting costs to private patients. The association’s official policy supports efforts to publicize the “deleterious effects on the private sector of cost shifts in efforts to save dollars for federal programs.”

This concern on the part of the medical establishment regarding cost shifting has not been lost on government policy makers, who worry about the long-term effects on health care costs in general and government spending in particular.

The degree to which cost shifting occurs is important information for legislators, they say, because they need to know the full impact of their decision making, which often goes beyond budgetary impact. It is important to know, for example, to what extent cost shifting contributes to increasing health insurance



PHOTOILLUSTRATION BY PAUL BATTAGLIA

Lawmakers are trying to curb a phenomenon known as “cost shifting” where changes in the prices for health care charged to one payer or group results in a compensating change charged to another group. Of particular concern is when underpayments by publicly funded health care such as Medicare or Medicaid result in costs being shifted to private payers.

lead to compensating changes in prices charged to other payers.”

Ginsburg’s analysis was cited as part of an October 2003 article in the journal *Health Affairs*.

Hypothetically, if Medicare or Medical

physician specialties has increased since the mid-1990s, he says, giving providers an ability to increase prices they did not previously have.

Broadly speaking, “managed care” is a system that controls the use of health care ser-

premiums. Among other things, higher premiums could lead to more uninsured or underinsured people who might then turn to government for health care assistance.

Instead of focusing on the symptoms of cost shifting, public discussion should focus on its cause, according to Michael Morrissey, a professor at the University of Alabama and the director of its Lister Hill Center for Health Policy. The real cause of cost shifting, he says, is a lack of competition in the health care system, and the way to prevent it is to increase competition.

The House bill offers several strategies designed to put the brakes on health care spending and to discourage cost shifting.

First, it would prohibit budget proposals re-

questing new or increased funding for state health care programs, such as MinnesotaCare, unless state health care reimbursement rates at the time are sufficient to cover provider costs.

Second, it would require the commissioner of health to carry out a study evaluating the extent to which state health care program reimbursement rates result in health care providers shifting costs to private payers.


The study would include determinations as to how much state health care program reimbursement rates vary from private sector reimbursement rates, how well they cover provider costs, and how much they would need to be increased to match average private sector reimbursement rates and still cover provider costs.

The intent of the study is to arrive at

recommendations on how to increase state reimbursement rates, over a six-year period, to match the average private sector reimbursement rate and get to a level that covers average provider costs.

The commissioner would be required to present the results and recommendations to the Legislature by Dec. 15, 2004.

Third, the bill would increase the opportunities for competition in the health care system by permitting for-profit health maintenance organizations to operate in Minnesota.

HF1681, sponsored by Rep. Fran Bradley (R-Rochester), awaits action in the Senate where Sen. Michelle Fischbach (R-Paynesville) is its sponsor. 

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Where have all the bills gone?

Each legislative session, members introduce as many as 2,500 bills, many of which receive hearings. Some advance on their own, some are rolled into omnibus bills, and others simply die in committee. However, only about 10 percent of those bills become law and the others wait their turn or never resurface.

If you've been wondering what happened to many of the measures discussed during 2004, the editors

have compiled an unofficial list of selected bills and their status as of April 7.

A note on bonding provisions: if you're searching for the status of your favorite bonding project, hang tight. Each finance committee has forwarded its bonding recommendations to the House Capital Investment Committee for review. That committee has not yet formulated and approved a bonding bill this session.

Watch future issues of Session Weekly for updates.

Please note: this is not a complete list of all bills heard and introduced. It merely reflects some of the issues that received hearings, votes, and other attention this year.

For complete status of all 2003-04 session bills, point your browser to www.house.mn and click on "Legislation and Bill Status."

Bill Number

Description

Status (through April 7)

HF97/SF58*	0.08 percent blood-alcohol limit for DWI	Passed by House and Senate, conference committee appointed
HF227	Voting rights for felons restored	Awaits action by the full House
HF250	Initiative and referendum process provided through proposed constitutional amendment	Awaits action by the House Ways and Means Committee
HF307*/SF497/CH142	Noncommercial sign ordinance exemption provided during state general election years	Signed into law by Gov. Pawlenty
HF327	Shooting range generally accepted practices defined	Awaits action by the full House
HF352	Parental consent for certain medical treatments required and parental access to minor's medical records permitted	Awaits action by the full House
HF480*/SF837/CH137	Job reference information disclosure protections provided, schools required to disclose data relating to acts of violence or inappropriate sexual contact with students, and employee right to inspect personnel records regulated	Signed into law by Gov. Pawlenty
HF530	Mourning dove hunting season authorized and report required	Awaits action by the full House
HF532	Snowmobile use of highway right-of-way provisions modified	Passed by the House, awaits action by the Senate
HF580	Abstinence until marriage premised curriculum and instruction required	Awaits action by the full House
HF1071	Speed limits on Greater Minnesota highways raised	Passed by the House, awaits action by the Senate
HF1166	Sales tax proceeds dedicated to natural resources purposes	Awaits action by the House Taxes Committee
HF1210	State government reorganization and cabinet level positions combined	Awaits action by House committee, subject to deadlines
HF1437	Telephone polling organization disclosure required upon request	Awaits action by the full House
HF1593	Dangerous animal ownership limited	Awaits action by the full House
HF1602	Death penalty for first degree murder with aggravating circumstances	Awaits action by House committee, subject to deadlines
HF1661	Falsely reporting police misconduct penalized	Awaits action by the full House
HF1667	Dairy equipment modernization grant program	Passed by the House as part of omnibus agriculture finance bill (HF2755), awaits action by the Senate
HF1681	Omnibus health and human services finance bill (includes Bradley health care cost containment legislation)	Passed by the House, awaits action by the Senate
HF1683	Restricting traffic signal override devices and imposing penalties	Passed by the House, awaits action by the Senate
HF1692	Wireless consumers allowed to opt out of significant service changes within 60 days	Awaits action by the full House
HF1703	Uniform voting systems, federal Help America Vote Act compliance	Awaits action in the House Ways and Means Committee
HF1710	Minnesota Humanities Commission employees granted state employee benefits	Passed by the House, awaits action by the Senate
HF1717	Local government contracting flexibility allowed	Awaits action by the full House
HF1719	Roseville allowed to use alternative voting (including instant runoff voting) in city election	Bill failed on a House floor vote
HF1721	Criminal booking fees authorized for arrests, regardless of whether defendant is retained in jail prior to court proceedings	Passed by the House, awaits action by the Senate
HF1730	Rioting penalties, including loss of state grant eligibility and higher tuition, for post-secondary students	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF1732	Penalties for exposing domestic animals to disease and trespassing on agricultural land	Awaits action in the House Ways and Means Committee
HF1737	Lake Elmo long-term comprehensive plan	Passed by the House, awaits action by the Senate
HF1744	Directs the Metropolitan Council to use a percentage of funding to support taxi use as alternative to Metro Mobility	Passed by the House as part of the omnibus transportation finance bill (HF3134), awaits action by the Senate

Bill Number
Description
Status (through April 7)

HF1759	Compensation limit eliminated for local government employees	Defeated in the House Local Government and Metropolitan Affairs Committee
HF1766	Ethanol producer payment disclosure requirements eliminated	Passed, in part, by the House as part of the omnibus agriculture finance bill, awaits action by the Senate
HF1783	Employers prohibited from asking National Guard status of job applicants	Awaits action in a House committee, subject to deadlines
HF1790	Excellence in teaching language arts and mathematics recognized	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF1793	Omnibus education finance (including early childhood and family education, K-12 education, higher education) bill	Passed by the House, awaits action by the Senate
HF1794*/SF1615/CH136	Local contribution for federally funded airport improvement projects decreased	Signed into law by Gov. Pawlenty
HF1798	Secretary of State filing procedures changing, requiring certain business filings to be done electronically	Awaits action by the House Ways and Means Committee
HF1801	Provides legal recourse for homeowners whose homes sustained damage due to faulty building techniques	Awaits action by full House
HF1805/SF1621*/CH153	Mortgage satisfaction certificates provided	Signed into law by Gov. Pawlenty
HF1814	Teacher training program for professionals from other fields	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF1817/SF1614*	Criminal penalties established for allowing animals to harm service animals	Passed by the Senate, awaits action by the full House
HF1819	National Guard personnel exempted from civil and criminal liability when using reasonable force while performing duties	Awaits action by the full House
HF1820	National Guard tuition reimbursement increased	Passed by the House as part of the omnibus state government finance bill (HF2684), awaits action by the full Senate
HF1822/SF1814*/CH140	Metropolitan Council allowed to use electronic funds transfers	Signed into law by Gov. Pawlenty
HF1831	Prohibits school districts from entering agreements that limit reassigning of teachers to other schools within the district	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF1832	Adds lakes to the list of places where grants for snowmobile trails are allowed and grants immunity from personal injury actions to grant recipients	Awaits action by House committee, subject to deadlines
HF1835	Lawful gambling expenditures allowed to cover expenses for individuals to attend World War II memorial ceremony in Washington, D.C.	Passed by the House, awaits action by the Senate
HF1836	Depositing mineral tailings into certain mine pits	Passed both the House and the Senate, awaits governor's approval
HF1851	Removes requirement that Metropolitan Council or regional development commission review bridge repair projects before grants are made	Passed by the House, awaits action by the Senate
HF1852	Regional park funding provided for statewide parks	Passed, in part, as a study by the House as part of omnibus environment finance bill (HF1867), awaits action by the Senate
HF1864	Home-canned food allowed for sale at farmer's markets and similar venues without labeling, if gross sales equal less than \$5,000	Awaits action by House committee, subject to deadlines
HF1867	Omnibus environment and natural resources finance bill	Passed by the House, awaits action by the Senate
HF1868	Uniform election days for state and local contests	Awaits action by full House
HF1901	Attorneys fees awarded to landowners when land is taken for transportation purposes by eminent domain	Passed, in part, by the House as part of the omnibus transportation finance bill, awaits action by the Senate
HF1913	County approval of certain development plats abutting county road	Awaits action by the House Rules and Legislative Administration Committee
HF1915	Allows children to carry non-syringe injectors of epinephrine	Awaits action by the full House. Also in omnibus education finance bill (HF1793)
HF1921	Charter school board of directors and extracurricular activities provisions	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF1926	Presidential electors designated according to congressional districts	Awaits action by House committee, subject to deadlines
HF1944	Domestic abuse orders for protection allowed when defendant is set to be released from prison	Passed by the House, awaits action by the Senate
HF1947	Online learning funded at the same rate for all students	Not included in omnibus education finance bill
HF1961	Child abuse resulting in murder considered first-degree murder	Passed by the House, awaits action by the Senate
HF1968	Tax credit adjusted for purchase of long-term care insurance	Awaits action by the House Taxes Committee
HF1977	Compulsive gambling education and prevention funding	Passed by the House as part of omnibus health and human services finance bill (HF1681), awaits action by the Senate
HF1980/SF1799*/CH139	Conflicts of interest clarified for watershed and soil and water conservation district officials	Signed into law by Gov. Pawlenty
HF1982	Funding for basic community education programs restored	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate

Bill Number
Description
Status (through April 7)

HF1986	Minors required to attend school to obtain driver's license	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF1989	Methamphetamine penalties increased, disclosures and cleanup fund established	Passed House as part of omnibus judiciary finance bill (HF2028), awaits action by the Senate
HF1999	Planning grants provided for districts interested to combine administrative functions, instructional, and noninstructional functions	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF2005	Phosphorus fertilizer ban extended	Awaits action by the full House
HF2028	Omnibus judiciary finance bill, including sex offender and methamphetamine regulations	Passed by the House, awaits action in the Senate
HF2032	State required to locate a chemical assessment team in International Falls	Passed House as part of omnibus judiciary finance bill (HF2028)
HF2033/SF1958*/CH152	Townships authorized to make payments by electronic transfer	Signed into law by Gov. Pawlenty
HF2044	Tourism functions separated from Department of Employment and Economic Development	Awaits action in the House Ways and Means Committee
HF2058	Campaign Finance Board membership and staff expanded	Passed House as part of the omnibus state government finance bill (HF2684), awaits action in the Senate
HF2071	Provides search firms exemptions from employment agency regulations if it meets certain criteria	Passed by the House, awaits action by the Senate
HF2083	Clarifies direct ore production tax rate	Awaits action by the House Taxes Committee
HF2093	Public bodies allowed to close meetings when discussing real estate transactions	Awaits action by full House
HF2094	Modifies child-care center licensing fees	Passed House, in part, as part of health and human services omnibus bill (HF1681), awaits action in the Senate
HF2095	Regulates process known as "equity stripping" that involves foreclosure consultants and mortgage conveyances	Awaits action by the full House
HF2127	Regulates outpatient surgical centers and diagnostic imaging facilities	Awaits action by the House Ways and Means Committee
HF2135	Authorizes the state lottery to operate gaming machines at a gaming facility	Awaits action by the House Ways and Means Committee
HF2136	Composition of the Metropolitan Radio Board changed	Awaits action by full House
HF2187	Requires registration, rather than licensing, of debt collection personnel	Passed by the House, awaits action by the Senate
HF2195	Telecommunications and Internet equity aid provided	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF2199	State lottery director provisions adjusted, budget oversight changed, and task force created	Awaits action by the House Ways and Means Committee
HF2200	Child-care centers in homes allowed to claim homestead property status	Awaits action by the House Taxes Committee
HF2212	Department of Natural Resources technical bill	Awaits action by the House Ways and Means Committee
HF2214	Requires that individuals be notified of a state-funded health insurance program if their insurance is about to be canceled	Awaits action by the full House
HF2217	Vehicles required to wait at railroad crossings until way is clear	Awaits action by the full House
HF2227	Requires that manufactured home park operators may install meters for water and sewer usage, but must also bill for actual usage	Passed by the House, awaits action by the Senate; Also in omnibus economic development bill
HF2231	Predatory sex offenders from other states subject to Minnesota disclosure and registration requirements	Passed House as part of omnibus judiciary finance bill (HF2028), awaits action by the Senate
HF2235	Technical changes made to state unemployment insurance laws	Passed by the House, awaits action by the Senate
HF2242	Resolution to exhort that Congress allocate reservation fee increase in the Boundary Waters Canoe Area Wilderness to the permanent school fund	Awaits action by the full House
HF2246	Modifies survey process for nursing home facilities	Awaits action by the House Ways and Means Committee
HF2247	Provides planning and study for second beltway around Twin Cities metropolitan area	Passed House, in part, as part of omnibus transportation finance bill (HF3141), awaits action in the Senate
HF2267	Increases base value of farmers eligible for rural finance authority loans	Passed House as part of omnibus agriculture finance bill (HF2755), awaits action in the Senate
HF2272	Requires each county to have an extension service office	Not included in omnibus agriculture finance bill
HF2308	Indeterminate sentencing provided for sex offenders, review board established, mandatory life sentences allowed	Passed House as part of omnibus judiciary finance bill (HF2028), awaits action by the Senate
HF2337	Minnesota State Colleges and Universities campuses allowed to develop doctoral degree programs	Passed House as part of education omnibus bill (HF1793), awaits action in the Senate
HF2363	Provides for control of invasive and non-native species	Passed by the House, awaits action in the Senate
HF2383	Modifications made to provisions governing sale of timber on state lands	Passed by the House, awaits action in the Senate
HF2416	High performance teacher reward pilot project	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate

Bill Number
Description
Status (through April 7)

HF2417	School readiness program supporting early literacy	Passed House as part of education omnibus bill (HF1793), awaits action in the Senate
HF2455	Five-level corrections classification system provided	Passed by the House, awaits action in the Senate
HF2491/SF2498*/CH145	Ex parte orders for protection and temporary restraining orders effective upon a referee's signature	Signed into law by Gov. Pawlenty
HF2500/SF2422*	Regulation of PCB wastes	Passed by the Senate, awaits action by the full House
HF2503	Mental health screening provided for students suspended from school for more than 10 days	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF2533	Increases the tobacco tax, reduces the MinnesotaCare tax on health care providers and eliminates Minnesota Comprehensive Health Association assessment	Awaits action in the House Taxes Committee
HF2571	Casino authorized, with proceeds to pay for a merit-based scholarship program for post-secondary education	Awaits action by House committee, subject to deadlines
HF2586	Immunity from liability provided for officials informing district employees of students regarding prior violent behavior	Passed House, in part, as part of education omnibus bill (HF1793), awaits action in the Senate
HF2602	Mercury switch removal required by vehicle recyclers	Awaits action by the House Rules and Legislative Administration Committee; Passed the House, in part as part of omnibus environment finance bill (HF1867)
HF2678	Off-highway vehicle operation provisions and forest classification review status	Awaits action by the House Ways and Means Committee
HF2684	Omnibus state government finance bill	Passed by the House, awaits action by the Senate
HF2692	Property tax refund early payment authorized on returns filed electronically	Awaits action by the House Taxes Committee
HF2704	Cigarettes; fire-resistant standards rule adoption required	Awaits action by House committee, subject to deadlines
HF2718	Toll collection on highways limited to collection until all construction costs of the facility have been paid	Passed the House, in part, as part of the omnibus transportation finance bill (HF3141)
HF2749	Foreclosure consultants and equity purchasers regulated	Awaits action by House committee, subject to deadlines
HF2755	Omnibus agriculture and rural development finance bill	Passed by the House, awaits action by the Senate
HF2767	Water and soil resource management program pilot project funding provided, and money appropriated	Awaits action by the House Ways and Means Committee
HF2798	Marriage defined as a union between one man and one woman, and constitutional amendment proposed	Passed by the House, awaits action by the Senate
HF2806	Renewable energy working group established to study renewable energy development in the state	Awaits action by the full House
HF2816	Omnibus liquor bill	Awaits action by the full House
HF2831	Refugees and asylees exempted from participating in the diversionary work program	Awaits action by House committee, subject to deadlines
HF2832	Internet access software filtering or blocking technology required in schools and libraries	Awaits action by the full House, also included in omnibus education bill (HF1793)
HF2839	Biomass electric generation facility property tax exemption provided	Awaits action by the House Taxes Committee
HF2855	Shoreland protection program expiration extended, and water level controls established for public waters with an outlet	Passed by the House as part of omnibus environment finance bill (HF1867), awaits action by the Senate
HF2894	Dairy upgrade pilot loan program provided	Passed by the House as part of omnibus agriculture finance bill (HF2755), awaits action by the Senate
HF2915	Workers' compensation technical changes provided, definition of personal injury clarified, and qualifying employees authorized to opt for alternative benefits	Awaits action by the House Rules and Legislative Administration Committee
HF2923	Methamphetamine laboratory cleanup revolving fund established	Passed House as part of omnibus judiciary finance bill (HF2028), awaits action by the Senate
HF2930	Flags in the Capitol area required to be flown at half-staff following the death of a public safety officer or Minnesota military personnel killed in the line of duty	Passed by the House, awaits action by the Senate
HF2945	Historical sites operated by the Minnesota Historical Society reopened	Passed by the House as part of omnibus jobs and economic development finance bill (HF3090), awaits action by the Senate
HF3002	Snowmobile use study funding provided	Passed by the House as part of omnibus environment finance bill (HF1867), awaits action by the Senate
HF3009	Executive branch employees prohibited from receiving cash payments for discussing the work of an executive agency	Awaits action by House committee, subject to deadlines
HF3089	Minnesota stadium authority	Awaits action by the House Taxes Committee
HF3090	Omnibus jobs and economic development finance bill	Passed by the House, awaits action by the Senate
HF3141	Omnibus transportation finance bill	Passed by the House, awaits action by the Senate

Tracking new laws, vetoes

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

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill;
- or do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the second year of the biennium (even-numbered years), as this year is, a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

(Sundays are not counted in the three-day limit, but holidays are.)

But if a bill is passed during the last three days of session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "*sine die*" (Latin for adjournment "without a date certain"). If the governor does not sign a bill within this time frame, it will not become law, an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed

during the final three days of the session, or within three days after the governor receives the bill at any other time.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

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

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

This information is also available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:

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

CH	HF	SF	Description	Signed	Vetoed
134	921	906*	Sex offender treatment co-payments authorized.	2/17/2004	
135	973	1015*	Veterans Affairs Dept. authorized to access taxpayer ID information to notify veterans of health hazards.	2/26/2004	
136	1794*	1615	Airport federally funded projects minimum required local contribution decreased.	3/10/2004	
137	480*	837	Job reference information, school violence data, and employee personnel records disclosure regulated.	3/22/2004	
138	1743	2182*	Public utility performance-based regulation plan purpose modified.	3/19/2004	
139	1980	1799*	Watershed and soil and water conservation district officers conflicts of interest clarified.	3/19/2004	
140	1822	1814*	Metropolitan Council government electronic funds transfer use authorized.	3/19/2004	
141	1935	1626*	Storm and sanitary sewer financing provisions modifications.	3/26/2004	
142	307*	497	Noncommercial sign ordinance exemption provided during state general election years.	3/26/2004	
143	1064*	1197	State employee technical and housekeeping changes provided.	3/26/2004	
144	1702	1748*	Emergency medical services provisions modifications.	3/26/2004	
145	2491	2498*	Domestic abuse ex parte protection or temporary restraining orders effectiveness.	3/26/2004	
146	1803	1745*	Trust law provisions modified and guardianship and conservatorship law changes provided.	3/26/2004	
147	1855	1903*	Counties hazardous buildings and property removal authority.	4/2/2004	
148	2878*	2537	Dr. Norman E. Borlaug World Food Prize Day designated.	4/2/2004	
149	339	40*	Minors personal injury or property damage parental liability limit increase; graffiti civil.	4/2/2004	
150	2105*	2632	Iron Range Resources and Rehabilitation Commissioner's Office established.	4/2/2004	
151	2118	2063*	Local government units financial institution deposits collateralization requirements clarification.	4/2/2004	
152	2033	1958*	Towns electronic or wire transfer payments and credit card or electronic payments acceptance authority.	4/6/2004	
153	1805	1621*	Mortgage satisfaction certificates and assignments or releases.	4/6/2004	
154	2107	1653*	Real property survey and monument requirements modified.	4/8/2004	

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

Friday, April 2

HF3160—Erickson (R) Governmental Operations & Veterans Affairs Policy

Mille Lacs Band of Ojibwe Reservation tribal boundaries established in 1855 not recognized by the state, Mille Lacs County reimbursed for legal expenses, and money appropriated.

HF3161—Kahn (DFL) Governmental Operations & Veterans Affairs Policy

Poet laureate appointment provided, and money appropriated.

Monday, April 5

HF3162—Westrom (R) Taxes

County aid program tax base equalization aid formula adjusted.

HF3163—Cox (R) Education Finance

Independent School District Nos. 394, Montgomery-Lonsdale, and 721, New Prague, joint powers agreement authorized to govern and manage the Lonsdale Elementary School.

HF3164—Urdahl (R) Civil Law

Obesity and weight gain civil actions prohibited.

Wednesday, April 7

HF3165—Sieben (DFL) Taxes

School buses exempted from the motor vehicle sales tax.

Thursday, April 8

HF3166—Peterson (DFL) Regulated Industries

Wind power producer credit; Congress memorialized by resolution to reauthorize the wind power producer credit.

HF3167—Murphy (DFL) Commerce, Jobs & Economic Development Policy

Broadcast employers prohibited from including non-compete provisions in employee agreements.

HF3168—Kohls (R) Civil Law

Child maltreatment report notice to subject required.

HF3169—Kelliher (DFL) Health & Human Services Policy

Parents as scholars pilot project established, and money appropriated.

HF3170—Abrams (R) Taxes

Tax increment financing technical and minor policy changes provided.

2004 Minnesota Senate Members

District/Member/Party	Room*	Phone (651) 296-	District/Member/Party	Room*	Phone (651) 296-
66 Anderson, Ellen (DFL)	120 Cap.	5537	54 Marty, John (DFL)	323 Cap.	5645
52 Bachmann, Michele (R)	141 SOB	4351	38 McGinn, Mike (R)	G-19 SOB	7-8073
6 Bakk, Thomas (DFL)	301 Cap.	8881	39 Metzen, James (DFL)	322 Cap.	4370
40 Belanger, William (R)	113 SOB	5975	41 Michel, Geoff (R)	151 SOB	6238
61 Berglin, Linda (DFL)	309 Cap.	4261	67 Moua, Mee (DFL)	235 Cap.	5285
51 Betzold, Don (DFL)	111 Cap.	2556	28 Murphy, Steve (DFL)	306 Cap.	4264
50 Chaudhary, Satveer (DFL)	317 Cap.	4334	25 Neuville, Thomas (R)	123 SOB	1279
64 Cohen, Richard (DFL)	121 Cap.	5931	17 Nienow, Sean (R)	105 SOB	5419
26 Day, Dick (R)	147 SOB	9457	33 Olson, Gen (R)	119 SOB	1282
60 Dibble, D. Scott (DFL)	111 Cap.	4191	34 Ortman, Julianne (R)	G-21 SOB	4837
18 Dille, Steve (R)	103 SOB	4131	19 Ourada, Mark (R)	145 SOB	5981
14 Fischbach, Michelle (R)	129 SOB	2084	65 Pappas, Sandra (DFL)	120 Cap.	1802
47 Foley, Leo (DFL)	G-24 Cap.	4154	36 Pariseau, Pat (R)	117 SOB	5252
21 Frederickson, Dennis (R)	139 SOB	8138	59 Pogemiller, Lawrence (DFL)	235 Cap.	7809
43 Gaither, David (R)	107 SOB	4314	63 Ranum, Jane (DFL)	120 Cap.	7-8061
42 Hann, David (R)	G-27 SOB	1749	53 Reiter, Mady (R)	132D SOB	1253
58 Higgins, Linda (DFL)	328 Cap.	9246	45 Rest, Ann (DFL)	205 Cap.	2889
23 Hottinger, John (DFL)	317 Cap.	6153	35 Robling, Claire (R)	143 SOB	4123
13 Johnson, Dean (DFL)	208 Cap.	3826	24 Rosen, Julie (R)	G-23 SOB	5713
49 Johnson, Debbie (R)	135 SOB	3219	4 Ruud, Carrie (R)	109 SOB	4913
48 Jungbauer, Michael (R)	115 SOB	3733	11 Sams, Dallas (DFL)	328 Cap.	7-8063
44 Kelley, Steve (DFL)	205 Cap.	7-8065	3 Saxhaug, Tom (DFL)	124 Cap.	4136
31 Kierlin, Bob (R)	127 SOB	5649	46 Scheid, Linda (DFL)	303 Cap.	8869
30 Kiscaden, Sheila (IP)	G-15 SOB	4848	29 Senjem, David (R)	G-17 SOB	3903
15 Kleis, Dave (R)	G-25 SOB	6455	2 Skoe, Rod (DFL)	124 Cap.	4196
37 Knutson, David (R)	133 SOB	4120	62 Skoglund, Wesley (DFL)	124 Cap.	4274
12 Koering, Paul (R)	131 SOB	4875	7 Solon, Yvonne Prettnier (DFL)	303 Cap.	4188
20 Kubly, Gary (DFL)	306 Cap.	5094	27 Sparks, Dan (DFL)	G-24 Cap.	9248
9 Langseth, Keith (DFL)	122 Cap.	3205	1 Stumpf, LeRoy (DFL)	G-24 Cap.	8660
10 Larson, Cal (R)	153 SOB	5655	5 Tomassoni, David (DFL)	321 Cap.	8017
56 LeClair, Brian (R)	149 SOB	4166	22 Vickerman, Jim (DFL)	226 Cap.	5650
32 Limmer, Warren (R)	121 SOB	2159	16 Wergin, Betsy (R)	125 SOB	8075
8 Lourey, Becky (DFL)	G-24 Cap.	0293	55 Wiger, Charles (DFL)	226 Cap.	6820
57 Marko, Sharon (DFL)	G-24 Cap.	7-8060			

*Capitol or State Office Building, St. Paul, MN 55155
For phone numbers, contact Senate Information at 651-296-0504

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MINNESOTA

I N D E X

Immigration and ethnicity

Immigrants admitted to Minnesota in fiscal year 2002	13,522
In 2001	11,166
In 1996	8,977
In 1988	4,665
Of those coming to Minnesota in 2002, number from Asian countries	4,288
African nations	4,277
European countries	2,597
Countries in North America	1,736
2002 immigrants to Minnesota that were born in Somalia	1,588
India	1,001
Ethiopia	918
Mexico	756
Minnesota's share of total immigration to the United States in 2002, as percent	1.3
Percent of total Somalis coming to this country	35
Liberians, as percent	13.5
Approximate percent of Laotians	12.5
Ethiopians, as percent	12
All immigrants to Minnesota in 2002, as percent, who settled in the Twin Cities,	
Rochester, or St. Cloud metropolitan areas	91
Mexicans, as percent, who settled outside those areas	24
Canadians, as percent	20
Somalis, as percent	12
Estimated number of Minnesota Hispanic/Latinos in 2003	159,000
Anticipated percent increase in two years	10.7
Minnesota population in 2000, in millions	4.92
Those who are Hispanic/Latino	143,382
Number in 1990	54,000
Anticipated number of Hispanic/Latinos in 2025	296,000
Number of Minnesotans in 2000 who were of Asian and Pacific island descent	172,166
In 1990	140,997
Of those, largest group represented, as percent (Hmong)	26.4
Second-largest group, as percent (Vietnamese)	11.9

Sources: U.S. Citizenship and Immigration Services; U.S. Census Bureau; Department of Administration; Minnesota Chicano Latino Affairs Council; Hispanic Advocacy and Community Empowerment through Research (HACER); Council on Asian-Pacific Minnesotans.

FOR MORE INFORMATION

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

APRIL 16, 2004
VOLUME 21, NUMBER 11

In this issue:

ATV REGULATIONS ADVANCE

DISLOCATED WORKER PROGRAM, AND MORE

HF3171-HF3179

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 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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On the cover: The State Capitol serves as a backdrop as a man walks past a wall of windows on the third floor of the Minnesota Historical Society April 13.

—Photo by Lisa M. Sanders

Changing direction

Bill to change 2003 legislation, expand off-road vehicle access to wetlands and in state forests advances to House floor

By NICOLE WOOD

A bill that would reverse some restrictions enacted in 2003 on off-highway vehicle use on certain types of wetlands and modify the process under which the Department of Natural Resources is currently reviewing state forests for trail management purposes is headed for the House floor.

Sponsored by Rep. Tom Hackbarth (R-Cedar), HF2678 was approved by the House Ways and Means Committee April 13.

Wetlands are protected under state law for the role they play in conserving surface and ground waters, improving water quality, and providing for floodwater retention. The state's Wetland Conservation Act emphasizes a "no net loss" approach to preserving the quantity, quality, and biological diversity of wetlands. There are several different classifications of wetlands, from peat bogs to ponds, and much legislative debate over off-road vehicles has centered around which classifications are truly at risk for damage under the tires of all-terrain vehicles, motorcycles, or four-wheel drive trucks.

In recent years, motorized sports enthusiasts have called for more trails on public lands and questioned the lasting effects of their vehicles on wetlands, while environmental groups have urged caution as to where and how those trails are designated and requested a balance in the forests between motorized and non-motorized recreation.

An agreement negotiated by a House-Senate conference committee in 2003 temporarily lifted environmental review requirements in order to speed up the process of trail designation with the caveat that certain private and publicly owned wetlands would be protected.

The "unintended consequences" of the agreement have interfered with property rights and access in some cases, Hackbarth said.

Specifically, HF2678 would remove type 8 wetlands from any restrictions and allow for riding on frozen type 3, 4, and 5 wetlands. These new rules would apply on public lands and private lands where the rider has permission from the landowner.

The wetland types addressed in the bill are classified by the Department of Natural Resources under the following explanations:

- Type 3 — A shallow marsh often covered with 6 inches or more of water, usually waterlogged during the growing season. Vegetation includes grasses, cattails, and various other marsh plants;
- Type 4 — A deep marsh usually covered with 6 inches to 3 feet or more of water during growing season. Vegetation includes bulrush, cattails, and wild rice;
- Type 5 — Shallow open water usually covered with less than 10-foot-deep water,

includes shallow ponds and reservoirs.

Vegetation is similar to type 4; and

- Type 8 — Bogs, where the water table is at or near the surface. Vegetation includes moss and stunted black spruce and tamarack.

Many advocates for this year's changes live in northern Minnesota counties, such as Koochiching, that have both a large acreage of publicly owned land and a large percentage of pre-settlement wetlands still intact. Under the 2003 legislation, some northern landowners have said they might have to illegally cross a wetland to access their homes or cabins on an all-terrain vehicle.

Opponents to the changes, including citizens and conservation groups, have said they recognize the land use issues but object to broadening the use on wetlands when certain special use permits are available.

The bill also would provide a number of exemptions from the restrictions for off-highway vehicles used for farming, military, fire, emergency, law enforcement, government, or pipeline and utility work purposes, and certain forestry applications. The committee amended the bill to include surveying purposes to the exemption list. And certain use of

the vehicles for big game hunting and trapping also is authorized under the bill, provided the rider possesses the appropriate licenses.

Hackbarth successfully added a provision authorizing the department to grant three-year permits that exempt private landowners or leaseholders from the restrictions when the only reasonable access to their land is across forestry administered lands in state forests.

Similar to the argument for assuring access, Rep. Tom Rukavina (DFL-Virginia) amended the bill to forbid the department from installing gates to obstruct access to state forest roads if the road is used by private landowners to cross county-administered land within a state forest to access the landowner's private property.

The 2003 legislation also required the department to take an inventory of all state forests and by 2007 change their designation from managed, meaning trails are open unless posted closed, to limited, meaning trails are closed unless posted open.



An all-terrain vehicle enthusiast rides a private trail in northern Minnesota. Legislators are pondering changes to a 2003 law that some say conflicts with access and property rights.



A daring idea

Regional planning agency intended to build consensus, not controversy

The Metropolitan Council, acknowledged by its supporters and detractors as a bold experiment in regional governance, was born in the Legislature in 1967.

Since its inception as an administrative agency "to coordinate the planning and development of the metropolitan area," the council has grown through three subsequent legislative acts (in 1974, 1976, and 1994) to become a major player in land use planning, developing public infrastructure location, and providing housing, natural recreation areas, and transportation throughout the seven-county Twin Cities region.

With a 2004 unified budget of \$603.7 million for operations, grants and loans, and debt service, the council runs the regional bus system, collects and treats wastewater, manages regional water resources, plans regional parks, and funds housing opportunities for low- and moderate-income individuals and families.

The council's 17-member board, appointed by the governor, includes 16 representatives from council districts in the seven-county region, and a chairperson selected from the region at large.

Wrote Arthur Naftalin in a 1986 council-published book that reviewed its 19-year history, *Making One Community Out of Many*: "The legislative intent was to create a body that would facilitate the building of consensus concerning physical development within the region and, working essentially with city governments, be able to adopt regional policies and have them implemented."

A former state commissioner of administration and Minneapolis mayor, Naftalin wrote the presence of two central cities nearly balanced in population with the surrounding areas, combined with "an absence of extreme distrust that has often characterized relations between central cities and their suburbs ... helped lessen the threat posed by a shift toward regional government.

"There seemed to be a conscious awareness of a common future."

Yet, he noted, "controversy" has remained the council's constant companion — a statement that remains true to this day.

"A persistent tension accompanies its deliberations because the exercise of its regional policy-setting authority invariably displeases some units of government, some legislators, some interest groups, and, at times, even the general public."

Controversy was no stranger to the legislative debate that led to the council's creation 37 years ago.

"Formidable opposition," according to Naftalin, came from counties, the city of Bloomington and "the suburban *Sun* newspapers, which saw the new agency as threatening the independence of local governments."

Favoring a regional agency were the Citizens League — a nonpartisan Twin Cities public affairs organization, which Naftalin later led — most of

the business community, and city officials who'd been active in dealing with critical local problems.

The key development that paved the way for the council's creation, according to Naftalin, was a 1966 federal court-ordered reapportionment of legislative districts, based on the one-person, one-vote doctrine. The lawsuit, brought by suburban officials, led to the shifting of 11 House and five Senate seats to the Twin Cities metropolitan area, giving the region almost half of the Legislature.

Also playing a role in the council's creation were recently enacted federal laws requiring regional agency review of a local government's federal grant applications, particularly for wastewater and sewage treatment facilities.

The Metropolitan Council replaced the Metropolitan Planning Commission, created by the Legislature in 1957. The commission had advised municipalities concerning land use, public buildings, city utilities and services.

The 1967 state law empowered the new council to levy a 1/20th of a cent property tax throughout the seven-county region to fund its legislative mandate.

For 2004, approximately \$70 million in property tax revenue supports council operations, debt service, and provides funds for grant and loan programs.

(T. LONERGAN)

Photo courtesy of the Minnesota Historical Society



Arthur Naftalin

The inventory is underway, but Hackbarth has said the mandatory shift to limited could be expensive and cumbersome in certain forests. The bill would give the department the option of sticking with a managed status in some cases.

The return to a regulatory direction where the department has a system of managed forests goes back on the compromise in last year's legislation, said John Curry, legislative director for the Minnesota Center for Environmental Advocacy.

Also under the bill, a vehicle safety and conservation grant program would be authorized and funded with \$75,000 from the all-terrain vehicle account, \$20,000 from the off-road vehicle account, and \$5,000 from the off-highway motorcycle account. Only statewide organizations in existence for at least five years would qualify for the conservation grant program dollars.

The grant program would help connect the hodgepodge of current trails, Hackbarth said.

That section of the bill is "too rewarding to too few private clubs," said Curry. Furthermore, he said, the bill is far too broad on wetlands when there were narrow issues raised for northern counties.

The bill earmarks \$400,000 for the department to continue with the inventory and \$575,000 for additional grants in aid. Both of these appropriations are also in the omnibus environment finance bill approved by the House April 7.

Rep. Lyndon Carlson (DFL-Crystal) asked the department to pinpoint its areas of concern with the proposal.

The department would like to see the Legislature move forward in addressing the unintended consequences of last year's legislation, particularly the needs of hunters and property owners to drive off-road in certain cases, said Deputy Commissioner Mark Holsten, but the House bill is broader than the changes the department originally suggested.

The department is moving toward a limited designation in state forests and the return to a managed system "could be problematic," Holsten said.

Though not technically considered companion bills, several bills addressing off-highway vehicle use have been introduced in the Senate (SF1673, SF1711, SF1776), and another (SF2793), sponsored by Sen. Dennis Frederickson (R-New Ulm), awaits action before a second Senate committee. 🐾

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

★ BUSINESS

Investment information

The House Ways and Means Committee approved a bill April 13 that would give the State Board of Investment the ability to invest in venture capital business opportunities without concern that certain potentially proprietary information could be disclosed.

Rep. Lynne Osterman (R-New Hope), the sponsor of HF3061, said the provision is similar to one that was amended into the omnibus state government finance bill passed by the House April 6.

The bill requires the board to make public the name of the entity in which the board invests, the amount invested, the market value, the board's internal rate of return, and the age of the investment in years.

Any information that would be considered "financial or proprietary" in nature would be non-public. A successful amendment offered by Osterman defined the term as "information of a financial or proprietary character that has not been publicly disseminated or that is unavailable from other sources, the release of which would likely cause competitive harm to the state board or to the legal entity or to a portfolio company in which the legal entity holds an interest."

"What we've learned from Minnesota companies is that they want to be able to receive the venture capital, but they don't want to be required to share what is proprietary information to the length we had requested of them in the past," she said.

Committee members expressed no opposition to the bill, which now goes to the House Rules and Legislative Administration Committee because it did not meet the committee deadline.

A Senate companion (SF2894), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits action in the Senate Rules and Administration Committee.

★ CRIME

Protecting service animals

Individuals whose dogs harm service animals, commonly used by people with disabilities, would be charged with a misdemeanor and ordered to pay restitution, under a bill passed 126-0 by the House April 12.

Sponsored by Rep. Paul Kohls (R-Victoria), HF1817/SF1614* applies to service animals trained to work or perform tasks for an

individual with a disability. It does not apply to police dogs, which are covered under separate statutes.

The criminal provision applies when a dog owner intentionally or negligently permits the dog to run uncontrolled off the owner's premises, or fails to keep the dog properly confined and controlled.

An individual with a disability may not be able to recognize a pending attack or be able to stop it once an attack commences, Kohls explained.

Rep. Torrey Westrom (R-Elbow Lake) said training a service animal could cost tens of thousands of dollars. Owners should be compensated when their animal is injured and is unable to perform its duties, he said.

Phil Kragnes, president of Minnesota Guide Dog Users, told the House Judiciary Policy and Finance Committee previously that his organization's members are highly concerned about dogs interfering with their service animals.

Costs resulting from injuries could include veterinarian bills, lost wages due to caretaking for the injured dog, and in some cases the replacement of the canine, which involves training. At times the damage to the service animal is psychological, requiring that the dog be retired, Kragnes added.

"The cost to the individual can be enormous," Kragnes said.

Twenty-seven states, including Minnesota, have laws providing service animal dogs with protection against harm by humans, according to Kohls. But there are no laws addressing injuries to a service animal imposed by another canine.

The bill now goes to the governor.

In the Senate, where Sen. Chuck Wiger (DFL-North St. Paul) is the sponsor, the bill passed 61-4 on April 5.

★ DEVELOPMENT

International development zone

A bill that would authorize the designation of an international economic development zone within 60 miles of the Minneapolis-St. Paul International Airport was heard by the House Taxes Committee April 14.

HF2298, sponsored by Rep. Ron Abrams (R-Minnetonka), will be considered for inclusion in the omnibus tax bill. Abrams said he expects a number of adjustments to its provisions prior to inclusion in the bill, however.

"This is definitely a work in progress," he said.

The zone would be developed to serve as a regional distribution center for international air freight. Morrie Anderson, a lobbyist for the Greater Metropolitan Area Foreign Trade Zone Commission, said the zone designation is necessary to encourage direct access to air cargo service for Minnesota businesses. It does not constitute a new airport, merely a cargo-handling facility.

Under the bill, the regional distribution center must be located within 60 miles or 90 minutes drive time of the airport, the only one in the state with the capacity to handle 747 freighter planes. Logistically, Anderson said, the facility must be within a 20- or 30-minute drive for short-haul truckers to benefit.

The bill would provide a number of tax incentives, as it is currently written, including exemptions from sales, income, and commercial and industrial property taxes. Abrams said the tax exemptions in the bill are some of the items he expects will be adjusted.



Morrie Anderson, a lobbyist for the Greater Metropolitan Area Foreign Trade Zone Commission, testifies April 14 before the House Taxes Committee in support of a bill that would designate an international economic development zone within 60 miles of Minneapolis-St. Paul International Airport.

Currently, Minnesota businesses ship large amounts of freight through Chicago and other larger cities, Anderson said. The zone would increase opportunities in the following areas:

- competitiveness and access to global markets;
- security, with a number of changes expected to affect air freight;
- job creation, particularly those related to global markets and air freight;
- increased productivity by allowing businesses to get products to market in two days rather than in four or six days; and
- infrastructure for existing businesses and as a way to draw business development to Minnesota.

For example, Anderson said, air cargo is currently not subject to the security that passenger airplanes are. Ultimately, those airplanes will also be subject to security constraints, and there is not adequate space at the airport to accommodate inspections.

The zone would coordinate security, customs, and other federal inspections.

Anderson said if the zone were successful, it would result in between two and four international cargo flights per day or up to 24 per week. One flight per day equates an estimated \$100 million in economic activity in the state.

The bill's Senate companion (SF1801), sponsored by Sen. Ann Rest (DFL-New Hope), awaits action in the Senate Taxes Committee.

★ EMPLOYMENT

Program modification

The House Ways and Means Committee approved a bill April 13 that would make changes to the dislocated worker program that helps those who become unemployed through plant closings, substantial layoffs, and changing market demands.

The committee removed some policy provisions from HF2799, sponsored by Rep. Bob Gunther (R-Fairmont), to more closely mirror the Senate companion (SF2646), sponsored by Sen. Ellen Anderson (DFL-St. Paul).

One removal involved changes to the responsibilities of the employment and economic development commissioner in establishing minimum standards for performance measures.

Remaining in the bill are modifications to services, tightened eligibility requirements for the dislocated worker program, the allocation of grant funds, and legislative oversight.

Along with changes to how the program oversight board distributes funds to workforce service areas, the board would be required by January 15 of each odd-numbered year to submit recommendations to the Legislature regarding workforce development programs,

modifications, or eliminations of existing programs under the board's oversight, as well as any potential new programs. Funding levels and sources must be included in the recommendations.

HF2799 also includes descriptions for long-term and short-term training, with greater emphasis on the short-term. The short-term training is, according to the bill, used "to help the participant enhance current skills in a similar occupation or industry; entrepreneurial training, customized training, or on-the-job training; basic or remedial education to enhance current skills; and literacy and work-related English training for non-English speakers."

The bill now goes to the House floor. Its companion awaits action in the Senate Rules and Administration Committee.

★ ENVIRONMENT

DNR provisions potpourri

The House Ways and Means Committee approved a bill April 13 that aims to clean up certain statutes governing the Department of Natural Resources. It now moves to the House floor.

Among the department activities covered in HF2212, sponsored by Rep. Dennis Ozment (R-Rosemount), are electronic licensing, snowmobile safety training and youth supervision, and motorboat noise regulation.

Electronic licensing is a relatively new system, and the bill would clarify license filing fee collections between the department and approved agents and would clean up language currently on the books that refers to it as a pilot program.

The bill would grant the department authority to refund license fees to the families of hunters and anglers who die or to those who get called to active military service before they can enjoy the open season.

Another licensing provision would allow charter boat operators to issue one-day fishing licenses.

The bill attempts to address some confusion over restrictions and supervision requirements for young snowmobilers. Current law states that without a snowmobile safety certificate, a person under the age of 14 may operate a machine on public land, public easements, or water or grant-in-aid trails only if accompanied by an adult on the same or an accompanying vehicle.

Under the proposal, an adult supervision clause is added that would place the adult "in a position to manage, direct, and oversee," according to prior testimony from department

officials, but the adult would not necessarily have to ride along.

The bill would clarify that a person under the age of 14 with a safety certificate is still prohibited from crossing a highway or operating the machine on a street or highway.

Another provision would clarify in law that 16- and 17-year-olds are now eligible to take the adult snowmobile safety course offered by the department. Also along the lines of training, safety course certificates issued in other states would be accepted as long as the department deems the course to be substantially similar to Minnesota requirements.

The bill also would specify that the department could test motorboats and marine engines at idle. Current law only prescribes pass-by tests at certain distances.

A Senate companion bill (SF2216), sponsored by Sen. John Marty (DFL-Roseville), awaits action on the Senate floor.

★ FAMILY

Adoption assistance payments

The House passed a bill 126-0 April 12 that would make it easier financially for low-income families to adopt foster children.

HF1828, sponsored by Rep. Char Samuelson (R-New Brighton), would allow applicants for the Minnesota Family Investment Program to disregard county adoption assistance payments, up to an amount equal to state adoption assistance payments, from their income for the purpose of qualifying for program benefits.

The bill would allow families who foster special needs children to adopt them without losing the county portion of their benefits, Samuelson said in a later interview. "It puts it on an even playing field for these families," she said.

The goal is to promote more adoption of children within the communities they were born to, according to Dave Haley, executive assistant for Ramsey County Human Services. Often those adoptive families have modest means.

Currently, there exists a financial disincentive for families who are fostering a child to adopt that child, Haley said. The intent is to eliminate that disincentive by making sure they will not lose their program benefits.

The bill only affects about 10 to 20 families a year, Samuelson said, and is budget neutral.

Rep. Kathy Tingelstad (R-Andover) said the bill should be supported because "it really promotes adoption."

The bill will now go to the Senate where its sponsor is Rep. Becky Lourey (DFL-Kerrick).

★ GAMBLING

Lottery operations

Several changes to the operation of the Minnesota State Lottery would occur under a bill approved by the House Ways and Means Committee April 13 and awaiting action on the House floor.

Sponsored by Rep. Tim Wilkin (R-Eagan), HF2199/SF2181* would give the governor responsibility for appointing the state lottery director; require the lottery director to submit a budget plan to the commissioner of finance; and would create a Lottery Organization Task Force to study and make recommendations on the future organization and profitability of the lottery.

The bill is in response to a recent legislative auditor's evaluation of the lottery. The report found concerns in a number of areas including: promotional spending, the amount of leased space, and staffing levels.

The seven-member task force would be composed of the commissioners of finance and natural resources, a House member, a Senate member, the lottery director, and two gubernatorial appointees. A report would be due to the Legislature by Feb. 1, 2005.

Legislators had previously raised concerns over how much involvement the state should have in the lottery, and Rep. Tom Rukavina (DFL-Virginia) said he was concerned over the possible "micromanaging" of the organization because of changes in the bill.

Rep. Bill Haas (R-Champlin) said HF2199 was a good bill and would "tighten up" oversight of the lottery.

The bill would also lower the operating expenses for fiscal years 2004 and 2005 to \$27.4 million from \$43.5 million. The expenses must not come from a direct function of lottery sales, which include the cost of lottery prizes, monies paid to lottery retailers as sales commissions or other compensation, costs to produce and deliver scratch game tickets, and amounts paid to an outside vendor to operate and maintain an online gambling system.

Sen. Ann Rest (DFL-New Hope) sponsors the Senate bill that passed 60-0 April 12.

★ GAME & FISH

Fair game

An omnibus game and fish bill that would get duck hunters out of bed earlier on opening day, reinstate a game bird season that has been outlawed for several decades, and encourage youth hunting was approved by the House Ways and Means Committee April 13. It now moves to the House floor.

HF2368, sponsored by Rep. Joe Hoppe

(R-Chaska), is a revamped version of an omnibus game and fish bill that stalled on the House floor last year.

The bill would add mourning doves to the statutory list of game birds and authorize a mourning dove hunting season, which has been prohibited since 1947. The Department of Natural Resources would be ordered to submit a report to the Legislature by Aug. 1, 2005, on the results and a description of the impact of the season on the mourning dove population in the state.

Rep. Alice Seagren (R-Bloomington) unsuccessfully attempted to remove the mourning dove provisions, but Hoppe prevailed, stating "There is no biological reason not to hunt doves."

Under the bill, on the opening day of duck season the shooting hours for migratory game birds, except woodcock and mourning doves, would begin at 9 a.m. rather than 12 p.m., as is current practice. The department would be directed to study the impacts of the change in shooting hours, including the harvest success and the effect on local waterfowl populations, and report back to the Legislature by Jan. 15, 2007.

This year's bill again attempts to get tougher on scofflaws who fail to show up in court or pay court-ordered fines for game and fish violations. Under the bill, those transgressions could result in the three-year revocation of game and fish license privileges.

The Eurasian collared dove, a "nuisance bird"



John Schroers, vice president and legislative committee chair of the Minnesota Outdoor Heritage Alliance, testifies during an April 13 hearing of the House Ways and Means Committee for a portion of a game and fish bill that would establish a mourning dove hunting season.

according to Hoppe, would be added to the statutory list of unprotected birds, under the bill.

There are several provisions aimed at young hunters. The bill would allow turkey hunters under the age of 16 to be accompanied by unlicensed, unarmed adults. Minnesota residents under the age of 18 would be sanctioned to take up to 25 turtles for nonprofit turtle racing, as long as the turtles are greater than four inches in length. And deer firearm and archery youth license fees would be adjusted to kick in at age 18 rather than age 16. This short-term loss in revenue would result in a long-term gain, Hoppe said.

A Senate companion (SF2203), sponsored by Sen. Tom Saxhaug (DFL-Grand Rapids), awaits action by a second committee.

Payment for refuge land

Under current law, the Department of Natural Resources makes annual payments to counties in lieu of taxes for natural resources property, specifically public hunting areas and game refuges, acquired by the state.

Rep. Greg Blaine (R-Little Falls) is sponsoring a bill (HF2928) that would direct payments in lieu of taxes to Morrison County for a game refuge at Camp Ripley.

The bill was heard by the House Taxes Committee April 13 and will be considered for possible inclusion in the omnibus tax bill.

Of the 53,000 acres at Camp Ripley, slightly more than 44,000 acres would qualify for the payments, under the bill. In addition, the committee accepted an amendment that would provide a 50 percent payment-in-lieu of taxes on the land, or about \$85,000 for 2005.

Rep. Ron Abrams (R-Minnetonka), the committee chair, said that all other game refuges in the state receive the in-lieu payments.

"This bill is about equity and it's about fairness," Blaine said. "I'm not looking for any special or preferential treatment here."

Rep. Tom Rukavina (DFL-Virginia) agreed the situation at Camp Ripley is unique, but he also noted that the county receives significant economic benefit from the influx of people who attend events at the camp.

Tom Wenzel, Morrison County commissioner, testified that while much of Camp Ripley is located within Morrison County, parts of two other counties receive economic benefit from all the events and training held at the camp. Nevertheless, it's the Morrison County roads and infrastructure bearing most of the wear and tear, he said.

In addition, said Morrison County Commissioner Bill Block, there are about 24 miles of Mississippi River shoreline in the camp and additional frontage on the Crow Wing River –



Morrison County Commissioners Tom Wenzel, left, and Bill Block testify before the House Taxes Committee April 13 for a bill that would modify annual payments to counties for game refuge land.

prime real estate that will not be developed and cannot be a tax benefit to the county.

The bill's Senate companion (SF2725), sponsored by Sen. Paul Koering (DFL-Fort Ripley), awaits action in the Senate Finance Committee.

★ GOVERNMENT

State purchasing power

The House Ways and Means Committee approved a bill April 14 that would allow state agencies to enter into volume contracts with national purchasing alliances in Minnesota in order to purchase goods at a lower cost.

It now goes to the House floor.

Sponsored by Rep. Laura Brod (R-New Prague), HF2905 would create efficiency and it "allows us to get the best bang for the taxpayer's dollar," she said. Although agencies are already permitted to combine purchases to achieve volume discounts, the bill says the "commissioner shall expand the choices available to agencies by recognizing contracts bid by a national purchasing alliance domiciled in Minnesota."

Brod previously said the language is intended to elevate the use of contracts with alliances as another choice for state agencies and give alliances preferential treatment. To be eligible for such contracts, alliances must also comply with the rules and requirements for state contracts.

A Department of Administration official told another House committee that the department now has 200 contracts with multiple ven-

dors and alliances are permitted to bid on those contracts.

Rep. Tom Rukavina (DFL-Virginia) raised concerns over why the Department of Corrections is excluded from the bill.

Brod responded the department has programs that use prisoners for making products for the state already and the purpose of the bill is not to "take away" from what those programs do.

A Senate companion (SF1859), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action on the Senate floor.

DEED departmental changes

The House Ways and Means Committee approved a bill April 13 that would make housekeeping and technical changes to the Department of Employment and Economic Development.

Rep. Lynne Osterman (R-New Hope), the sponsor of HF2386, said it adds names and references, updates Minnesota's law conforming to federal law, corrects errors, and eliminates outdated statutes and rules.

Osterman offered a successful amendment that would add "improving the quality of the state workforce" to the department's existing mission statement: "To support the economic success of individuals, businesses, and communities by providing opportunities for growth."

The Legislature abolished the Department of Economic Security effective July 1, 2003, and transferred its duties to the new Department of Employment and Economic Development,

which was previously called the Department of Trade and Economic Development.

A department merger update said the consolidation of offices provides a single, cohesive agency to provide workforce and economic development services. In addition, it allows them to consolidate the offices in the same physical space, thereby eliminating millions in future lease payments.

A Senate companion (SF2350), sponsored by Sen. Julie Rosen (R-Fairmont), awaits action in the Senate Rules and Administration Committee.

★ INSURANCE

Preventing fraud

Insurance companies would fund the Division of Insurance Fraud Prevention, a law enforcement agency in the Commerce Department, under a bill approved by the House Ways and Means Committee April 14.

Rep. Gregory Davids (R-Preston), sponsor of HF2640, said policy creating such an agency already exists, but his bill establishes the funding mechanisms.

With the costs for the fraud agency supported by insurance companies, Rep. Tom Rukavina (DFL-Virginia) asked Davids if they would be passed on to consumers.

Davids said although the initial effect would be left to consumers, eventually savings would be seen through fraud prevention measures by the agency.

Robert Johnson, executive vice president for the Insurance Federation of Minnesota, testified that the increased cost of "a candy bar" to consumers would save \$1,000 a year per family through the agency. Fraud "costs every family in the state a lot of money," he said.

Several members expressed concern over a provision that would allow agency employees to have access to private data on individuals.

Rep. Mary Liz Holberg (R-Lakeville) said, "I don't think this does what they want, and there are unintended consequences," on the wording of the language in the bill. Holberg suggested it be changed before the bill makes it to the House floor.

Rep. Bill Haas (R-Champlin) said that in regard to cases, "We still have to give that investigator the latitude to investigate it thoroughly."

Also, duties of the statewide auto theft prevention program currently in the Department of Public Safety would be transferred to the Department of Commerce, under the bill.

The bill now goes to the House Judiciary Policy and Finance Committee.

A Senate companion (SF2607), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), awaits action by the Senate Finance Committee.

★ LOCAL GOVERNMENT

Cost recovery

A municipality would be able to recover additional costs when it improves a residential rental property to correct code violations, under a bill passed April 12 by the House.

The vote was 74-54.

Sponsored by Rep. Dan Dorman (R-Albert Lea), HF2378 would amend state law to allow a city or urban town to recover utility payments and the cost of exterior painting that an appointed property administrator ordered to correct code violations.

Existing law allows a municipality the option to levy a special assessment against the property benefited to recover costs for such things as: snow or rubbish removal from sidewalks, removal of a public health or safety hazard, or treatment or removal of an insect infested or diseased tree.

Dorman said a code violation must be in place against the privately owned property, and the property owner must be given notice and sufficient time to correct the violation. If the violation is not addressed and the owner abandons the property, the city can move in.

"When a city takes over a property, it assigns a person to stand in the shoes of the property owner," Dorman said. "If there's an outstanding heating bill, an (administrator) can pay that."

Dorman amended the bill at the request of Rep. Joe Mullery (DFL-Mpls) to allow a municipality to recover exterior painting costs of any structure found to be in violation of a municipal code.

Rep. Torrey Westrom (R-Elbow Lake), who opposed the bill, said state law covering the issue should be left as is. "Big Brother government can come in and paint your house because somebody doesn't like it or government determines it doesn't meet the code," he said. "They're gonna stick it to them no matter if a person can afford to paint their house or not."

Dorman responded that a structure would only be painted if it were found in violation of a municipal code, not for solely aesthetic reasons.

Dorman said the bill was requested by housing officials with the city of St. Paul who weren't sure whether existing state law would allow the city to recover the cost of keeping the heat on in a vacant building, for example, to preserve the structure for future use.

The bill now moves to the Senate, where Sen. D. Scott Dibble (DFL-Mpls) is the sponsor.

Watershed levies

State law allows watershed districts to levy property taxes for administrative expenses. However, according to state law, that levy is

limited to either 0.048 percent of the taxable market value of the district, or \$250,000, whichever is lower.

As a result, a large area, such as the Sauk River Watershed District, may not levy enough funds to keep up with administrative costs, even though its taxable market value would more than sustain those expenses.

A bill, heard April 13 by the House Taxes Committee, would remove the dollar amount governing its levy authority and replace it with a levy of 0.01 percent of taxable market value.

The bill (HF2841), sponsored by Rep. Doug Stang (R-Cold Spring), will be considered for possible inclusion in the committee's omnibus public finance bill.

According to testimony in the committee, metropolitan area watershed districts have no specific levy limit placed upon them by state law. Only Greater Minnesota districts must adhere to those limits, said Julie Klocker, administrator of the Sauk River district.

Klocker's district is the largest in the state that is not located in the Twin Cities metropolitan area, she said.

By removing the dollar figure limit, the bill would allow the district to levy up to \$465,000 – lower than what the 0.048 percent would allow, but enough to support activities.

"We have a tremendous need," Klocker said. The \$250,000 limit is "just barely keeping the lights on."

The watershed district, which includes portions of five counties and encompasses 940 square miles, oversees 19 rivers and 18 lakes, Klocker said. It has a significant tax capacity but is unable to utilize most of that capacity because of the levy limit.

She said the problem is of great concern considering the impaired waters initiatives that will be a watershed responsibility in coming years.

"Watersheds are going to have more demands placed on them," said Rep. Morrie Lanning (R-Moorhead). "The problem's only going to get worse."

Klocker said the watershed consulted with the five county commissions – Douglas, Meeker, Pope, Stearns, and Todd – and officials said a percentage levy limit without a dollar amount attached would allow the district the financial flexibility to grow with the tax base.

The Senate companion (SF2974), sponsored by Sen. Michelle Fischbach (R-Paynesville), awaits committee action.

Defining property taxes payable

A bill heard by the House Taxes Committee April 13 would clarify that all charges for basic police and fire services count as property taxes when calculating property tax refunds.

HF2780, sponsored by Rep. Dick Borrell

(R-Waverly), will be considered for inclusion in the omnibus tax bill.

Most cities and counties, Borrell testified, provide basic police and fire services through general property taxes, the number used when calculating whether a property owner is eligible for a refund. However, other communities assess separate charges or fees for basic services, which would not be included in general property tax figures for the purposes of calculating a refund.

The bill would define property taxes payable to include any fees or charges for basic police and fire services, excluding capital expenditures related to those services.

The definition would apply to both regular homeowner property tax refunds and special property tax refunds. Borrell said a constituent brought the issue to his attention.

Sponsored by Sen. Mark Ourada (R-Buffalo), the bill's Senate companion (SF2745) awaits committee action.

Spending local revenue

Technically speaking, current law allows townships to spend only the revenue they raise through the property tax levy in a given year.

However, said Rep. Greg Blaine (R-Little Falls), many local governments carry forward their revenues to future years if they have a surplus in the event they need to purchase large equipment, such as a road grader. In order to make sure those towns can actually spend that money without having it affect their levy authority, Blaine is sponsoring HF2522 to provide that total revenue includes property taxes, revenue from other sources, and amounts carried forward.

The bill was heard by the House Taxes Committee April 13 and will be considered for inclusion in the omnibus tax bill.

According to research information about the bill, it was brought forward, in part, because of an advisory from State Auditor Patricia Anderson that the law needed to be clarified.

In addition, the bill would specify that townships may impose taxes authorized under other state laws, such as special assessments, in addition to those approved at the annual township meeting.

Kent Sulem, an attorney with the Minnesota Association of Townships, said that townships meet to approve their tax levies in March. Once they have adjourned that annual meeting, it may be reconvened anytime up through Dec. 20 of a given year to allow voters to approve an additional levy.

The bill's Senate companion (SF2449), sponsored by Sen. David Tomassoni (DFL-Chisholm), passed that body April 5.

Requesting impact notes

Local units of government would be able to request fiscal notes when a state agency changes a rule causing more than a \$50,000 impact under a bill approved by the House Ways and Means Committee April 14.

Rep. Marty Seifert (R-Marshall), sponsor of HF2101 said, "We have local units of government who say we are throwing mandates at them but they have no way of determining how agency rules are affecting them."

The bill requires the commissioner of finance, upon request, to prepare a fiscal impact note. If the cost to comply with the rule for one business with less than 50 full-time employees exceeds \$50,000, the rule must go before the Legislature for approval.

The elected governing body of a city, township, county, school district, soil and water conservation district, or sanitary district may make the fiscal request to the commissioner at least 10 days before a public hearing, or at least 10 days before the deadline for requesting a public hearing.

The entity making the request may be required to pay a \$35 per hour fee for time spent preparing the note.

Seifert offered a successful amendment that would allow the governor to waive legislative approval of a rule change.

In discussions with the governor's office, Seifert said he attempted to address concerns that caused a similar bill to be vetoed in 2003. Previously, the threshold was \$10,000 and too much authority was given to the legislative branch, said Seifert.

The bill now goes to the House floor.

A Senate companion (SF2895), sponsored by Sen. David Senjem (R-Rochester), awaits action in the Senate Finance Committee.

TAXES



Cigarette tax increase

A bill that would increase the cigarette tax by 29 cents per pack, using the additional revenue to offset reductions in the health care provider tax and reduce assessments for a state-run health care plan, will be considered for inclusion in the omnibus tax bill.

HF2533, sponsored by Rep. Fran Bradley (R-Rochester), was heard April 13 by the House Taxes Committee. He said the key changes reflected in the bill are intended to help reduce health care costs.

Under current law, a tax of 48 cents is charged per pack of cigarettes sold. The bill would raise that tax to 77 cents per pack. The additional tax would not apply to smokeless tobacco products, under the bill.

In addition, the bill would cut the MinnesotaCare tax on health care providers, wholesale drug distributors, hospital revenues, and surgical center revenues from 2 percent to 1.75 percent.

The MinnesotaCare tax supports that program, which provides subsidized health care coverage to low- and moderate-income families and individuals.

Bradley testified that the Health Care Access Fund, into which MinnesotaCare taxes are deposited, has historically had a surplus and will continue to do so, given the significant changes in store for the program due to federal fund support.

The third piece is the provision in the bill that would require that the commerce commissioner disburse the additional revenue to the Minnesota Comprehensive Health Association to eliminate or reduce the assessment charged entities that use the program.

The association provides insurance for individuals whose health coverage was denied or terminated because of a severe or chronic illness. Members of the association are subject to assessments to help pay for the benefit. Membership is required, under law, as a condition of doing accident and health insurance, self-insurance, health maintenance organization, or community integrated service network business in this state.

Bradley called the plan "revenue neutral." He said it's one of the numerous initiatives to cut health care costs and that tobacco use is "a controllable health care factor."

Several members discussed whether the bill does enough to reduce provider taxes. "I wish we could do more, but I think this is within an attainable limit," Bradley said.

A Department of Revenue analysis of the bill indicates it would increase general fund revenue by \$235,000 in 2005, decrease revenue to the Health Care Access Fund by \$6.7 million, and increase funds for the health association by \$36.9 million.

Rep. Paul Marquart (DFL-Dilworth) questioned whether the bill could have the affect of encouraging consumers to buy cigarettes, and possibly other goods, in North Dakota and South Dakota, where the tax is lower. Bradley said that those factors are part of studies regarding consumer behavior, though he's not sure specifically what the impact would be.

The Senate companion (SF2468), sponsored by Sen. Sheila Kiscaden (IP-Rochester), failed in a Senate committee.

No tax for donated meals

Members of the House Taxes Committee were treated to a visual aid for the April 13 hearing for HF3073 – a straw and cocktail napkin.

The point: the bill would exempt certain organizations from paying use taxes on these items if they come as part of a meal donated for fundraising purposes.

Specifically, the bill would provide a specific sales tax exemption for meals donated to certain nonprofit organizations for fundraisers. Those organizations have federal nonprofit

ROLLING AGAIN



PHOTO BY TOM OLMSCHIED

Metropolitan Council Chair Peter Bell, *left*, answers questions during a news conference April 13 to announce an end to the 41-day Metro Transit bus strike. Amalgamated Transit Union President Ron Lloyd, *center*, and Gov. Tim Pawlenty also participated in the news conference.

designations and operate for charitable, religious, or educational purposes.

Meals donated to senior citizen groups for fundraisers would also be exempted.

Under current law, no sales taxes are due on the donated meals because the food is provided for free. However, any extras, such as napkins, take-out containers, disposable silverware, and cups, that may accompany the food, would be subject to state use tax.

The exemption in the bill would mean food providers would not owe any tax on the donated meal.

Rep. Tom Rukavina (DFL-Virginia) sponsors the bill, which will be considered for inclusion in the omnibus tax bill. Its Senate companion (SF2900), sponsored by Sen. David Tomassoni (DFL-Chisholm), awaits committee action.

★ TECHNOLOGY

CriMNet compliance

A bill that would ensure data on individuals stored on computerized management systems throughout the state, particularly the pending CriMNet system, is accurate and in compliance with data privacy laws cleared its third committee April 14.

HF2800, sponsored by Rep. Mary Liz Holberg (R-Lakeville), was approved by the House Judiciary Policy and Finance Committee, and sent to the House Ways and Means Committee.

The bill relates largely to the pending statewide implementation of CriMNet, a secure Internet system that will allow law enforcement agencies to share information on crimes and those who have committed them.

The bill would allow the state to determine whether various information management systems comply with information policy laws; require law enforcement agencies to document certain exchanges of data on individuals; regulate CriMNet data access; require any other multiple-jurisdiction criminal justice information management system to follow the same data practices laws as CriMNet; and clarify public defender access to criminal history data.

To showcase the bill's need, Holberg told of a man at a Burnsville political rally who police threatened to arrest if he continued to refuse to reveal the contents of his fanny pack. The police, who had seen the man in an animated discussion with another person, discovered through a local multiple-jurisdiction police database that he had been refused a concealed handgun permit. Police believed he might have a gun.

However, Holberg said, the information was incorrect; the man had been approved for such



Laurie Beyer-Kropuenske, *left*, program coordinator with the Department of Public Safety, and Robert Johnson, *right*, CriMNet executive director, voice concerns to the House Judiciary Policy and Finance Committee April 14 about a bill that would ensure data on individuals stored on computerized management systems is accurate and in compliance with data practices law.

a permit. While he did not have a gun that day, Holberg said, "I kind of shudder to think what would have happened if he had actually had a firearm in his fanny pack and the police relied on the inaccurate information to make a decision about that situation."

Several law enforcement officials testified against the bill, stating that it would hamper officers' ability to survey suspicious activity related to potential crimes.

Bill implementation costs are calculated by state agencies at \$28.2 million. However, Holberg said changes to the bill have lowered that number.

The Senate companion bill (SF2561), sponsored by Sen. Don Betzold (DFL-Fridley), was approved by one committee and awaits further action.

★ TOURISM

Tourism oversight

The House Ways and Means Committee approved a bill April 14 that would create the office of Explore Minnesota Tourism to be supervised by the commissioner of employment and economic development.

Sponsored by Rep. Gregory Davids (R-Preston), HF2044 also establishes a 28-member council to oversee the office and allows the office to generate revenue for promotional purposes.

Currently tourism functions are administered

within the Department of Employment and Economic Development, but the transfer of duties to a new agency would help "increase the awareness of tourism in Minnesota," said John Edman, director of the Minnesota Office of Tourism.

Council members would be appointed by the governor for four-year terms and would include the director of Explore Minnesota Tourism, 11 representatives from associations representing specified tourism and hospitality groups, one representative from each of the four tourism marketing areas to be designated by the office, and two legislators each from the House and Senate.

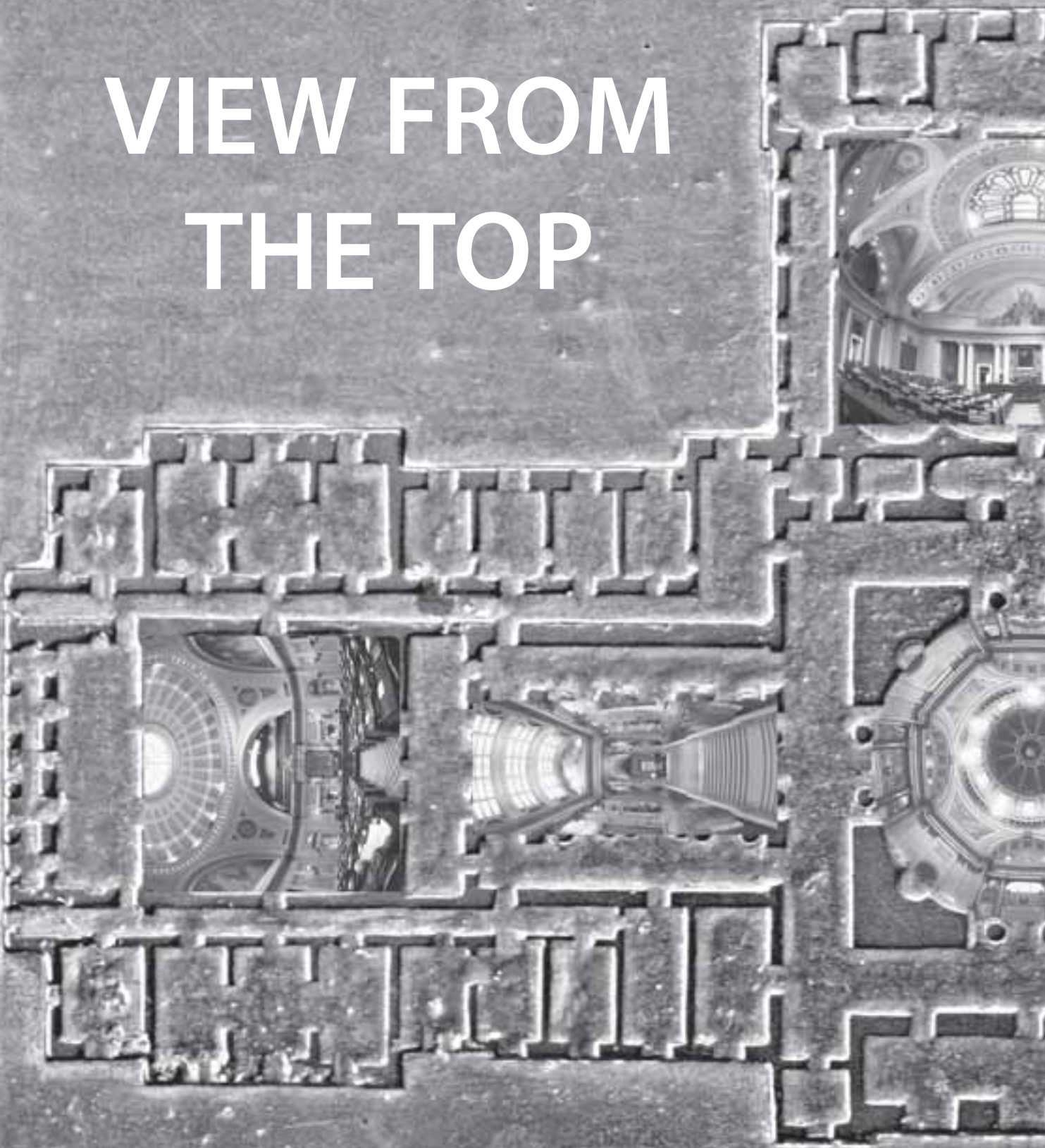
The bill, which now goes to the House floor, permits the director to sell reports, publications, or related publicity or promotional material of the office without rulemaking or prior legislative approval. The office could also receive revenue from advertising, although promotional expenses are excluded from being used for radio and television appearances of an elected public official.

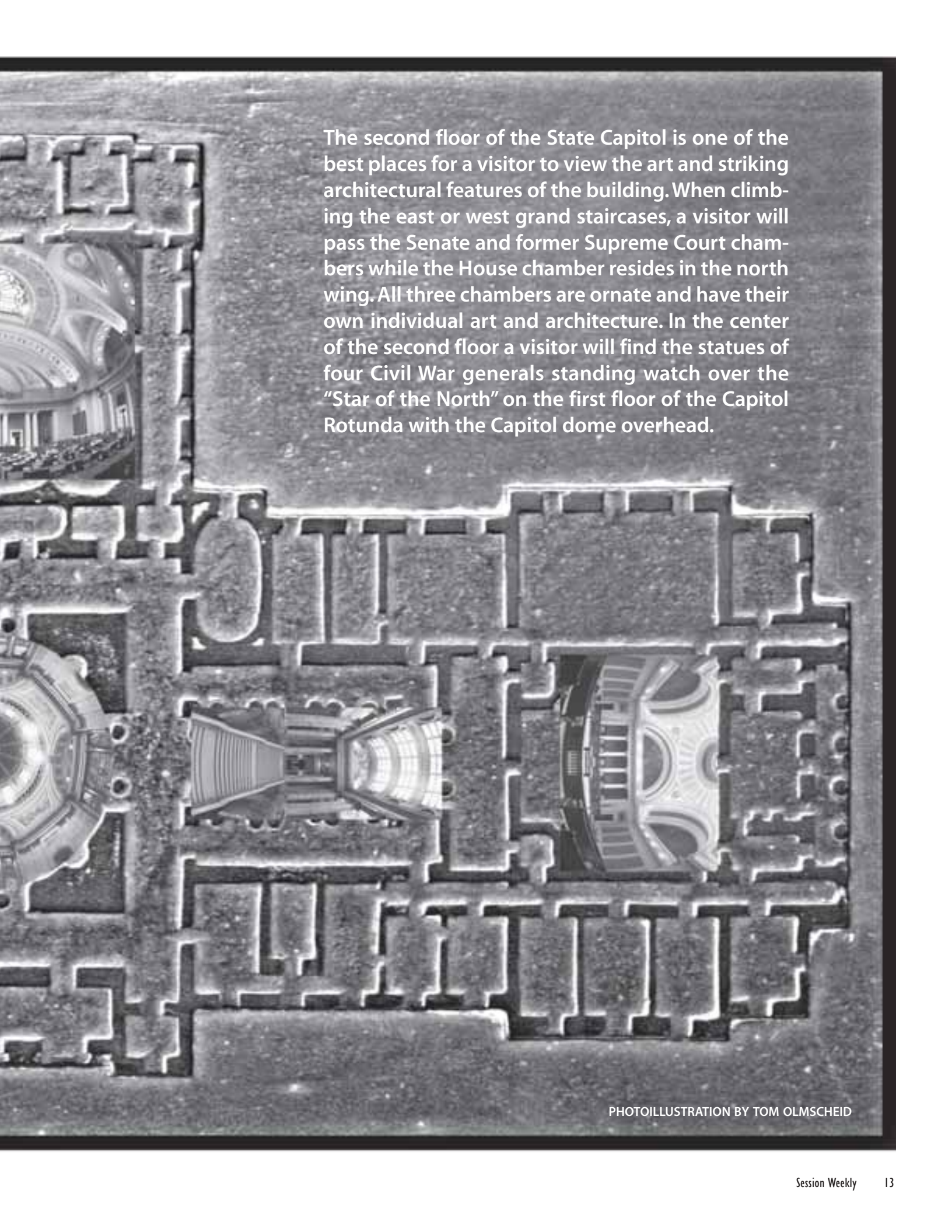
A Senate companion (SF2009), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits action by the Senate.

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VIEW FROM THE TOP





The second floor of the State Capitol is one of the best places for a visitor to view the art and striking architectural features of the building. When climbing the east or west grand staircases, a visitor will pass the Senate and former Supreme Court chambers while the House chamber resides in the north wing. All three chambers are ornate and have their own individual art and architecture. In the center of the second floor a visitor will find the statues of four Civil War generals standing watch over the "Star of the North" on the first floor of the Capitol Rotunda with the Capitol dome overhead.

PHOTOILLUSTRATION BY TOM OLMSCHIED

Emphasizing clean water

The Public Facilities Authority provides financial wherewithal for cities to protect one of the state's natural resources

By MARY KAY WATSON

Featuring a surface water area of more than 13 million acres, Minnesota is synonymous with fresh water. However, the state's most abundant liquid asset may, in fact, be running sight unseen below the surface: an estimated 1 trillion gallons of high quality ground water – a vast, yet vulnerable, resource.

April 22 marks Earth Day – an occasion intended to rekindle a commitment to safeguard such resources. However, officials say protecting the state's water takes more than commitment – it takes action. And money.

The task of keeping the state's waters clean and pollution at bay is neither cheap nor glamorous, if lists of needs are any indication. On a personal level it means proper disposal of hazardous waste, recycling used oil, and refraining from overuse of pesticides and fertilizers.

On a community level, it involves collecting and treating sewage; removing substances such as arsenic, benzene, and radium from drinking

utilities projects such as upgrading wastewater and drinking water systems. It may have a low profile, but it has funded more than \$1.7 billion in loans and grants since the establishment of three funds, each with a different purpose.

The Water Pollution Control Revolving Fund is administered in conjunction with the Minnesota Pollution Control Agency. The fund provides low-interest loans to local governments for planning and construction of wastewater or storm water collection and treatment facilities. Since 1989, the fund has loaned \$1.3 billion for 260 wastewater projects at an interest savings of \$377 million. It has also funded more than \$75 million in non-point source pollution projects through other agencies and departments.

The Drinking Water Revolving Fund, administered in conjunction with the Department of Health, has made 132 low-interest loans of \$219 million to local governments since 1998. The money is used for upgrading and constructing public drinking water systems.

The Wastewater Infrastructure Fund has awarded \$96.6 million since its establishment in 1995. The fund provides supplemental assistance for high cost wastewater treatment projects. It operates in conjunction with the U.S. Department of Agriculture's rural development grant and loan program and the Clean Water State Revolving Fund. Local governments must first apply to one of these two entities to access this

with a central collection system, the city received an \$8 million loan from the authority. The city was also able to bring neighboring Rockville, with a population of 2,500, into the project, scheduled for completion in late 2004.


Larry Lahr, Cold Spring city administrator, said the financial benefits of the loan program include a favorable interest rate, a 20-year loan period, and a repayment program with a delayed start.

The authority was established in 1987, three weeks after the Clean Water Act was passed. Under the act, the U.S. Environmental Protection Agency awards annual grants to states to provide loans for water pollution control projects. Minnesota was the first state to sell revenue bonds to leverage federal funding for clean water, the first to establish a revenue bond pool, and the first to get a triple-A rating for its pool, according to Executive Director Terry Kuhlman. He said Minnesota has followed federal legislation very closely and has been "fairly creative" in getting funding.

The authority is staffed and administered by the Department of Employment and Economic Development. Its board includes commissioners or delegates from the Departments of Finance, Health, Agriculture, Transportation, Employment and Economic Development, and the Pollution Control Agency.

In his 2004 capital budget, Gov. Tim Pawlenty recommended \$16.3 million in general obligation bonding for the Water Pollution Control Revolving Fund and the Drinking Water Revolving Fund, an amount that would leverage \$81.4 million in U.S. Environmental Protection Agency grants, a 1:5 match.

The governor has also recommended \$10 million in general obligation bonding for the Wastewater Infrastructure Fund, plus a general fund appropriation of \$200,000 for the operating expenses associated with that program. These bonding requests are currently under review by the House Capital Investment Committee.

In addition, the authority has the ability to bond for \$1 billion without state backing. These bonds are repaid from loan repayments and investment earnings. This year the authority has asked the Legislature to increase its bonding authority to \$1.25 billion. A bill to do such (HF2342), sponsored by Rep. Jim Knoblach (R-St. Cloud), also awaits action by the House Capital Investment Committee. A Senate companion (SF2313), sponsored by Sen. Dennis Frederickson (R-New Ulm), awaits action by the Senate Finance Committee. 



PHOTOILLUSTRATION BY PAUL BATTAGLIA

The Public Finance Authority has loaned \$1.3 billion for wastewater projects since 1989, including one in development for Cold Spring in central Minnesota.

water; and treating drinking water sources for nasty things like fecal coliform bacteria. Small communities find these endeavors a hardship without additional financial support.

The Minnesota Public Facilities Authority acts as a funding agent to cities and counties for public

funding.

The central Minnesota city of Cold Spring, population 3,300, provides an example of how these funds work.

With goals of eliminating environmentally unfavorable septic systems and replacing them

Spendy systems

Pollution Control Agency submits 10-year plan to correct failing individual sewage treatment systems across the state

By NICOLE WOOD

There's a lot more to properly installing and operating septic systems than the proverbial knowledge that sewage runs downhill. Though typical systems can last 40 years or more, early failure sometimes occurs due to improper design, installation, or maintenance.

Failing systems can pose a serious hazard to public health and the environment, particularly when pathogens in sewage and wastewater reach drinking water supplies. And, ultimately, faulty systems contribute to the state's growing list of impaired waters.

A recent Pollution Control Agency report estimates that there are 535,000 homes, cabins, and businesses in Minnesota with on-site septic systems. Of those, approximately 208,000, or 39 percent, are considered failing or imminent threats to public health.

To qualify as an imminent threat to public health and safety, a system might have sewage backing up into the house, discharging onto open ground, or flowing to nearby surface waters.

A failing system is defined as one that discharges untreated or partially treated water too close to the water table. This is a serious problem, according to the report, because many Minnesotans with an individual sewage treatment system also have their own, or a neighbor's, private well in close proximity to their system.

A complete system overhaul or installation can cost homeowners between \$4,000 and \$12,000, depending on the technology, design, and location. The report estimates the cost to upgrade all problem septic systems in Minnesota over a 10-year period could be as high as \$1.2 billion.

Under the current regulatory framework

for statewide septic system oversight, the Pollution Control Agency is charged with developing rules for design, location, installation, and operation, and local governments implement those rules. The agency also licenses septic system contractors.

The 2003 Legislature ordered the agency to prepare a 10-year plan to identify all noncompliant individual sewage treatment systems in the state, develop a method to ensure system maintenance under current agency rules, and recommend funding mechanisms to assist homeowners with making necessary upgrades.

The agency formed a stakeholder advisory group, including representatives from local units of government, environmental advocacy groups, the state sewage treatment contractors association, and the University of Minnesota Extension Service, to develop the plan.

The report, submitted to lawmakers in February 2004, suggests a number of improvements to septic system regulation and funding at the state and local levels, though it states that stakeholders did not reach a consensus on any specific course of action.

For example, with adequate funding, counties could identify unsewered properties through an inventory system, enhance current programs and reporting practices, and provide low-interest loans to homeowners for system upgrades.

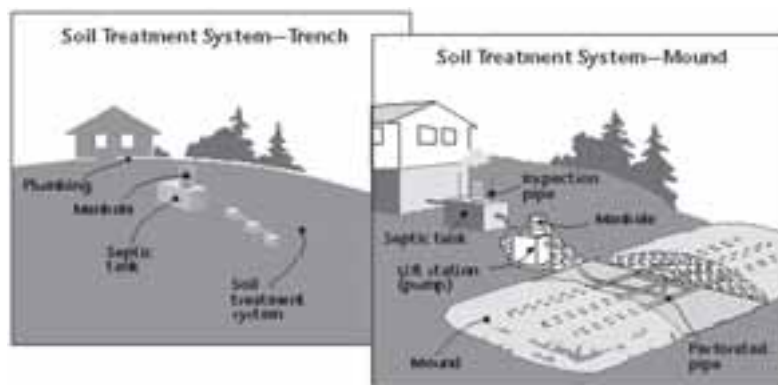


Photo illustration courtesy of University of Minnesota Extension Service Web site

Individual sewage treatment systems typically consist of a septic tank and some type of soil treatment system, such as the trench or mound varieties shown here.

The agency could also improve standards for septic system professionals by raising the bar on educational requirements for license registration and renewals and place additional emphasis on enforcing current rules for design, installation, and maintenance. It also could provide financial assistance to counties through Board of Water and Soil Resources Natural Resources Block Grants in proportion to the number of individual septic systems in the county, as well as technical assistance to build more successful programs.

According to the report, if the state were to provide upgrade support funding at a level of 5 percent, the target amount would be \$6.2 million annually for upgrade grants.

After adding together the upgrade grants, the costs for an inventory, as well as other boosted activities at the county level, the total annual funding from the state could be estimated at \$8.5 million.

As for funding mechanisms, the report suggests that sources could include a water protection fee concept developed by a separate working group on impaired waters. Under that proposal, the Legislature would establish a fee on municipal sewer connections and rural septic systems. The proposed fees are \$36 per year on residential units and \$150 per year on non-residential connections.

The goal, according to a recent impaired waters report prepared by the working group, would be to place approximately \$75 million per year in a state water protection account and use those funds for grants and loans to public agencies for impaired waters identification, prevention, and restoration activities.

Though the Legislature has not yet jumped at the fee suggestion this year, part of the funding from a proposal to constitutionally dedicate a percentage of state sales taxes to the environment would be earmarked for impaired waters prevention and restoration.

The success of the 10-year plan to upgrade septic systems in the state, according to the report, "will depend on the continued close communication and cooperation between the (agency), local governments and other stakeholders, and the Legislature."



Ready for school

Education finance measure includes proposals intended to help narrow kindergartners readiness gap

By TOM LONERGAN

A state-funded school readiness study, released in February 2004, estimated that 12 percent of public school kindergarten students were not yet proficient in language and literacy and 11 percent were not ready for math-related activities in kindergarten.

The students, who had entered 52 public schools in September 2003, were observed for six weeks by kindergarten teachers and rated in five school readiness skill, knowledge, and behavior areas. They were rated at one of three levels: showing proficient skills on a consistent basis, showing emergent or intermittent skills, or not yet showing school readiness skills.

Betty Cooke, an Education Department early childhood education specialist, told a joint meeting of three House education committees in March that the study estimates between 7,000 and 8,000 of the children entering public school kindergartens in the fall of 2003 were “showing no skills yet” in literacy and math.

The study also found that family income – rather than race or ethnicity – is more of a factor in children’s school readiness. In the five school readiness skill and development areas assessed, students from families with annual incomes below \$35,000 were more than “twice as likely to have a ‘not yet’ rating,” according to the study, “than the students in the highest of the four income categories (\$75,000 or more).”

The two areas where the kindergarten children sampled were most proficient was in physical development and personal and social development.

Lawmakers have included some modest proposals to begin to help districts address readiness of tomorrow’s kindergartners. While some say it’s a necessary start, others say school readiness needs to be more of a priority now.

Yet there seems to be agreement that the issue is fundamental to a student’s lifelong educational success.

Todd Otis, executive director of Ready4K, a St. Paul-based statewide advocacy group for dedicated public and private funding of preschool programs, testified at the March committee hearing that the state study established

“a really important baseline.”

“How are we going to get these numbers better?” he asked. “If we can improve (school readiness), the K-12 system, higher education system and workforce preparation will be improved.”

The omnibus education finance bill (HF1793), sponsored by Rep. Alice Seagren (R-Bloomington), would restore slightly more than \$1 million in school readiness funds for children between the ages of 3-1/2 and 5. School readiness programs prepare children to enter kindergarten.

The bill would provide \$10.3 million for school readiness programs for fiscal year 2005. The Legislature previously cut school readi-



PHOTO BY TOM OLMSCHIED

Lawmakers have included some provisions in the omnibus education finance bill to address school readiness concerns.

ness funds by \$1 million for 2004.

The bill would also allow school districts to allocate up to 10 percent of state provided compensatory revenue to support pre-kindergarten programs. According to a state Department of Education official, up to \$25 million could be available for such programs under the option.

Pre-kindergarten programs “may serve resident and nonresident children,” under the bill. Districts may contract with private preschools and other providers of pre-kindergarten programs. There is a mix of privately and publicly funded preschool programs throughout the state, but no statewide publicly funded system.

The bill is likely headed to a conference com-

mittee, since the Senate has also passed a supplemental education bill with a number of different proposals. A committee has yet to be appointed.

Compensatory revenue – based on specific public school building headcounts of children from families who meet federally defined low income levels – is primarily for remedial and individualized instruction for under-prepared students who have demonstrated poor academic progress.

Karen Carlson, director of early learning services for the state Department of Education, told members of the House Education Finance Committee during a March hearing that pre-kindergarten programs were an appropriate use of school compensatory revenue.

Through state required screening of pre-kindergarten students, school districts attempt to identify “kids not yet ready for school,” Carlson said. The screening can potentially identify preschool students, she said, who could later fall into the state’s “achievement

gap,” which has shown low income students and students of color testing at consistently lower proficiency levels in math and reading.

The intent of allowing school districts another optional use of compensatory revenue, Carlson said, “is to stick with the issue of serving under-prepared kids.

“This is one more way some money can be used. It doesn’t begin to address the total need.”

However, Rep. Nora Slawik (DFL Maplewood) said the proposal was “taking a piece of the pie, but not adding anything to it. We’re robbing one group to help another,” said Slawik, who called for new state funding for preschool programs.

Rep. Barb Sykora (R-Excelsior) said the proposal would “not create a big public program,” but could help private nursery schools, Montessori schools, and other child-care providers prepare pre-kindergartners.

“If this works, we won’t have students needing compensatory (funded school programs) in grades 5, 6, and 7,” she said. “This is a way of possibly saving for the future.”

Review board

Bill would toughen penalties for sex offenders, create parole-board style system to review potential release

By MIRANDA BRYANT

Vowing to get tough on sex offenders, the Legislature is considering a bill that would mean life sentences for most sex offenders. The worst would never be freed from prison, but others could petition a proposed review board for release after serving minimum sentences.

Charged with reviewing indeterminate sentences in which sex offenders have been sentenced to life, but where parole is allowed, would be the newly created Minnesota Sex Offender Review Board.

The five-member board would be comprised of the commissioners of corrections and human services, and three people appointed by the governor: a retired judge, a sex offender treatment professional not employed by the state, and a member of the public. Each person would serve a four-year term.

The corrections commissioner would devise criteria and procedures governing the board's conditional release decisions. The criteria must be reported to the Legislature by Nov. 15, 2004 and take effect on June 1, 2005, under a bill (HF2308), sponsored by Rep. Kurt Zellers (R-Maple Grove).

The board would work with one category of sex offenders — those that have been sentenced for non-aggravated first-degree criminal sexual conduct, and the most serious second-, third-, and fourth-degree sex crimes, and sexual predatory conduct. Under the bill, offenders would receive a maximum life sentence and a minimum sentence. The latter would be two-thirds of the sentence presumed for such a crime, as laid out in sentencing guidelines.

When the minimum sentence has been served, the offender would be allowed to petition the board for a release hearing.

In deciding whether the prisoner should be released, the board would consider:

- the offender's risk of re-offending, as determined by the Department of Corrections end-of-confinement review committee;
- the community investigation report prepared by the department. The report, currently mandated when any felon is released on

supervision terms from prison, must include the views of the sentencing judge, the prosecutor, any law enforcement personnel involved in the case, and the victim, if the victim chooses to participate;

- the inmate's criminal history and behavior in prison;
- the inmate's participation in treatment, and the need for additional treatment or supervision;
- the danger the inmate would pose to the public, if released; and
- other relevant information.

Zellers said allowing other relevant information is important. This could include testimony by an offender's prison cellmate, and information gained during treatment about any other victims that the offender was not charged with violating. It could also contain statements by victims' family members about any efforts by the offender to make amends.

"We're not trying to exclude the possibility of



PHOTO BY ANDREW VONBANK

The omnibus judiciary finance bill would create a parole-style board to review sex offender cases with indeterminate sentences in which the minimum sentence has been served.

release for everybody," Zellers said. "We're just trying to keep the worst of the worst in (prison)."

Reviewing the inmate's participation in treatment will serve as an incentive, Zellers added. Currently, a sex offender can refuse treatment in prison, he explained.

The board would have to render a decision within 14 days of the hearing. Any release from prison must come within 90 days of the decision, and would be conditional, allowing the courts to re-sentence the offender for failing to follow release guidelines.

Those denied release could petition for a release hearing again in two years.

Under current law, second-degree criminal sexual conduct carries a statutory maximum penalty of 25 years; third-degree, 15 years; and fourth-degree, 10 years.

Second- and fourth-degree sex crimes involve sexual contact while third-degree involves sexual penetration.

According to a May 2003 Corrections Department report, 2,777 sex offenders were assigned risk levels in the six years following adoption of the community notification law in 1996. Level III offenders, considered at the highest risk to re-offend, numbered 368.

The bill containing the sex offender review board has been rolled into the House judiciary finance omnibus bill (HF2028), sponsored by Rep. Steve Smith (R-Mound). It passed the House 117-13 March 31. In the Senate, where Sen. Richard Cohen (DFL-St. Paul) is the sponsor, the companion bill was rolled into a supplemental budget-balancing measure. A House-Senate conference committee is expected to address the differences.

The judiciary finance bill would also:

- sentence to life in prison without parole those convicted of aggravated first-degree sex crimes — such crimes involve use of force or a weapon to rape or subdue a victim, resulting in physical or psychological harm. The current maximum penalty is 30 years in prison;
- create the crime of "criminal sexual predatory conduct" in cases where the predatory crime (murder, manslaughter, assault, robbery, kidnapping, false imprisonment, incest, or first-degree burglary) was motivated by sexual impulses; and
- expand the type of cases the department must review in deciding whether to refer cases for a sexual offender's possible civil commitment as a sexually dangerous person following completion of a prison sentence.

Human resources

Dislocated Worker Program, created to offer employee services in 1989, continues to evolve and improve

By PATTY JANOVEC

While Minnesota's economy climbs into recovery and the state's unemployment rate fluctuates, some unemployed workers are finding state assistance.

One of several employment assistance programs is Minnesota's Dislocated Worker Program that helps residents who are unemployed through job transfers overseas, business closings, and changing economic and market demands. In 2001 the program served 18,828 people.

Created in 1989, the program works to minimize the economic impact of layoffs and plant closings to employers and workers through services such as: career planning and personnel counseling, training, job seeking and skills development workshops, and support services. Workers typically come to need the services in

and federal funds should be equitably divided between programs for mass layoffs and for individual worker layoffs.

The council found three primary issues facing unemployed workers attempting to use the program and concluded that the majority of them could be dealt with administratively, with two things needing specific legislative action.

First, waiting lists for services when an individual laid off worker goes to a WorkForce Center for help, or when there is a delay in determining other funding streams that might be available for the individual, were found to have "an unacceptable delay in service."

Second, the council stressed that finding a balance between providing training and facilitating rapid replacements largely depends on the needs of individual workers seeking assistance,

particularly if dislocated workers use program resources principally to support training and/or placement. In some cases, workers may view the program as an "entitlement" for training, particularly if they are unable to turn to their prior profession. Availability of other sources for assistance also plays a role.

Third, there can be a disparity of ser-

vices (depth and type) for workers depending on whether the layoff qualifies for additional funding, such as a National Emergency Grant.

The council made six recommendations for changes. In order to qualify as a mass layoff, such an action must now affect 50 people under state law. The council recommended raising that threshold to 200, so that it has more resources to serve workers in a mass layoff, even though it recognizes that mass layoffs would happen less frequently under those conditions.

Additionally the council said the Legislature must specify in law that any revenues generated

by the workforce development fee be used for those intended purposes only and not to cover general fund obligations. The fee is a surcharge paid as part of an employer's portion of the unemployment tax.

Other changes suggested include:

- create consistent delivery of information about program expectations through development of additional "scripting," templates, and print materials for use by the state Rapid Response Team in dealing with mass layoffs;
- allow for meaningful local response to dislocations by representatives of local elected officials and workforce councils in conjunction with the state Rapid Response Team; and
- review eligibility for state Dislocated Worker Programs and work with partners to clarify, through program guidance and/or staff training, the existing definitions of eligibility for the federal and state programs. This review would be conducted by the department.

The Dislocated Worker Program is funded with approximately \$34 million through both state and federal funds, said Paul Moe, director of the Workforce Partnerships Division of the Minnesota Department of Employment and Economic Development. Federal funds come to Minnesota as part of allocated funds through the Workforce Investment Act from the U.S. Department of Labor, with state funds collected from the workforce development fee.

Additional federal funds can be obtained through National Emergency Grant Funds for situations such as when 4,000 workers were laid off from Northwest Airlines after Sept. 11, 2001. Moe said the state has been granted more than \$20 million in federal funds since that time for emergency situations.

HF2799, sponsored by Rep. Bob Gunther (R-Fairmont), would make several changes to the Dislocated Worker Program, including language that would clarify definitions of long-term and short-term training, while still emphasizing short-term training.

Additionally, the bill would change how funds are distributed to dislocated workers in small or individual layoffs, by requiring the distribution to reflect recent trends in the number of permanently separated individuals applying for unemployment benefits. The bill awaits action by the full House.


A companion bill (SF2646), sponsored by Sen. Ellen Anderson (DFL-St. Paul), awaits action by the Senate Rules and Administration Committee. 



PHOTO BY ANDREW VONBANK

Services offered through Minnesota's Dislocated Workers Program are provided through State Workforce Centers, such as this one in St. Paul.

two ways: either as part of a mass layoff or as an individual seeking job training and job search assistance. Services are provided from the state through Workforce Centers. Unions, nonprofit organizations, and private businesses also provide services for individuals.

From the state perspective, the 2003 Legislature asked the Governor's Workforce Development Council to explore improvements in program efficiency.

Kathy Sweeney, state councils director with the governor's council, said the organization was asked to look into issues such as how state

What does that mean?

Acronyms and jargon are commonplace to policymakers, but can look like alphabet soup to many others

By MARY KAY WATSON

Sometimes, following the Legislature's proceedings is an exercise in cognitive dissonance. A case in point: the Health and Human Services Policy Committee is talking about a bill to help needy people. You're following the discussion with perfect understanding, when, seemingly out of the blue, they begin speaking a different language. "Emfip," says one lawmaker. "Tanif," says another. What is going on here?

Welcome to Planet Acronym.

Everyone is familiar with everyday acronyms like YMCA, IQ, and SPAM. Computer-spawned letter sets have been working their way into everyday usage, for instance, CD-ROM, ASCII, and HTML. And did you know that some common words started their lives as acronyms? Examples include scuba, sonar, and radar. Linguists use the term anacronym to describe words like these when the original meaning has been forgotten or become immaterial.

An acronym is an abbreviation formed from

the first letters of words. Of Greek origin, "acronym" is made up of akron meaning "tip" and onyma, or "name." They are unlike most abbreviations in that there are no periods to denote the end of the abbreviated word (as in Rep. or Sen.). Sometimes an acronym is pronounced as a word (CREP), sometimes just the letters are used (HMO), and occasionally both are combined (MFIP) or extra vowels are inserted to make it sound like a word (TANF).

Until computers and the Internet came along, government was probably the world leader in the production of acronyms. The federal government is perhaps the grand master of acronym construction. However, Minnesota's state agencies and its Legislature have collaborated in creating some of the *Session Weekly* staff's most-loved acronyms.


That health and human services committee you were trying to follow at the beginning was talking about a federal program called Temporary Assistance for Needy Families, or TANF,

and a state's counterpart, the Minnesota Family Investment Program, or MFIP.

When the Environment and Natural Resources committees talk about "bowser" they're not discussing their favorite Labrador retriever. BWSR is the acronym for the Board of Water and Soil Resources. WIF is not a shortened version of a game played with a holey ball, but rather the acronym for the Wastewater Infrastructure Funding program.

The acronym has a cousin – jargon – that can compound the confusion to your cognition. Jargon is usually associated with a particular field. Both are a kind of shorthand for insiders. Both are often accused of being tools for confusion.

A good example is the term "tails" that legislators and staff throw around during budget discussion. Tails refer to the costs a provision may have in future biennia. While the Legislature may only set the budget two years ahead, it must track expenditures and revenues into future years.

Throw some acronyms or jargon into your next conversation and watch your friends' eyes glaze over as they grapple with their meanings. It can be fun, but it stops communication in its tracks. Or you could say, it results in an EOD (end of discussion). 



DOWN

1. LCMR – Legislative Commission on Minnesota Resources
2. CSAH – County State Aid Highways
3. HSA – health savings account
5. MA – Medical Assistance: Minnesota's Medicaid program for low-income families with children, seniors, and people with disabilities
6. AMT – Alternative Minimum Tax
8. COBRA – consolidated omnibus budget reconciliation guide – a federal law that provides the right to continue coverage in a group health plan
9. PFA – Public Facilities Authority
10. FFY – federal fiscal year, which extends from Oct. 1 of one year to Sept. 30 of the following year
13. GAMC – General Assistance Medical Care: provides health care coverage for low-income adults, ages 21–64, who have no dependent children and who do not qualify for Medical Assistance
14. DEED – Department of Employment and Economic Development
15. MnSCU – Minnesota State Colleges and Universities
18. TANF – temporary assistance for needy families federal program
19. CHIPS – Child in Need of Protective Services
22. CREP – Conservation Reserve Enhancement Program combines CRP with RIM reserve
25. TIF – Tax increment financing
26. LRT – Light-rail Transit

ACROSS

4. CHM – Critical Habitat Match
7. SSI – Supplemental Security Income
8. CAPRA – Capital Asset Preservation and Replacement Account
10. FTE – Full-time equivalent
11. HESO – Higher Education Services Office
12. FY – fiscal year, which extends from July 1 of one year to June 30 of the following year
14. DWSRF – Drinking Water State Revolving Fund
16. WMA – Wildlife Management Area
17. MnDOT – Minnesota Department of Transportation
20. ANTC – Adjusted Net Tax Capacity
21. DOC – Department of Corrections, or the prison system in the state
23. HACA – Homestead Agricultural Credit Aid
24. HEAPR – Higher Education Asset Preservation and Replacement
27. IRRRA – Iron Range Resources and Rehabilitation Agency
28. WIF – Wastewater Infrastructure Fund

other notable acronyms

- HMO – health maintenance organization
- MFIP – Minnesota Family Investment Program
- Minnesota's version of TANF
- MHIP – Minnesota Health Improvement Partnership
- FPG – federal poverty guideline
- WIC – Women, Infants, and Children



How to get here

Location

The Capitol complex is north of I-94, just minutes from downtown St. Paul. It is accessible from the east and west on I-94, and from the north and south on I-35E.

I-94 eastbound: Exit at Marion Street. Turn left. Go to Aurora Avenue and turn right. Go nearly one block and enter Parking Lot AA on the left just before Rice Street.

I-94 westbound: Exit at Marion Street. Turn right. Go to Aurora Avenue and turn right. Go nearly one block and enter Parking Lot AA on the left just before Rice Street.

I-35E northbound: Exit at Kellogg Boulevard. Turn left. Go to John Ireland Boulevard and turn right. Metered parking spaces line both sides of the boulevard.

I-35E southbound: Exit at University Avenue. Turn right. Go to Rice Street and turn left. Go one block, turn right on Aurora Avenue and enter Parking Lot AA.

Visiting the Minnesota State Capitol complex can be a rewarding and educational experience for everyone. There are buildings to explore and tours to take almost any time you choose to visit. And when the Legislature is in session during the first part of every year, there are floor sessions to observe, committee meetings to attend, and legislators to meet. Remember that this is your state Capitol, and you are always welcome.

Parking

Public metered parking is available in Lot Q, north of the Capitol at Cedar Street and Sherburne Avenue; Lot AA, across Rice Street from the State Office Building on Aurora Avenue; Lot F, directly behind the Transportation Building; Lot K, across from the Armory on Cedar Street (enter from 12th Street); and on the orange level of the Centennial Office Building Ramp at Cedar Street and Rev. Dr. Martin Luther King Jr. Blvd. All-day metered parking is available in Lot Q. Capitol Security personnel will issue tickets for expired meters.

All-day parking permits may be purchased for \$4 from Plant Management on the ground floor of the Administration Building at 50 Sherburne Ave., north of the Capitol, across University Ave. Cash or checks are accepted and correct change is appreciated. For more information, call (651) 297-3993.

Outdoor handicapped parking is available in Lot N, which is on the northwest side of the Capitol, and in Lot F. One spot is available in Lot AA.

The main handicapped entrance to the

Capitol is on the northwest side of the building, just off Lot N; there also are drop-off entrances on the south side under the front steps and on the northeast side of the building.

Since parking is limited during legislative sessions, busing may be easier. Freeway express bus service is available. Bus number 94B takes you to the Capitol and the State Office Building. Call the Transit Information Center at (651) 349-7000 for schedule and route information.

What to do

Tours

Tours of the Capitol are offered through the Capitol Historic Site Program of the Minnesota Historical Society.

Tour guides lead the 45-minute tours on the hour Mondays through Fridays between 9 a.m. and 4 p.m. (last tour leaves at 3 p.m.); Saturdays between 10 a.m. and 3 p.m. (last tour leaves at 2 p.m.); and Sundays between 1 p.m. and 4 p.m. (last tour leaves at 3 p.m.). The tours begin at the Capitol's information desk at the end of the corridor to the right of the main entrance. Brochures in about 20 foreign languages also are available there.

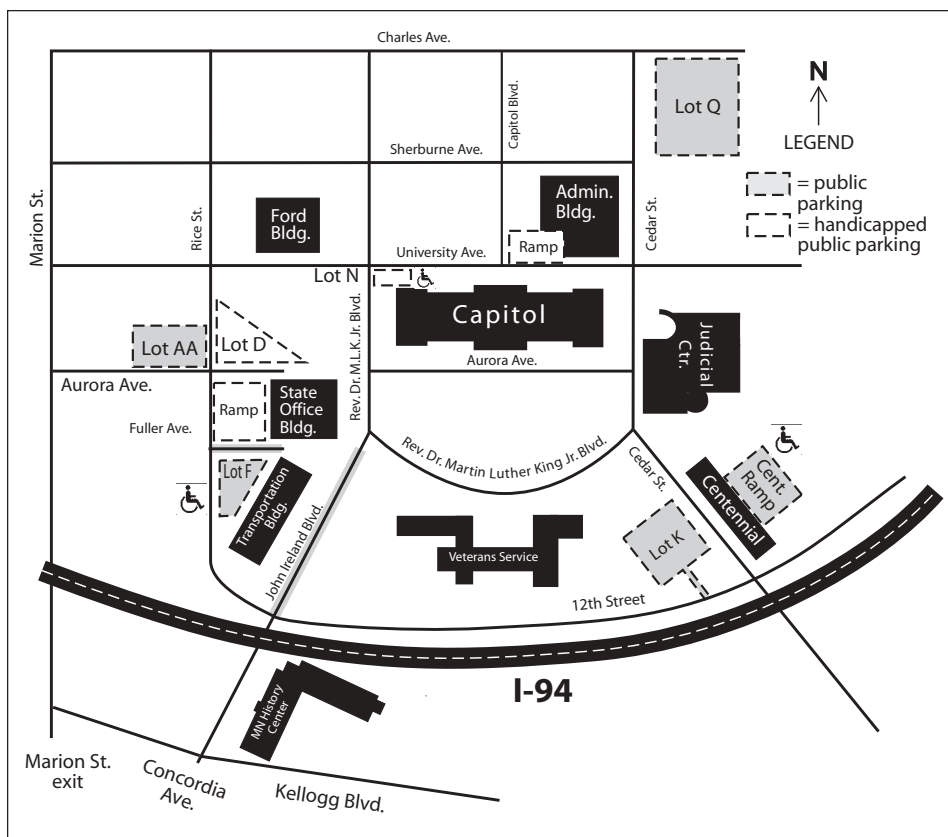
Tour rates vary. Generally, 45-minute tours for drop-in visitors to the Capitol are free of charge.

Historical society officials ask that groups of 10 or more call at least two weeks in advance to reserve a tour time.

The society offers a number of specialized tours for educational groups ranging from pre-school students to high school seniors. Admission for 45-minute educational group tours is \$2 per person. Tour participants may request customized tours that emphasize topics such as architecture, women's history, or the Civil War. During the legislative session, the society offers "Voice of the People: Your Role in Minnesota Government," a three-hour session for students in grades 9-12. Admission for the lengthier, focused educational group tours is \$4 per person.

Also, special tour events are scheduled throughout the year. Themes include "Art and Artists of the State Capitol" and "Shadows and Spirits of the State Capitol." Some of these events require admission fees; others are free. A special events guide is available upon request.

For more information about the tours and fee structure, or to make a reservation, call the Capitol Historic Site Program, (651) 296-2881.



Legislative sessions

Members of the House of Representatives and the Senate debate bills when the Legislature is in session.

At the beginning of a legislative session, the pace of floor sessions is generally slow as new bills are assigned to committees and non-controversial items are discussed. At about the session's midpoint, however, the legislative pace quickens.

The House usually meets at 3 p.m. Mondays and Thursdays, and the Senate meets at 11:30 a.m. Mondays and at 9 a.m. Thursdays during the first few weeks. House floor sessions are scheduled for the afternoon because committees meet in the morning and early afternoon. As the session nears the end, however, both bodies may meet several times a week, often into the night.

All House and Senate floor sessions are open to the public. Visitors interested in observing these sessions may call the House Chief Clerk's Office, (651) 296-2314, or Senate Information, (651) 296-0504, with questions. Spectators may sit in the galleries of either chamber.

Committee meetings

Visitors wanting to attend a committee meeting may call the committee hotlines for prerecorded messages with the meeting times and agendas for each day: House, (651) 296-9283; Senate, (651) 296-8088.

Committee meetings are open to the public. When a public hearing is scheduled, the committee may listen to comments from the audience (when time permits) in addition to the scheduled speakers. Committees have different policies on hearing testimony depending upon their size and workload. Informational handouts that committee members receive during meetings or hearings are considered public information and are available to the audience on a first-come, first-served basis.

Major proposals often have several public hearings so committee members may listen to all arguments for and against a bill.

Each committee has a chair, vice chair, administrator, and legislative assistant. A list of committees and members is available in the House Public Information Services in Room 175, State Office Building, or the Senate Information Office in Room 231, State Capitol.

Groups and individuals wishing to testify before a committee should call the appropriate committee's legislative assistant well in advance of the meeting and ask to be placed on the agenda. Committees prefer requests one week in advance but will accept later notification when unexpected issues appear on the committee schedule. A brochure containing tips on testifying at legislative committee hearings is available from the House Public

Information Services Office.

Dining

Cafeterias are located in most state buildings. The small State Office Building cafeteria is usually open only when the Legislature is in session. A large, year-round cafeteria is available in the Transportation Building.

Also, there are many restaurants within walking distance. On Rice Street are the Lagoon Vietnamese Restaurant, White Castle, and El Bravo Mexican Restaurant. On University Avenue, you will find McDonald's, Burger King, Mai Village, and other restaurants. There also are dozens of restaurants only minutes away in downtown St. Paul. Bus rides downtown cost 50 cents. You can catch the bus on Rev. Dr. Martin Luther King Jr. Blvd.

Group visits

Sometimes groups plan a "legislative day" at the Capitol in order to express a particular viewpoint to legislators.

Rooms for special conferences or speakers can be reserved by calling the State Office Building room scheduler at (651) 296-5408 or the Capitol room scheduler at (651) 296-0866.

If group members want to meet with their individual legislators or testify before a committee (see "Committee meetings"), arrangements should be made at least a week in advance.

Often such groups have members wear a distinctive name tag or badge to indicate their concern about a particular issue.

Groups planning a trip to the Capitol should remember that seating is fairly limited in some committee rooms — particularly when the topic is controversial.

About security

Visitors to the Capitol need not be concerned or postpone a visit due to security concerns.

While security has been tightened, measures may not be obvious to the casual visitor. Remember only that you may need to identify yourself to a security officer stationed at a public entrance.

E-mail schedules

Anyone with e-mail can receive both House and Senate committee schedules.

To sign up to receive the House committee schedule, direct your Web browser to <http://ww3.house.mn/list/join.asp?listname=houseschedule> and fill out the subscription form on the Legislature's Web site.

You can also sign up for the Senate schedule on the Internet. Point your Web browser to <http://www.senate.leg.state.mn.us/schedule/listserv.htm> and fill out the subscription form.

Where to find information

House Public Information Services

175 State Office Building
(651) 296-2146 or 1-800-657-3550

The House Public Information Services 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.mn>

House Television Services

216C State Capitol (651) 297-1338

House Television Services, part of the House Public Information Services department, is responsible for live coverage of House floor sessions and some committee hearings. Such coverage is aired in the Twin Cities area on KTCI-TV, Channel 17. The House also broadcasts via satellite statewide, available on local cable systems. Internet users can also view committee hearings and floor sessions via the House TV Web site. Refer to the site at <http://www.house.mn/hinfo/television.htm> for more information.

All televised floor sessions and committee hearings are close-captioned for people with hearing impairments.

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.

House Index Department

211 State Capitol (651) 296-6646

The House Index Department, a part of the Chief Clerk's Office, has a computerized index available for public use. House Index lists bills by committee, topic, author, file number, and other categories. The office can also give you the current status of legislation.

Senate Information Office

231 State Capitol
(651) 296-0504 or 1-888-234-1112

The Senate Information Office is responsible for all information about the Senate, including the committee schedule, bill status, legislator information, and the distribution of bill copies.

Senate Media Services

B-44 State Capitol (651) 296-0264

Senate Media Services, a bipartisan office, produces television programs, multi-media productions, scriptwriting, photography, and graphics. It offers live coverage of the Senate floor sessions and some committee hearings.

Tracking new laws, vetoes

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

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill;
- or do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the second year of the biennium (even-numbered years), as this year is, a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

(Sundays are not counted in the three-day limit, but holidays are.)

But if a bill is passed during the last three days of session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "*sine die*" (Latin for adjournment "without a date certain"). If the governor does not sign a bill within this time frame, it will not become law, an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed

during the final three days of the session, or within three days after the governor receives the bill at any other time.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

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

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

This information is also available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:

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

CH	HF	SF	Description	Signed	Vetoed
134	921	906*	Sex offender treatment co-payments authorized.	2/17/2004	
135	973	1015*	Veterans Affairs Dept. authorized to access taxpayer ID information to notify veterans of health hazards.	2/26/2004	
136	1794*	1615	Airport federally funded projects minimum required local contribution decreased.	3/10/2004	
137	480*	837	Job reference information, school violence data, and employee personnel records disclosure regulated.	3/22/2004	
138	1743	2182*	Public utility performance-based regulation plan purpose modified.	3/19/2004	
139	1980	1799*	Watershed and soil and water conservation district officers conflicts of interest clarified.	3/19/2004	
140	1822	1814*	Metropolitan Council government electronic funds transfer use authorized.	3/19/2004	
141	1935	1626*	Storm and sanitary sewer financing provisions modifications.	3/26/2004	
142	307*	497	Noncommercial sign ordinance exemption provided during state general election years.	3/26/2004	
143	1064*	1197	State employee technical and housekeeping changes provided.	3/26/2004	
144	1702	1748*	Emergency medical services provisions modifications.	3/26/2004	
145	2491	2498*	Domestic abuse ex parte protection or temporary restraining orders effectiveness.	3/26/2004	
146	1803	1745*	Trust law provisions modified and guardianship and conservatorship law changes provided.	3/26/2004	
147	1855	1903*	Counties hazardous buildings and property removal authority.	4/2/2004	
148	2878*	2537	Dr. Norman E. Borlaug World Food Prize Day designated.	4/2/2004	
149	339	40*	Minors personal injury or property damage parental liability limit increase; graffiti civil.	4/2/2004	
150	2105*	2632	Iron Range Resources and Rehabilitation Commissioner's Office established.	4/2/2004	
151	2118	2063*	Local government units financial institution deposits collateralization requirements clarification.	4/2/2004	
152	2033	1958*	Towns electronic or wire transfer payments and credit card or electronic payments acceptance authority.	4/6/2004	
153	1805	1621*	Mortgage satisfaction certificates and assignments or releases.	4/6/2004	

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

CH	HF	SF	Description	Signed	Vetoed
154	2107	1653*	Real property survey and monument requirements modified.	4/8/2004	
155	2651*	2347	Interstate Compact for Adult Offender Supervision amended and interstate compact repeal delayed.	4/14/2004	
156	2455*	2499	Five-level correctional facility classification system authorized.	4/14/2004	
157	1836*	1693	Mineral tailing deposition into mine pits permitting clarified.	4/14/2004	
158	3005*	2840	County seat voting times modified.	4/14/2004	

BILL INTRODUCTIONS

APRIL 12 - 15, 2004

HOUSE FILES 3171 - 3179

Monday, April 12

HF3171—Johnson, J. (R)

Environment & Natural Resources Policy

Deer hunting muzzleloader season regulations modified to allow use of scopes by visually impaired hunters, and criminal penalties provided.

Wednesday, April 14

HF3172—Dill (DFL)

Taxes

Ely local sales tax authorized, and revenue uses specified.

HF3173—Mullery (DFL)

Commerce, Jobs &

Economic Development Policy

Metropolitan Council transit operating division retired employee unit group insurance premiums subjected to interest arbitration.

Thursday, April 15

HF3174—Nelson, C. (R)

Taxes

Rochester wastewater treatment plant sales tax exemption provided.

HF3175—Kelliher (DFL)

Higher Education Finance

Undocumented non-citizens meeting specified requirements allowed to qualify as residents of Minnesota for state higher education purposes.

HF3176—Abrams (R)

Taxes

Direct business definition provided relating to insurance premiums.

HF3177—Abrams (R)

Taxes

Card clubs; franchise fee imposed on card clubs operated by pari-mutuel licensees.

HF3178—Hornstein (DFL)

Taxes

Foreign source income taxation modified, and foreign operating corporation provisions modified relating to corporate franchise taxation.

HF3179—Abrams (R)

Taxes

Construction specialty trades income tax withholdings provided, tax compliance initiative specified, and money appropriated.

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1-800-657-3717
Fax: (651) 296-0674

Lieutenant Governor

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1-800-657-3787

Secretary of State

MARY KIFFMEYER (R)

Room 180
State Office Building
St. Paul 55155
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Election Division &
Open Appointments: (651) 215-1440
Business Information &
Uniform Commercial Code:
(651) 296-2803

SPEAKER OF THE HOUSE: STEVE SVIGGUM
MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Recycling and waste disposal

Tons of mixed municipal solid waste, including that sent to processing facilities and landfills, materials recycled, materials disposed of on site, and problem materials not recycled, generated in Minnesota, 2002, in millions	5.9
Percent increase from 2001	2.3
Average percent increase in each year of past decade	3.7
Per capita mixed municipal solid waste in 2002, in tons	1.17
Percent increase, on average, during previous 10 years	2.5
Estimated tons of mixed municipal solid waste, in millions, to be generated by 2015	9.1
Tons of recyclable materials collected by state recycling programs, 2002, in millions	2.3
Ton increase from 2001	32,048
In previous decade, average annual percent increase in amount of recyclables collected	4
2002 recycling rate in Greater Minnesota, as percent	47.4
In Twin Cities metropolitan area, as percent	46.5
As percent, county with highest recycling rate (Waseca) in 2002	83.2
Lowest, as percent (Big Stone)	20.2
Pounds of items the average Minnesotan recycled in 2002	914
Tons of corrugated paper recycled statewide in 2002	325,000
Newsprint, in tons	184,308
Food and beverage glass, in tons	76,644
Major appliances, in tons	34,895
Aluminum, in tons	29,673
Estimated 2002 gross economic activity for state recycling manufacturers, in billions	\$3.8
Approximate jobs supported	28,000
Tons, in millions, of mixed municipal solid waste sent to landfills in Minnesota and surrounding states in 2002	2.1
Years until current landfill space in Minnesota is projected to be full	9
Estimated tons of waste that Minnesotans disposed of in 2002 using on-site disposal methods, such as burning or burying	82,442
Estimated percent of state households using on-site disposal methods	5
Year that burning household waste became illegal for most Minnesotans	1969
Annual date of Earth Day	April 22
Year of first Earth Day	1970

Sources: 2003 Solid Waste Policy Report: A Vision for Solid Waste Management and Report on 2002 SCORE Programs, A Summary of Waste Management in Minnesota, both January 2004, Minnesota Office of Environmental Assistance; U.S. Environmental Protection Agency.

FOR MORE INFORMATION

For general information, call:
House Information Office
(651) 296-2146 or
1-800-657-3550

To obtain a copy of a bill, call:
Chief Clerk's Office
(651) 296-2314

To find out about bill introductions or the status of a specific bill, call:
House Index Office
(651) 296-6646

For an after hours recorded message giving committee meeting times and agendas, call:
Committee Hotline
(651) 296-9283

The House of Representatives can be reached on the World Wide Web at:
<http://www.house.mn>

Teletypewriter for the hearing impaired.
To ask questions or leave messages, call:
TTY Line (651) 296-9896 or
1-800-657-3550

Check your local listings to watch House committee and floor sessions on TV.

Senate Information
(651) 296-0504
1-888-234-1112

Senate Index
(651) 296-5560

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A NONPARTISAN PUBLICATION

SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

APRIL 23, 2004

VOLUME 21, NUMBER 12

In this issue:

THE 2004 TAX BILL ADVANCES

INVASIVE SPECIES, RENEWABLE ENERGY, AND MORE

HF3180-HF3185

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 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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On the cover: An afternoon visitor looks up in awe at the Capitol dome, as seen from the catwalk high above the Rotunda floor.

—Photo by Andrew VonBank

Revenue raiser

House tax bill adds \$49.6 million in tax-related revenues, raises budget reserves, counts racino revenue worth \$36.2 million

By MICHELLE KIBIGER

The omnibus tax bill, approved by the House Taxes and Ways and Means committees, contains a number of proposals intended to raise revenue, adjust alternative minimum tax income exemptions, phase in a change to the way corporate franchise taxes are calculated, and transfer budget reserves in the event the state experiences additional budgetary problems before the fiscal biennium ends June 30, 2005.

As approved by the committees, tax provisions in the bill would result in \$49.6 million in additional revenues for 2004-05. It includes a \$3.8 million appropriation for increased compliance measures and for specific studies.

The bill also accounts for the financial provisions of the proposed casino at Canterbury Park, part of another bill (HF646) passed by the House during 2003. The tax bill accounts for \$39.7 million in additional revenue as a result of the casino and establishes a stable tax rate for the plan so it provides 40 percent of revenues to the general fund.

However, another provision would provide a 5 percent franchise fee on card club revenue at the racetrack.

In addition, the bill would bring the budget reserve to \$290 million and move \$350 million to the cash flow account. It would also add new spending priorities if the state has another budget surplus before a rebate may be considered:

- add to cash flow account until it reaches \$350 million,
- increase the budget reserve account until it reaches \$635 million,
- restore any property tax revenue shifts for K-12 education, and
- move holdback payments for K-12 state aid up to 90 percent.

There would also be a number of additional restrictions on Internet cigarette sales, as well as reductions on certain special tax rates.

The bill meets its target and keeps effects to the state budget in future biennia at a minimum, said Rep.

Ron Abrams (R-Minnetonka), the bill sponsor, at the April 21 Ways and Means Committee. Economically, he said he is hopeful that eventually the state will begin collecting more revenues than even forecasts expect, which would then allow more flexibility for provisions in the bill.

Several members expressed concern regarding things not dealt with in the bill, including local government aid and local sales taxes.

"I'm not concerned about what's in the bill," said Rep. Paul Marquart (DFL-Dilworth) before the House Taxes Committee April 20. "I'm concerned, members, by what is not in the bill." He said not addressing some of the local government aid cuts from 2003 created "extreme unfairness" to rural Minnesota.

"This bill doesn't correct any of those things," he said.

The bill would increase the exemption allowed for the alternative minimum tax through 2006. By then, the exemption for a married couple, filing a joint return would grow to \$44,000 from the current level of \$40,000, which according to nonpartisan fiscal and research staff, would reduce the number of total filers under the alternative minimum tax by 39 percent. In addition, all tax filers with federal adjusted gross incomes less than \$100,000 subject to the alternative tax would be reduced by 56 percent.

Congress created the alternative minimum tax



PHOTO BY TOM OLMSCHIED

Members of the House Taxes Committee debate the omnibus tax bill that, in part, would result in \$49.6 million in additional revenues for 2004-05, before approving the measure April 20.

To our readers:

This issue of *Session Weekly* marks the final issue under the direction of our editor, Michelle Kibiger. Michelle, who also serves as assistant director for House Public Information Services, is leaving the House after four-and-a-half years of dedicated work.

Michelle leaves behind a magazine that continues to win recognition, including a recently announced National Association of Government Communicators award for publications. Such an award is recognition for the hard work of all of our publications staff, including Michelle.

We wish her the best in her future pursuits.

Barry LaGrave

in the 1960s to target 155 taxpayers who made more than \$200,000 in income but paid no taxes. The tax operates parallel to the regular income tax system. It allows for fewer deductions, exemptions, and credits than regular income tax.

The move will cost the state \$2.2 million in revenue for 2005 and is projected to cost \$13.9 million in the 2006-07 biennium.

The bill would also phase out the charitable contribution limit for alternative minimum taxpayers.

The bill would also phase in a new structure for calculating corporate franchise taxes. Under current law, Minnesota taxes are calculated by a formula that weighs sales in the state at 75 percent, and both property and payroll at 12.5 percent. Under the bill, sales would bear the full 100 percent by 2012, which proponents say increases the incentive for businesses to physically locate in the state and pay employees good salaries.

A few tobacco-related provisions are also included in the bill. Sales taxes on cigarettes would be collected at the wholesale level, based on the gross invoice price of distributors. The provision is an attempt by the Revenue Department to increase compliance in payment of the tax.

In addition, delivery sales of tobacco products, typically from the Internet, would be regulated under the bill, including requirements that sellers verify the identity of the purchaser upon delivery and that shipped packages only be delivered to adults, as verified by a signature.

The bill would also create an international economic development zone within 60 miles of the




State schoolers

Minnesota state orphanage in Owatonna operated for 60 years

Minneapolis-St. Paul International Airport to serve as a regional distribution center that would increase capacity and handle air freight. The zone would be eligible for certain tax exemptions for up to eight years, including state and local sales tax on purchases used by businesses in the zone, property taxes on improvements within the zone, and a jobs credit for higher paying jobs.

The bill also includes a number of provisions heard during the 2004 legislative session.

- Income tax payers may subtract up to \$10,000 for travel and lodging expenses and lost wages related to organ donation, in HF2048, sponsored by House Majority Leader Erik Paulsen (R-Eden Prairie).
- The commissioner of revenue may disqualify a foreign operating corporation if it has no substantial business in the state, has significant transactions that don't reflect market prices, and its income is predominantly domestic on a multi-year basis. Such a finding would also result in a 15 percent surtax to the corporation, under the bill.
- Taxpayers may distribute benefits of the \$2,000 family cap when using the K-12 education credit among children, though they may only claim expenses for two children, part of HF2772, sponsored by Rep. Jim Knoblach (R-St. Cloud).
- Retail businesses would not qualify for incentives under the job opportunity building zones program, as provided in HF2316, sponsored by Rep. Tim Mahoney (DFL-St. Paul).
- Minnesota tax law would conform to new federal provisions, particularly with regard to taxable military income and deductions for contributions to health savings accounts. The health savings account provisions were part of HF1742 and HF1976, sponsored by Knoblach and Rep. Tim Wilkin (R-Eagan).
- The Camp Ripley game refuge in Morrison County would receive a payment-in-lieu of taxes, contained in HF2928, sponsored by Rep. Greg Blaine (R-Little Falls). Payment in lieu for land utilization project lands would be increased from 37.5 cents per acre to 96 cents per acre under the bill, initially provided in HF1740, sponsored by Rep. Irv Anderson (DFL-Int'l Falls).
- Electric generating plants would be eligible for personal property exemptions, as long as the siting plan is approved by the host county and city. The provision includes partial exemptions for existing plans increasing their initial capacities.
- In-home day care providers would be treated as a residential property for tax purposes, under the bill, as provided in HF2200, sponsored by Rep. Doug Magnus (R-Slayton).

The Senate companion (SF2302), sponsored by Sen. Lawrence Pogemiller (DFL-Mpls), awaits action in the Senate Taxes Committee. 

In 1885 the Minnesota Legislature established the state's only publicly funded orphanage. Located in Owatonna, the State Public School for Dependent and Neglected Children opened its doors the next year.

From 1886 until 1945, 10,635 children lived, studied, played, and worked there. Some were orphans; most were not. Some thrived; others did not. While the average length of stay was about five years, a few spent their entire childhood there. More than 300 died and were buried in the campus cemetery.

Today, the Minnesota State Public School Orphanage Museum, started in 1992 by former resident Harvey Ronglien and his wife Maxine, exists as a testament to the thousands of children who spent their formative years at the institution.

According to museum records, the Legislature called for placing children from poorhouses and impoverished families under the guardianship of the state. Parental rights were revoked. These were the "at-risk" children of an earlier time. Unless they were adopted, they became wards of the state until they were 18 years of age.

The state school stressed a philosophy of "family-like" life in cottages, discipline, useful labor, education, and outplacement.

Virtually self-sufficient, the orphanage included a gymnasium, a greenhouse, and a 287-acre farm. At any one time, up to 500 children were housed in 16 cottages on the grounds of the school. Every child had at least two jobs: one in the cottage and one on the grounds. Matrons oversaw their behavior, work, and study.

Life at the orphanage was a pecking order, especially for the boys.

"The strong ruled," Maxine Ronglien said in an interview. "If you were a good student, it did not go over well in the cottages. And if you were involved in music or theater, you were a sissy."

The school was run according to state educational standards. However, the nature of the

school, with children arriving and leaving, made the task a challenge for teachers.

Recreation was considered an important part of education. Tumbling was popular, and the school's tumbling teams appeared at the state fair. Girls, in accordance with the values of the time, received fewer opportunities for recreation than boys.

Adoption rates were low, about 4 percent, and until the 1930s many children were put out on indentured contracts. While a few

of these situations worked out, most did not. According to Maxine Ronglien, indentured children were rarely included in the families' lives, boys were frequently made to sleep in the barn, and girls were often sexually abused by the males in the family.

After World War II the foster care system became the preferred way of helping at-risk children, and the orphanage closed in 1945. The facility became a school for developmentally disabled children until the advent of mainstreaming. The school closed its doors in 1970, and its buildings stood vacant until 1974 when the city purchased the site for a civic center.

Today children once again play on the old school's grounds. Head Start, Big Brothers, and day care groups use some of the cottages. The gymnasium has become a recreation center, and the auditorium is now a community theater.

In 2003 an award-winning documentary, "The Children Remember," produced and directed by Kathleen Laughlin, showed the rest of Minnesota what Harvey Ronglien wrote about his 11 years of first-hand experience as a state schooler.

"The school housed, clothed, fed, and educated me," he said. "As an adult, I came to realize the institutional environment did not provide for certain needs a child craves."

"Emotional starvation is inseparable from institutional life. For many it left scars that would last a lifetime."

(M.K. WATSON)



Interior of Cottage Five at the Owatonna State School in 1900.

Photo courtesy of the Minnesota Historical Society

★ BUSINESS

Functional change

Business services at the Office of the Secretary of State would change in several ways under a bill approved by the House Ways and Means Committee April 20.

The bill now moves to the House floor.

Rep. Paul Kohls (R-Victoria), the sponsor of HF1798, said the change would create a modest savings for the office, while also making the business filing process more efficient through online options.

Previous committee discussions revolved around businesses being required to file online. Kohls successfully added an amendment that would allow for both online and paper filing and require that a reminder postcard must be sent regarding annual registration filings, and informing the corporation that failing to do so would result in dissolution.

More than 400 filings are performed per week online for Uniform Commercial Code filings. The bill would reduce the fee from \$20 to \$15 for those filing online, a cost saved by less paper filing by the office.

Other provisions in the bill include the following:

- elimination of a requirement of a county auditor to send the office a copy of each auctioneer license the auditor issues along with the fee the auditor collects for issuing the license,
- elimination of the requirement that the county clerk or recorder certify results of a local liquor law referendum to the secretary's office,
- transfer of the duties of overseeing notaries public from the commerce commissioner to the office, and
- instructs the Department of Finance to add the costs of the additional notary function to the base budget of the secretary of state's office.

Bert Black, planning director for the office, testified the costs for the transfer of notary duties are \$45,000 per year, and the fees collected total \$592,000.

A Senate companion (SF1836), sponsored by Sen. David Knutson (R-Burnsville), awaits action in the Senate Finance Committee.

★ CONSUMERS

Regulating cable, telecommunications

The House passed a bill April 19 that is a compilation of consumer protection initiatives and telecommunications and cable industry

regulatory reforms. The vote was 122-3.

HF2151, according to sponsor Rep. Torrey Westrom (R-Elbow Lake), is a sign of things to come in the area of telecommunications regulation.

Under the bill, local telephone and telecommunications carriers who provide directory assistance for a fee would be required to immediately credit a customer who was given the wrong information.

Another provision would require local carriers to obtain express prior authorization from customers before including charges from third-party service providers on bills. Examples of third-party billing include charges for Internet service, pagers, voice mail, or even club memberships.

The bill also would modify the interest rate on utility deposits to fluctuate with the United States Treasury, rather than remain set in law at a flat percent, Westrom said.

The bill gained a number of provisions on the floor that had previously appeared as HF892, HF979, HF1692, and HF2764.

- A provision added by Rep. Ray Vandever (R-Forest Lake) would require wireless telecommunications service providers to notify consumers under contract 30 days in advance of any substantive changes to the contract that would increase charges.
- Rep. Gregory Davids (R-Preston) successfully added a section of regulatory and technical changes that he said would modernize Minnesota statutes governing cable communications systems and make them consistent with current Federal Communications Commission rules.
- A provision added by Rep. Michael Beard (R-Shakopee) would modify the guidelines for telephone companies to extend or renew alternative regulation plans.
- Rep. Bob Gunther (R-Fairmont) successfully added a provision that he said aims to make it easier for small telephone companies to expand local calling areas, he said.
- Rep. Joe Opatz (DFL-St. Cloud) successfully offered an amendment that would require cable companies to immediately provide a consumer complaint telephone number to anyone who asks.

An amendment proposed by Rep. Tony Sertich (DFL-Chisholm) and later withdrawn would have placed a dispute between certain cable providers and Victory Sports One network into binding arbitration in order to make televised broadcasts of Minnesota Twins games more broadly available.

The bill now goes to the Senate, where Sen. Steve Kelley (DFL-Hopkins) is the sponsor.

Modifying utility discounts

The House passed a bill April 19 that aims to provide low-income electric rate discounts to the neediest households and lighten reporting requirements for smaller utilities.

Sponsored by Rep. Torrey Westrom (R-Elbow Lake) and Sen. Ellen Anderson (DFL-St. Paul), HF1830/SF1753* would specify that utility affordability programs "must be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the percentage of income they devote to energy bills, increase their payments, and lower costs associated with collection activities on their accounts."

"Low income" describes a customer who is receiving assistance from the federal low-income home energy assistance programs, according to the bill.

Under the bill, the program must, in addition to any other program benefits, include a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period for low-income customers who are age 62 or older or disabled.

Another provision would modify the timeline under which the Department of Commerce requires certain municipal gas and electric utilities and rural electric cooperatives to file Conservation Improvement Plan reports documenting energy savings or improved efficiency.

An amendment successfully offered by Rep. Ray Cox (R-Northfield) would allow school districts to own, operate, and manage wind energy conservation systems. Two districts in Minnesota currently have such systems and there is some question over whether the state has granted authority, Cox said. The language also is included in the omnibus state government finance bill, he said. That bill (HF2684) passed the House and awaits action in a Senate committee.

Following a 126-0 House vote, the amended bill returned to the Senate, which did not concur and requested a conference committee be convened.

★ CRIME

Service animal protection

Individuals whose dogs harm service animals, commonly used by people with disabilities, can now be charged with a misdemeanor and ordered to pay restitution, under a new law signed by Gov. Tim Pawlenty April 19.

Effective Aug. 1, 2004, the law will protect

Signed
by the
governor
★ ★ ★

service animals trained to work or perform tasks for an individual with a disability. Dog owners can be charged with a crime for intentionally or negligently permitting a dog to run uncontrolled off personal property, or failing to keep the dog properly confined and controlled, if that dog injures a service animal.

Supporters of the new law said training a service animal could cost tens of thousands of dollars, and that owners should be compensated when their animal is injured and can no longer perform its duties.

Groups supporting the new law include the Minnesota Guide Dog Users, the American Council for the Blind of Minnesota, and the Minnesota Council on Disability.

Twenty-seven states, including Minnesota, have laws providing service animal dogs with protection against harm by humans. But until now, no law addressed injuries to a service animal imposed by another canine.

Sponsors of the new law are Rep. Paul Kohls (R-Victoria) and Sen. Chuck Wiger (DFL-North St. Paul).

HF1817/SF1614*/CH159

★ DEVELOPMENT

Airport noise concerns

The construction of homes and businesses near the Minneapolis-St. Paul International Airport has long been a contentious issue due to air traffic noise complaints. And now land use zoning is becoming an increasing problem around outstate airports.

To educate themselves about the issues of incompatible land use at airports, members of the aviation subcommittee of the House Transportation Policy and Finance committees met April 20 to learn about the noise abatement program at the state's largest airport.

"We're primarily concerned about future planning and somehow structuring zoning and land use laws and how regional airport authorities can use those to head off problems with noise, growth, and encroachment on air space and airport activities and how we can do some sort of planning, some sort of zoning, some sort of regulation that helps communities and airports live together more compatibly," said Rep. Michael Beard (R-Shakopee), subcommittee chairman.

"One of the issues we've bumped against is the very twitchy issue of noise," he added.

Jeff Hamiel, executive director of the Metropolitan Airports Commission that oversees the Minneapolis-St. Paul International Airport and six reliever airports, said land use measures are a "three-legged stool." The stool's legs consist of the Federal Aviation Administration, the local airport, and the local community. The

role of the latter, he said, is to devise responsible land use planning around airports.

To mitigate airplane noise in schools and dwellings within airport impact areas, the Metropolitan Airports Commission has spent \$341.5 million since 1992. Qualified buildings have received new windows and doors, attic and wall insulation, roof vent and chimney treatments, and modifications to air conditioning and heating systems.

Buildings receiving treatment are in Richfield, Mendota Heights, Minneapolis, Bloomington, and Eagan.

Within the next 60 days the airports commission will decide whether to extend the noise mitigation boundaries to include more homes, Hamiel said.

The Minneapolis-St. Paul airport is the eighth largest in the United States and the 12th largest in the world. It handles more than 34 million passengers a year.

Beard reminded the committee of increasingly important land use issues around other growing regional airports in the state, such as those in Rochester, Duluth, St. Cloud, Marshall, Worthington, and Willmar. The latter recently moved due to land-use incompatibility issues.

In addition, St. Cloud city officials who disagree with Benton County land use zoning around that airport have contacted some legislators. Legislation addressing this could be introduced next year, said Rep. Dan Severson (R-Sauk Rapids).

★ EDUCATION

Helping students with disabilities

A bill that would place a mental health representative on transition committees that help high-school age students with disabilities adjust to adult life awaits action by the governor.

HF2502/SF2609*, sponsored by Rep. Alice Seagren (R-Bloomington) and Sen. Jane Ranum (DFL-Mpls), passed the House 127-0 April 19, two weeks after Senate approval was given 62-4.

The bill would amend a state law that requires a school district or special education cooperative to form community transition teams for special needs students in grade nine or an equivalent age, and their families.

The teams, Seagren said, "help kids who are disabled transition to work or higher education." The community transition interagency committees identify services and programs for secondary and postsecondary aged youth, and develop an implementation plan to assure that transition needs of individuals with disabilities are met.

They include representatives of special education, other education and training agencies, adults with disabilities who have received transition services, parents, business or industry, as well as county social service and health agencies.

The bill would add "the mental health community," to the list of required committee representation.

NICE DOGGIE



PHOTO BY LISA M. SANDERS

Four-year-old Grace Nelsen touches the nose of Clifford the Big Red Dog in the Capitol Rotunda April 21. Nelson was visiting with Zion Early Childhood Center from Hopkins for the second annual Early Childhood Read-A-Thon. The event was co-sponsored by the Early Childhood Caucus and Minnesota's community libraries.

Districts or special education cooperatives must follow transition committee procedures determined by the state Education Department and annually report to the department on transition services provided to individuals with disabilities.

★ ELECTIONS

Board members endorsed

The House Governmental Operations and Veterans Affairs Policy Committee recommended April 21 that two people be confirmed as members of the Campaign Finance and Public Disclosure Board.

Hilda Bettermann and Felicia Boyd were recommended for appointment to the board by Gov. Tim Pawlenty, subject to confirmation by the House and Senate. Appointments must be confirmed by a three-fifths majority of both bodies within 45 legislative days or adjournment of a biennial session, whichever is earlier.

According to its Web site, "The Board's four major programs are campaign finance registration and disclosure, public subsidy administration, lobbyist registration and disclosure, and economic interest disclosure by public officials."

Bettermann, a legislator from 1991 to 1998, is an instructor at Alexandria Technical College. Her resume includes current and past

volunteer community service activities as advisory committee member for the Central Lakes Area Sanitary District, former member of the Rural Health Advisory Council, the Workers' Compensation Council, and the Minnesota State Colleges and Universities system Trustee Advisory Council.

Since 1998 she has been a member of the Minnesota Board of Medical Practice and is currently president of the board. She's also a member of the Douglas County Hospital Board.

"As a former legislator and as a citizen who has and still does report to the Board, I understand the responsibilities of the Board in regard to elected officials and political campaigns," she said.

Boyd is a partner with the law firm of Faegre and Benson and has been working for 16 years in intellectual property litigation. The mother of five children, she also works with Boy Scout and Girl Scout-related troops.

Professional and trade associations she belongs to include the Section of Patent, Trademark, and Copyright Law of the American Bar Association; American Intellectual Property Law Association; and International Trademark Association.

Noting that Boyd belongs to a premiere litigation firm that represents several high profile politicians, and law firm staff directly file paperwork with the board, Rep. Eric Lipman

(R-Lake Elmo) asked if there would be a problem, how would she handle the situation.

Boyd said first she would look into conflict of interest rules that govern the situation and follow those, and if a client is involved she wouldn't take part in the situation.

★ ENVIRONMENT

Phasing out phosphorus

Phosphorus could be banned statewide from the fertilizers used on established residential lawns, under a bill the House passed 88-40 on April 19.

HF2005, sponsored by Rep. Denny McNamara (R-Hastings), aims to protect Minnesota's lakes and rivers from an overabundance of phosphorus that can cause algae bloom, effectively choking other aquatic plants and depleting the oxygen supply.

Lawns do not need phosphorus unless they are new or being reseeded, McNamara said. One pound of phosphorus can grow 500 pounds of algae, he said, and it costs approximately \$350 to remove one pound of algae from a lake.

The 2002 Legislature approved a similar ban for the seven-county Twin Cities metropolitan area that took effect Jan. 1, 2004. Some counties outside of the metropolitan area also have adopted their own phosphorus restrictions.

"We are starting to see variations in the regulations concerning lawn fertilizers and a statewide regulation would make it easier for everyone to deal with," said Rep. Ray Cox (R-Northfield).

Under the bill, the ban would take effect Jan. 1, 2005, and would apply to fertilizer to be used for turf purchased at retail after Aug. 1, 2004.

Rep. Mark Buesgens (R-Jordan) questioned whether the ban would be enforceable.

"We are not hiring phosphorus police, if that's your question," McNamara said. It's a matter of education, not enforcement, he said.

Another component of the floor debate revolved around the potential effect of the ban on agricultural practices.

Rep. Dennis Ozment (R-Rosemount) said no major agricultural organizations in the state oppose the bill, though they have expressed concerns as to how far the restrictions will go down the road.

Residential lawns are totally separate from the agricultural community, Ozment said. "It does put a little more responsibility and accountability into the process" for homeowners who will have to do a little research to determine whether their lawn even needs fertilizer.

"I still consider this a stupid piece of legislation," said Rep. William Kuisle (R-Rochester). "It's unenforceable and it's a conquer-and-divide



PHOTOS BY ANDREW VONBANK

Newly appointed Campaign Finance and Public Disclosure Board members Hilda Bettermann, left, and Felicia J. Boyd, right, testify April 21 before the House Governmental Operations and Veterans Affairs Policy Committee. The committee endorsed both candidates, and their names will be forwarded to the full House for confirmation.

attitude, and the only ones who are left to be pointed at are the farmers.”

The bill now goes to the Senate, where Sen. Dan Sparks (DFL-Austin) is the sponsor.

★ GOVERNMENT

Delineating duties at DNR

The House passed a bill April 15 that would revise some management and human resources practices at the Department of Natural Resources. The vote was 118-8.

HF2213, sponsored by Rep. Tony Cornish (R-Good Thunder), was brought forward at the request of the department. It now moves to the Senate, where Sen. Thomas Bakk (DFL-Cook) is the sponsor.

One technical provision makes an exception to the requirement that all outboard motors purchased by the department must be of the four-stroke engine model. Four-stroke engines are generally believed to be cleaner burning than traditional two-stroke engines. In this case, Cornish said, the bill would “give an exemption for the size of horsepower that a boat from the state can carry on the big water in Lake Superior.”

Another provision would eliminate the requirement for a security barrier in a conservation officer’s marked vehicle. It’s difficult to install a cage halfway down the seat of a pickup, Cornish said.

Additionally, as Cornish explained it, the bill wraps up four years of work on a project delineating authority to employees in the department. It would give certain employees other than conservation officers the powers to make citizens arrests and issue citations for petty misdemeanor violations.

It doesn’t cost the agency money to take existing employees and allow them a “collateral duty to enforce certain minor laws,” Cornish said.

But it took some time for conservation officers, natural resources officers, the Peace Officers Standards and Training Board, department management, and others to reach a compromise on the changes.

Transfer of duties

Responsibilities formerly held in the Office of Strategic and Long-Range Planning would be statutorily transferred to the Department of Administration under a bill approved by the House Ways and Means Committee April 20.

Sponsored by Rep. Bill Haas (R-Champlin), HF2629 now moves to the House floor.

Duties that would be shifted under the bill include the areas of state demographer; the

Land Management Information Center; land use planning; municipal annexation, incorporation, and dissolution; and the Environmental Quality Board and related councils. These duties were relocated under a 2003 executive reorganization order.

Haas said the bill also permits the department to “buy energy needs into the future” by using forward pricing in purchasing energy for use in state facilities. He related it to residents who live in rural Minnesota or those who own lake homes being able to buy energy needs earlier in the year for less cost and “lock in your price.”

A successful amendment offered by Rep. Jim Knoblach (R-St. Cloud) transfers \$117,000 from the technology enterprise fund to the commissioner of administration for technology upgrades for the Minnesota Board of Nursing and deletes language that would have recreated the technology fund that was repealed in 2003.

Keith Payden, deputy commissioner/chief information officer for the department, testified for the technology enterprise fund to be reinstated to help the agency “in the future as a funding vehicle, a management vehicle, for enterprise cross agency endeavors” related to information technology. In 2003 the enabling language for the fund was repealed.

“I admit to my mistakes,” said Rep. Philip Krinkie (R-Shoreview) who said he helped start the fund after being lobbied heavily in 2001 by the department and to reinstate it “sets up a potentially, who knows what, slush fund at the department. The commissioner wanted to add in other revenues from other sources to the fund,” and it was supposed to be limited to a very few. The incentive concept of saving state dollars was never achieved with the fund’s intention, he said.

A Senate companion (SF2573), sponsored by Sen. D. Scott Dibble (DFL-Mpls), awaits action in a Senate committee.

★ HEALTH

Facility regulation

A bill that would regulate outpatient surgical centers and diagnostic imaging facilities was approved by the House Ways and Means Committee April 20.

Sponsored by Rep. Lynda Boudreau (R-Faribault), HF2127 now moves to the House floor.

Provisions in the bill include requirements for licensure of diagnostic imaging and outpatient surgery facilities, adverse health event reporting by these facilities, and disclosure to patients regarding the financial interests of health care providers in these facilities.

A successful amendment by Boudreau

would postpone the effective date for outpatient surgical centers to comply with adverse health reporting requirements from Aug. 1, 2004 to Aug. 1, 2005, and would require the commissioner of health to secure sufficient funds from non-state sources to operate the reporting system. Boudreau said the system is designed to help medical professionals avoid future medical errors.

Another successful amendment offered by Boudreau added the tracking of workers’ compensation to the list of information the commissioner of health requires diagnostic imaging facilities to annually report. Other information required by the commissioner includes each individual’s medical service data and the names of individuals with a financial or economic interest in the facility.

Dave Renner, director of state and federal legislation for the Minnesota Medical Association, said the change was due to the Minnesota Hospital Association wanting to get a better handle on which mix of patients the facilities are serving. Worker compensation is a higher fee schedule and “some felt it would be inappropriate” to only take the workers compensation program and not other state programs.

Rep. Thomas Huntley (DFL-Duluth) said one of the allegations made is that the imaging centers and surgical centers are “not treating public patients because they don’t pay as much.” Huntley said he doesn’t think that is true, but the intent is for the public to understand the payment sources.

A Senate companion (SF2080), sponsored by Sen. Linda Higgins (DFL-Mpls), awaits action by the full Senate.

Licensure provisions

The House Ways and Means Committee approved a bill April 20 that would make changes to licensure provisions for speech-language pathologists, audiologists, occupational therapy professionals, dentists, and other public health occupations.

The bill now moves to the House floor.

HF2175, sponsored by Rep. Jim Abeler (R-Anoka), was approved one week earlier, but Rep. Jim Knoblach (R-St. Cloud), the committee chair, said appropriation language needed to be added for the Board of Nursing related to certification of advanced practice registered nurses, and a provision that required dentists to carry medical malpractice insurance needed to be deleted.

Abeler said he wasn’t opposed to the change, although there were several cases of dental patients receiving implants when aftercare was not properly received causing the implants to fail. Abeler previously testified that dental malpractice insurance could have given the patients financial resolve.

Rep. Jean Wagenius (DFL-Mpls) raised concerns about children's immunizations and a provision in the bill that would require the commissioner of health to encourage health care providers to use thimerosal-free vaccines when available. Wagenius said the bill doesn't go far enough in protecting children by requiring the option for all immunizations.

According to the Centers for Disease Control, "Thimerosal is a mercury-containing preservative used in some vaccines and other products since the 1930s. No harmful effects have been reported from thimerosal at doses used in vaccines, except for minor reactions like redness and swelling at the injection site. However, in July 1999, the Public Health Service (PHS) agencies, the American Academy of Pediatrics (AAP), and vaccine manufacturers agreed that thimerosal should be reduced or eliminated in vaccines as a precautionary measure."

Abeler acknowledged the portion of the bill has been quite controversial, but said it gets it moving forward in the right direction by creating dialogue among concerned parties who "historically have not even talked."

Several additional regulations include: allowing physician's assistants to provide radiography, adding oriental massage to acupuncturists scope of practice, and graduates from nursing education programs in Canada must show proof of licensure in that country or the United States, while graduates from other countries must submit verification of graduation from a nursing program and be approved by the Board of Behavioral Health and Therapy.

A Senate companion (SF2351), sponsored by Sen. Sheila Kiscaden (IP-Rochester), awaits action by the Senate Finance Committee.

★ INSURANCE

Calculating required reserves

A bill that would change the way real estate title insurance companies calculate their required reserves passed the House 127-1 on April 15.

According to Rep. Thomas Pugh (DFL-South St. Paul), the sponsor of HF2139, the 2001 Legislature changed the method of calculating title insurance reserves from the traditional method of basing it on premiums paid to basing it on the risk covered. If this bill becomes law, reserves will once again be based on premiums.

The problem with basing reserves on the risk covered, Pugh said in an interview, is that the risk is not known until later, so the reserves frequently have to be adjusted. He said basing

reserves on premiums is simpler to compute and simpler to monitor.

The Department of Commerce, which reviews and approves reserve formulas, supports the bill, Pugh said. Title insurance companies also like it, he said, because they would fare better from a tax standpoint.

Title insurance provides protection for people buying property from unforeseen claims on that property. A title company reviews the title history of a property and issues a commitment listing encumbrances and exceptions.

In exchange for a premium, usually a one-time payment, the company assumes the risk that the title is exactly as stated in the policy. If, at a later time, someone comes forward with a prior claim on the property, the title company covers the purchaser's losses. The reserve assures that funds will be available for this purpose.

The bill will now go the Senate, where Sen. Geoff Michel (R-Edina) is the sponsor.

FINE ARTS FUNDING



PHOTO BY TOM OLMSCHEID

Sage Coy, a sixth-grader at Ramsey International Fine Arts Center, a Minneapolis Public Schools Magnet School, plays the cello as a small group from the school's music program play in front of the Capitol April 22. The performance was designed to bring attention to the decline in funding for their school and programs.

★ LOCAL GOVERNMENT

Audit requirements

A bill that would increase the threshold amount for cities and towns required to have annual audits passed the House 121-6 April 15 and now awaits the governor's signature.

HF1843/SF2903*, sponsored by Rep. William Kuisle (R-Rochester) and Sen. David Senjem (R-Rochester), would amend a state law affecting cities or towns with populations of more than 2,500 by increasing the minimum annual gross revenue amount that triggers a state required audit from \$500,000 to \$670,500.

The bill passed the Senate 64-2 on April 5.

If signed into law, the bill would affect a city's or town's audit requirements for 2004. Threshold amounts tied to the audit requirement would be adjusted for inflation each year thereafter.

Kuisle testified before the House Local Government and Metropolitan Affairs Committee in February that the bill would help small local governments cut paperwork and potentially save money.

He said an annual audit, which is often contracted for, costs the affected local government an estimated \$2,000.

★ TRANSPORTATION

Operating a larger bus

An Amboy resident who was pulled over for driving a bus that exceeded the state motor carrier length limit would be helped with a bill approved by the House 123-4 April 15.

HF1838, sponsored by Rep. Tony Cornish (R-Good Thunder), would allow a passenger motor carrier operator to drive an articulated bus up to 61 feet in length without a permit. Current law requires a permit for any bus more than 45 feet in length. However, Cornish said, a variance exists for the metropolitan area.

Cornish said the resident, who operates a bus company, bought an articulated bus for \$38,000 in another state and drove it to Minnesota. After being stopped for violating the law, he contacted the state Department of Transportation for help.

Gene Halverson, road information and permit chief with the department, previously told the House Transportation Policy Committee that Metro Transit operates similar buses. No such bus is operated by a private business, however.

"This is the only bus of this type in the state that we know (of)," Halverson said.

The House approved an amendment,

STARTING WITH A SONG



PHOTO BY LISA M. SANDERS

Bemidji State University choral students perform April 19 from the gallery of the House Chamber prior to the start of that day's session.

offered by Rep. Doug Fuller (R-Bemidji), that would allow a pickup-fifth wheel-equestrian equipment combination to be driven on highways. Fuller said the language would help people in northern Minnesota who haul buggies behind their fifth wheels while traveling to equestrian events.

The amendment would require the three-vehicle combination to remain under 60 feet, the maximum allowed under current recreational vehicle combination laws.

Both the Cornish and Fuller provisions were amended onto the House omnibus transportation finance bill that passed the House April 7.

The bill now goes to the Senate, where Sen. Julie Rosen (R-Fairmont) is the sponsor.

VETERANS

Extending leasing authority

The House passed a bill 127-0 April 15 that would allow for a 60-year lease of state-owned property on the Minnesota Veterans Home campus at Hastings.

HF2688/SF2626*, sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Sharon

Marko (DFL-Cottage Grove) passed 60-0 in the Senate March 25. It will now go to the governor.

The bill would allow the Minnesota Veterans Homes Board to enter into an agreement with Dakota County to lease land for the construction of 60 units of permanent housing. The lease would cost the county \$1 per year over the 60-year term.

The new facility would provide 30 units for veterans and 30 units for county residents. Currently, there is a 200-bed facility for veterans on the 128-acre campus.

According to Sandra Larson, public affairs director for the board, the bill was necessary because the board currently has only a 20-year leasing authority.

The county would fund the facility through low-interest loans, she said. Neither the state nor the veterans would be asked for financial support. Plans are not yet definite.

"Our constituents are the veterans' organizations," Larson said. "We want to make sure they're comfortable with it before we proceed.

"It is a joint effort," she said. "We have nothing to lose."

Frequently called numbers

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Information, House

175 State Office Building 296-2146

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TTY, House 296-9896

Toll free 1-800-657-3550

Chief Clerk of the House

211 Capitol 296-2314

Index, House

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Sergeant-at-Arms, House

45 State Office Building 296-4860

Committee Hotline, House 296-9283

Information, Senate

231 Capitol 296-0504

Toll free 1-888-234-1112

TTY, Senate 296-0250

Toll free 1-888-234-1112

Secretary of the Senate

231 Capitol 296-2344

Voice mail/order bills 296-2343

Index, Senate

110 Capitol 296-5560

Sergeant-at-Arms, Senate

Senate Chamber 296-7514/296-1119

Committee Hotline, Senate 296-8088

Legislative Reference Library

645 State Office Building 296-3398

Governor's Office

130 Capitol 296-3391

Toll free 1-800-657-3717

Attorney General's Office

102 Capitol 296-6196

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B-44 State Capitol (651) 296-0264

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Unwelcome visitors

Department of Agriculture is developing ways to ward off non-native, invasive species

By TOM LONERGAN

Springtime's promise of warm summer days means thousands of out-of-state tourists will soon be arriving to enjoy Minnesota's lakes, parks, and camping areas.

However, some seasonal "accidental" visitors from Europe, Asia, and South America — who may have already begun their Minnesota-bound journey — will be as welcome as a July blizzard.

They include the European gypsy moth, Asian longhorned beetle, the emerald ash borer that is native to China, and soybean rust, a South American based fungal disease.

The Department of Agriculture's Agronomy and Plant Protection Division seeks to head off these invasive species, as well as others, before they become attached to a Minnesota-based tree, plant, or farm crop.

"Invasive plant pests are growing with the mobility of commercial industry," said Greg Buzicky, division director. He testified in March before the House Agriculture and Rural Development Finance Committee in support of increased funding for the department's invasive species program.

The omnibus agriculture and rural development finance bill (HF2755), sponsored by Rep. Elaine Harder (R-Jackson) and passed by the House April 5, includes \$191,000 in additional funding for the program, effective July 1, 2004.

A companion bill — part of a fiscal year 2005 supplemental budget package — also passed the Senate in April, albeit without the additional program funding. Differences between the bills have yet to be resolved.

If the additional funding is approved, the department would hire a plant pathologist, a public outreach coordinator, and additional seasonal

help to track and detect invasive species.

"In the last few years, there's been a huge increase in pressures from invasive species," Geir Friisoe, plant protection manager, said in an interview. "It's been due to global trade and more movement of people. It's in Minnesota's best interest to keep out a lot of these (pests)."

The leaf-eating gypsy moth may be the most familiar non-native pest, even though it has yet to gain a foothold in the state. Ranked as the country's "single most destructive pest of trees and shrubs," according to the Agriculture Department's Web site, the insect's first verified egg masses were found in Duluth in 1969.

During the past 30 years, the department has set several hundred thousand gypsy moth traps during summer months to lure the flying adult male. In 2003, 16,000 small cardboard box traps placed in eastern edge counties and the Twin Cities metropolitan area caught 535 male moths. Since 1980, more than 5,500 moths have been caught.

The trapping and early detection program is designed to find and wipe out any start-up gypsy moth populations. The state also sprays a naturally occurring bacterium called Btk in targeted egg-infested areas to control gypsy moth caterpillars.

The largest state infestation of gypsy moths was discovered in 2002 in southwest Minneapolis. A 1,000-acre area of the city and parts of two suburbs were sprayed, Friisoe said.

All these efforts have merely delayed the moth's "natural migration" to the state by perhaps 15 years. "There's a natural tidal wave coming toward us," Friisoe said, with the moth now permanently residing in most of eastern Wisconsin.

A federal quarantine kept the moth in the northeastern United States for most of the early 20th century. Humans have unknowingly

assisted its rapid migration west as the moth can lay its summer eggs on vehicles, camping equipment, outdoor furniture, and even doghouses. "Hitchhiking" with humans is how the moth got its "gypsy" moniker.

Friisoe said the state's other top invasive species priorities are to stop the ash tree eating emerald ash borer and soybean rust disease.


In southeast Michigan, 13 counties have been quarantined, meaning there are restrictions on the sale of nursery stock and firewood following an ash borer infestation that has claimed nearly 6 million of that state's 700 million ash trees.

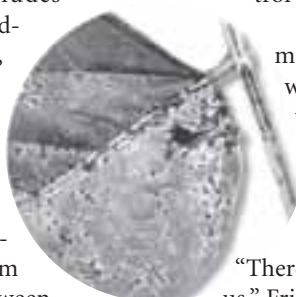
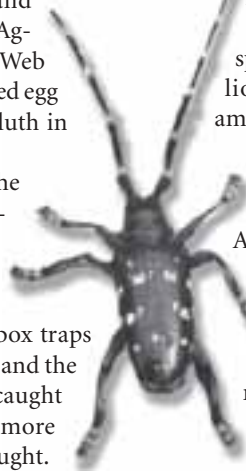
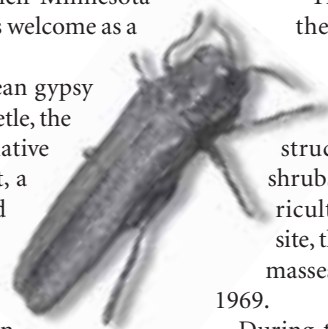
The ash borer poses "an ecological threat to the urban forest," rather than an economic threat to Minnesota forest products, Friisoe said. The China-based beetle probably arrived in Michigan in the 1990s in wood packing material.

Stopping wind-blown soybean rust spores is important to the state's \$1.3 billion soybean industry. Soybeans are among the state's leading agricultural exports. State and federal agriculture officials predict it's a matter of years — or possibly months — before the South American-based disease reaches North American fields.

The state recently received approval from the federal Environmental Protection Agency to allow farm use of a fungicide known as myclobutanil if the federal Department of Agriculture confirms soybean rust is in the United States.

The 2003 Legislature provided the Agriculture Department with more authority to "respond quicker and more effectively" to invasive pest threats, Friisoe said. This includes statutory authority for the agriculture commissioner to declare quarantines to "stop the movement of potentially infested" nursery stock and other plant material.

"It's to contain or stop the movement of material. We don't apply it to people or property generally." 



Pests on this page include the Emerald Ash Borer, top left, the Asian Longhorned Beetle, center, the European Gypsy Moth, far right, and Soybean Rust.



Lobbyists reach for their copy of the omnibus tax bill April 19.



Rep. Doug Lindgren, *bottom*, and lobbyists line the hearing room wall to look through the tax bill.



Revenue Commissioner Dan Salomone takes a look at the tax bill.



Lobbyist Barry Tilley looks through his copy of the tax bill.

FIRST LOOK AT THE TAX BILL



Joel Michael from the House Research Department gives an overview of the omnibus tax bill to the House Taxes Committee.



A legislator examines his copy of the omnibus tax bill.

PHOTOS BY TOM OLMSCHIED



Lobbyists get their first look at the omnibus tax bill during the April 19 hearing of the House Taxes Committee.

Capital investment

House plan offers more for higher education and transportation, but less than governor's recommendation in many other areas

By MARY KAY WATSON

A House bonding bill that differs in total spending and individual priorities from the plan proposed by Gov. Tim Pawlenty was approved April 21 by the House Capital Investment Committee.

The \$682.7 million proposal meets the target set by the House Ways and Means Committee, but does not approach the \$757.3 million recommended by Pawlenty.

The bill (HF2991), sponsored by the committee chair, Rep. Philip Krinkie (R-Shoreview), calls for \$620.1 million in general obligation bonding, \$56.2 million in user financing, \$3.8 million in trunk highway funds, and \$2.6 million in direct appropriations from the general fund.

"My intent was to be (inclusive) and follow a process utilizing the strategic scores and the

from someplace, given that the House bill totals \$74.6 million less than the governor's recommendations.

Among those receiving less than the governor recommended are the Departments of Administration, Corrections, Education, Employment and Economic Development, Human Services, and Natural Resources; the Minnesota Housing Finance Agency; the Minnesota Historical Society; Minneapolis; and the Minnesota Zoo.

Higher education projects fared better with the committee than in the governor's proposal. The University of Minnesota would receive \$90.5 million under the bill. It requested \$188.7 million, and the governor recommended \$76.6 million.

The Minnesota State Colleges and Universities system would receive \$145.8 million out



Park. Some committee members were concerned about the relatively small amount of funding going toward biotechnology.

"There was a huge promise in the headlines," said Rep. Alice Hausman (DFL-St. Paul). "Our budget does not fulfill that promise."

Rep. Tim Mahoney (DFL-St. Paul) pointed out that Florida is funding \$1 billion in biotechnology, Arizona \$800 million, and Minnesota \$35 million to \$40 million.

"I understand we're not putting as much money toward bioscience as other states," Krinkie said. "But we have a better incubator in the university and the Mayo Clinic than other states have."

Among transportation projects funded in the bill are several for mass transit. Though Krinkie opposes the provision, the bill contains \$37.5 million for the Northstar commuter rail system. The appropriation is required for the state to obtain federal funding for the project.

The project would extend from Minneapolis to Big Lake on the Burlington Northern Santa Fe Railroad tracks, along U.S. Highway 10.

The governor supports the commuter rail, but not the Personal Rapid Transit demonstration project, which the bill would fund to the tune of \$4 million, twice what the House Transportation Finance Committee requested for what it considered a low priority project.

"I have a great concern about the PRT project – the word 'boondoggle' comes to mind," said Rep. Margaret Anderson Kelliher (DFL-Mpls).



SESSION WEEKLY FILE PHOTO

The Department of Corrections would get \$40 million less than recommended by the governor, under the House bonding bill.

governor's recommendations," Krinkie said.

The committee strayed some from both guidelines, giving higher education \$71.1 million more than the governor proposed, local projects \$17.9 million more, and \$9 million more in transportation projects.

Those and other increases have to come

of a requested \$275 million, under the bill. Pawlenty recommended \$88.6 million.

The bill includes funding for the University of Minnesota/Mayo Biotechnology Research Facility, but it leaves out other requests that would promote growth in bioscience, such as Minneapolis' request for funding a University Research



The House bonding bill includes \$37.5 million for the Northstar commuter rail line from Big Lake to Minneapolis.

SESSION WEEKLY FILE PHOTO

"These are the kinds of projects around the country that are at the junk-bond level."

A \$20 million bonding authorization from 2002 for the Northwest Busway would be cancelled. The busway project would create a dedicated bus lane along Hennepin County highway 81 through the northwestern section of the county. Rep. Doug Stang (R-Cold Spring) said he was disappointed by the cancellation.

"To go back in time and take a project that was already approved and cancel it is unfair,"

Stang said.

A Bemidji hockey arena would be funded in the bill for \$18 million. That proposal, sponsored by Rep. Doug Fuller (R-Bemidji), was heard in the House Higher Education Finance Committee, which gave no recommendation, nor was the project recommended by the governor. Fuller brought it to the capital investment committee, of which he is vice chair, as a separate request.

The flow of money from the Amateur Sports Commission to Bemidji State University to build the arena is "convoluted," Hausman said. "We don't usually route it that way."

"I did not want this project to compete with other MnSCU projects,"

Fuller said. He also noted that the commission would receive money to build the facility, similar to the situation that occurred with the construction of the National Hockey Center in St. Cloud.

Hausman asked what Fuller thought the outcome might have been had the project competed. He said he did not know.

The bill makes no provision for housing for the homeless. The Housing Finance Agency requested \$20 million for supportive housing, a

request endorsed by 62 organizations and institutions, as well as the governor.

Michael Dahl, executive director of the Minnesota Coalition for the Homeless, said the funding was "absolutely necessary." The state's mental health system is "failing people," he said, with the result that many more are homeless.

"You can tell a society by the way it treats those on the bottom," said Richard Amos, program manager for Saint Stephen's Housing Services in Minneapolis.

"I hope the hockey arena is built to allow homeless people to sleep there while we solve the problem of homelessness," said Rep. Mike Jaros (DFL-Duluth).

The bill also excluded the Red Lake Public Schools \$22.1 million request for the third phase of its master plan, which the governor supports. The tribal school district has little ability to raise money locally because the community has a very small tax base.

"The school district has taken all the recommendations from your committee and worked diligently with the governor and the Department of Education," said Monte Hammitt, bonding bill consultant for the district. He said other projects are being funded without having gone through that process.

"We got a three-star rating," Hammitt said. "Your dollars are working. We need your help to continue."

Bonding requests from Minneapolis were also "ignored," said Kelliher, who cited the planetarium and the Shubert Theater renovation as projects that would bring millions into the city. "I feel like an 'invisibility cloak' is over my city," she said.

While state trail acquisition got a boost from the committee, other requests from the Department of Natural Resources did not fare as well. For example, Reinvest in Minnesota was funded at less than half the governor's recommendation.

Rep. Jim Knoblach (R-St. Cloud) successfully offered an amendment that would move \$1.5 million from trail acquisition and \$1.5 million from local initiatives to fund grants to counties and public regional parks organizations outside the Twin Cities metropolitan area.

Funding for the expansion of the prison at Faribault was less than half the governor's recommendation. It was not discussed in the meeting.

"Whenever you have \$2 billion in requests, it's always difficult to make a determination," Krinkie said. "I hope we've arrived at something that is acceptable to the majority of the members."

The bill will go next to the House Ways and Means Committee before going to the full House for consideration. 🐼

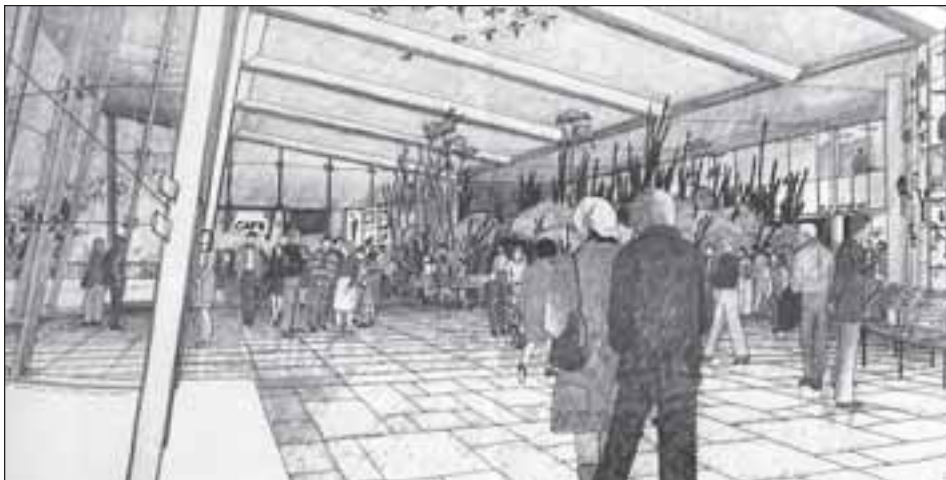


Image courtesy of the Minnesota Zoo

Under the 2004 House bonding bill, the Minnesota Zoo would receive \$2 million of the governor's \$25 million recommendation to fund, in part, the Master Plan, which includes the Biodiversity Center, pictured above, the first segment of the zoo's redevelopment plan.

Seeking sustainability

University officials provide progress report on initiative to develop state's renewable energy resources

By NICOLE WOOD

When astronauts orbit the globe, the nighttime view over North Korea — and other nations representing a third of the world's population — projects a dark gaping hole in a sea of lights.

These nations around the globe aspire to the same thing: finding a way to harness energy for development and food production but lacking some resources, said Dr. Robert Elde, dean of the University of Minnesota College of Biological Sciences, in testimony before the House Regulated Industries Committee April 21.

Elde, who also chairs the executive committee that oversees the university's Initiative for Renewable Energy and the Environment, displayed a composite photo of the Earth at night highlighting the amount of electricity used to illuminate businesses and homes. He was attempting to put into context the "big picture view" of energy consumption and the foreign policy challenges caused when some countries enjoy a rising standard of living powered by energy and others do not.

These big picture factors come into play as university researchers and industry partners work to lay the foundation for the effective use of renewable energy and resources in Minnesota and around the globe.

On a yearly basis, Elde said, the United States holds 2 percent of the world's known oil reserves and uses 26 percent of the world's oil — more than Japan, China, Germany, Canada, and Russia combined. This is not sustainable, he said.

The Legislature made a statutory commitment to support sustainable energy alternatives and "to monitor, through energy policy planning and implementation, the transition from historic growth in energy demand to a period when demand for traditional fuels becomes stable and the supply of renewable energy resources is readily available and adequately utilized."

To help, the 2003 Legislature funded the university's renewable energy research initiative with \$20 million from money provided by Xcel Energy for alternative energy development.

In addition to energy conservation

improvement expenditures, Xcel currently contributes nearly \$16 million per year to an account known as the Renewable Development Fund that finances renewable energy production, research, and development. The fund was expanded by 2003 legislation relating to spent cask storage at the Prairie Island nuclear generating plant.

Rep. Torrey Westrom (R-Elbow Lake), the committee chair, requested an update from the university and Xcel on progress made on hydrogen and other renewable technologies since the funding began in July 2003.

"We are very excited about what this legislation you passed last year has done to transform the university in just a few months," Elde said.

In addition to upholding national security, the goals of the initiative are to promote statewide economic development and sustainable ecosystems through the development of renewable resources and processes, Elde said.

The work is organized into different groups to examine hydrogen, energy efficiency, bio-products and bio-energy, and environmental policy.

The university is required to transfer at least 10 percent of the initiative funds to a rural campus or experiment station.

The West Central Research and Outreach Center at the University of Minnesota-Morris currently has a successful wind energy conversion project underway due to resources made available through the initiative, said Greg Cuomo, who directs center activities.

That part of the state has plenty of wind to harness. Indeed, Cuomo joked that he realized

the resource was there to develop a model for integrated renewable energy systems in the rural community as he was "watching the snow blow sideways out my window."

When Westrom asked whether the partnership between the Twin Cities and Morris campuses has been a good fit, Cuomo replied that he has sensed good cooperation and interest from researchers on the Twin Cities campus to connect with the demonstration lab in Morris.

Westrom then asked to hear the perspective from Xcel Energy.

The utility is currently "feeling comfortable" with the way the renewable research money is being spent, said Ann Kraft, Xcel Energy product developer.

Through her work at the utility, Kraft is involved with "trying to figure out the utility of the future and where hydrogen fits into that."

Rep. Bob Gunther (R-Fairmont) asked about the realities and timeline of a so-called hydrogen economy and the shift from fossil fuels to cleaner alternatives.

The hydrogen economy could take at least 50 years to become fully integrated, Kraft said. Hydrogen fuel cell development on a smaller scale, such as powering laptop computers and cellular telephones, may come before the technology powers things on a large grid utility scale, she said.

In addition to making sure the research and development funds are spent in the right place, "Legislative directives are going to help move things along more quickly," Kraft said.

As for pending legislative directives, a bill (HF2806) sponsored by Westrom that would create a renewable

energy working group to recommend how existing state policies and programs to develop renewable energy could be amended, coordinated, and integrated awaits action by the full House. A companion bill (SF2828), sponsored by Sen. Ellen Anderson (DFL-St. Paul), awaits committee action.



PHOTO BY TOM OLMSCHIED

Greg Cuomo, head of the West Central Research and Outreach Center, gives the House Regulated Industries Committee an explanation of the types of renewable energy research being performed at the Morris facility during an April 21 meeting.

Criminal connection

Plan to merge state's gang strike force and 22 narcotics task forces supported by some, brings skepticism by others

By MIRANDA BRYANT

Many in the business of combating gangs and illegal drugs in Minnesota have said the two crime elements are intertwined, and efforts to combat them should be linked just as closely.

Others, however, say that gang and illegal drug activity are too disparate to justify merged law enforcement activity and combined state budgets.

Nonetheless, the House judiciary finance omnibus bill (HF2028) would merge the Minnesota Gang Strike Force with 22 regional narcotics task forces operated by law enforcement agencies throughout the state. The bill would appropriate nearly \$2.6 million in 2004 and 2005 for the combined effort, as recommended by Gov. Tim Pawlenty. Combined with federal funds currently appropriated to the drug task forces, the merged agency would have a \$5.4 million budget.

Sponsored by Rep. Steve Smith (R-Mound), the bill passed the House 117-13 March 31. In the Senate, where Sen. Richard Cohen (DFL-St. Paul) is the sponsor, the bill was rolled into its supplemental budget-balancing measure.

The proposed merger has set off a maelstrom of opposing viewpoints.

"We aren't broke," said Ron Ryan, statewide commander of the Minnesota Gang Strike Force. "Don't fix us for problems that may exist in the drug task force."

In its six-year life, the gang strike force has taken more than 1,000 firearms off the street, tracked 9,000 gang members through a computerized intelligence system, and provided training on gang awareness and investigative techniques to 4,500 law enforcement agents, prosecutors, judges, and school employees. Last year, Ryan said, the force made 700 arrests throughout the state.

The force has dismantled several criminal gangs, Ryan said, including three in the past year that were prosecuted for sexual assault and prostitution of Hmong girls, some of whom were ages 11 and 12.

But Michael Campion, superintendent of the state Bureau of Criminal Apprehension,

said the proposed plan is better. Currently, only seven police departments and five sheriff departments receive gang strike force money. They are the cities of Minneapolis, St. Paul, St. Cloud, Duluth, Mankato, Marshall, and Worthington, and Benton, Dakota, Ramsey, Sherburne, and Stearns counties.

"Frankly more money and better coverage — somebody has to convince me that that's a bad thing," Campion said.

The merger idea arose late in the 2003



PHOTOILLUSTRATION BY PAUL BATTAGLIA

A proposal in the judiciary finance bill would combine gang and drug task force funding. Proponents say the two activities are linked.

legislative session. Funding for the Minnesota Gang Strike Force was eliminated and a study was ordered to examine a proposed merger between the task forces.

Ryan submitted a letter to the House Judiciary Policy and Finance Committee indicating that the merger was suggested due to the false belief that the gang strike force rejected requests for help from Greater Minnesota police agencies. "We have never turned down a request for assistance," he wrote.

Following the legislative directive, former Public Safety Commissioner Rich Stanek began conducting meetings with police chiefs and law enforcement officials to study the issue.

According to Campion, the framework for the proposed merger is a result of the working

group's efforts. The merger would create one oversight council comprised of federal, state, and local criminal justice professionals. The council would make recommendations to the Department of Public Safety for the distribution of state grants to local agencies fighting gang and drug activities.

A statewide coordinator, selected by the council, would oversee all gang and drug activity in Minnesota.

The metropolitan gang strike task force, as it exists now under the Minnesota Gang Strike Force, would remain in place.

Information submitted to the committee showed that the Minnesota Sheriff's Association and the Minnesota Chiefs of Police Association support the merger. Opposed are nearly four dozen past and present Minnesota


Gang Strike Force investigators, the Minnesota Police and Peace Officers Association, the majority of Hennepin County commissioners, and St. Paul Mayor Randy Kelly.

Dennis Delmont, executive director of the Minnesota Chiefs of Police Association, said his group approached the merger idea with cynicism and suspicion. But three of its police chiefs "came to the conclusion that this is the most effective and efficient way to deal with two terrible problems: drugs and gangs in Minnesota."

The Minnesota Gang Strike Force was left with \$350,000 when its funding was eliminated

by the 2003 Legislature, Ryan said. Since then it has operated with forfeiture funds from the state attorney general's office and federal judges. Such revenues are earned from the sale of property seized by law enforcement during drug busts and other arrests.

"Unless we receive a minimum of \$1.5 million for some sort of gap funding, the Minnesota Gang Strike Force is gonna be out of business June 30, 2004," Ryan said.

The committee received no testimony on the drug task forces. According to the Minnesota Office of Drug Policy and Violence Prevention, the 22 drug task forces throughout the state work in 64 multi-county jurisdictions. Twenty-three counties receive no drug task funds. 

Not enough time

Family and professional commitments play significant role in Lipman deciding not to seek a third term

By MIKE COOK

A math problem centered on time is causing Rep. Eric Lipman (R-Lake Elmo) to say good-bye to the House of Representatives.

In addition to being a husband and father of two young children, the two-term member has tried to effectively balance being a lawyer for Mohrman and Kaardal with being a lawmaker, serving on three House committees and two commissions.

"As rewarding as my legislative service has been, it is time for me to focus on just one job and the needs of my growing family," he said. "It's been very satisfying to be part of all the decision-making and to represent the concerns of my community here, but all the satisfactions are for the candidate and all the suffering and sacrifices are for my family."

Not running doesn't mean that Election Day will be a quiet time for Lipman, his wife Kimberly, 4-year-old daughter Jenna, and 18-month-old son Noah. A third child is expected on the day voters will go to the polls. "I think someone was trying to tell me a message," he said.

Calling it a tough choice, Lipman said he knew this would be his last term when the pregnancy test results were known. "I'm interested in public affairs, making a difference, and contributing to the process along the way. However, legislative service, if you take it seriously and try to be involved, is becoming nearly a full-time job."

Lipman says he is a person who does not want to short-change anything he does, something he fears could happen by stretching himself too thin. "Because I wasn't planning on being here forever anyways and certainly with the needs of helping my wife ... it's challenging, but I'm not sure there was another choice for me. The prescription I have in my own life is 'Do fewer things better.'"

Calling himself a "committee grunt," which he partially describes as being up to speed on bills before the committee and making refinements, Lipman serves on the House Civil Law, Governmental Operations and Veterans Affairs Policy,



PHOTO BY LISA M. SANDERS

A self-described "committee grunt," Rep. Eric Lipman is leaving the House to focus on his expanding family and his law career.

and Judiciary Policy and Finance committees.

Some of the greatest pride Lipman says he has taken is ensuring that legislative intent is clear in any proposal. "The role I play in committee is that of the member draftsman. In my private life as a practicing lawyer we struggle a lot with what did the Legislature intend when it selected these words and not other words. It's important for (legislators) to spend some time and resources on getting the words right."

Lipman smiled while recalling a time when someone from the Office of the Revisor of Statutes told him that they wanted a bill introduced to clean up some language in state statutes and he was the first legislator that they considered.

"I point to that with pride that they would think of me," he said. "Maybe I'm wrong for the place if I'm not thinking about the bill that

will get me on the front of the newspaper, but I took satisfaction in it."


Others noticed Lipman's skills in both draftsmanship and vocalizing his thoughts.

"Regardless of what the issue is he can articulate so well, he can make reference to present statute, its implication on the future, and its negatives and positives in regard to how it affects the common good," said Rep. Sondra Erickson (R-Princeton). "He has drama in his delivery, a vocabulary that is specific and not filled with legalese, and he's so polite."

"He's a very personable man, he's a smart man, he's got a good sense of humor, an affable guy," said Rep. Keith Ellison (DFL-Mpls), whose bill to reduce drug sentencing Lipman signed on as the first co-author. "I like working with him. When you're at odds with him he is a formidable opponent. He and I disagreed probably more often than we agreed, but I never walked away from a disagreement with him feeling disrespected or abused."

Before this session concludes, Lipman says he hopes a handful of proposals he has worked on will be approved: completion of a Bayport sewer system, authorization of a Lake Elmo comprehensive plan, and election changes to help Minnesota comply with federal requirements as part of the Help America Vote Act. "I think it's a great vote of confidence of the secretary of state and my colleagues that something that is intimately tied to their fortune was left to my care," he said.

Will Eric Lipman ever run for office again, maybe when his children are older?

"I'd like to be on the ballot someday," he said. "I certainly care deeply about public service. I certainly enjoy the opportunity to try and contribute." 

STEPPING DOWN

Rep. Eric Lipman
Republican
District 56A – Lake Elmo
Terms: 2

Career Notes: In addition to being concerned with legislative intent during his four years in the Minnesota House, Lipman has been a consistent proponent for election reform to ensure uniformity and fairness.

Law enforcer

Strachan to leave House after one term for promotion to Lakeville police chief

By MIRANDA BRYANT

Rep. Steve Strachan fully expected to be seeking re-election to his House seat this fall. But instead of continuing to craft laws, he'll be enforcing them.

The first-term Republican from Farmington began serving as the police chief in Lakeville April 6. As such, he will not seek re-election in the fall.

Strachan has worked for the police department for 17 years, most recently as a sergeant. He will do both jobs simultaneously until a newly elected state representative is sworn into office in January 2005.

"I never thought I'd be a one-termer," Strachan said, explaining that his leave of the Legislature is bittersweet.

Strachan has had a prominent role during the 2004 session for key pieces of legislation. He is the House sponsor of a bill that would lower the state's blood-alcohol concentration limit for drunken driving from 0.10 to 0.08 percent. The House and the Senate have approved the measure, but disagree on the effective dates. Strachan has been appointed to a six-person conference committee to address the bills' differences.

"I would like to see it finished before I leave," Strachan said. "That's something I know will save lives."

Strachan also helped craft a package of bills toughening the sentencing and monitoring of sex offenders. He sponsored one component of the package, requiring homeless sex offenders who have been released from prison to register their general whereabouts with law enforcement.

The 39-year-old says he is a "pragmatic Republican," otherwise described, he said, as a moderate.

"Sometimes it's easy to say 'That's a bad idea,' because it didn't come from us," Strachan said. But, he said, he makes a practice of accepting good ideas for what they are, regardless of their DFL or Republican origins.

For example, he said, he modified the sex offender bill following a contention by Rep. Keith Ellison (DFL-Mpls) that it was too aggressive on young people engaged in mutually consensual



PHOTO BY ANDREW VONBANK

Recently named the new chief of police in Lakeville, Rep. Steve Strachan announced that he is leaving the House after one term.

sexual activity. A 20-year-old having sex with a 16-year-old is wrong, Strachan said, "But do we want to put them in jail for life?"

Strachan serves on the House Governmental Operations and Veterans Affairs Policy, Judiciary Policy and Finance, and State Government Finance committees.

"His life experience brought a helpful perspective when we were considering public safety issues," said Rep. Mary Murphy (DFL-Hermantown), DFL lead on the judiciary committee. "Besides that, he has a wonderful sense of humor and an innate respect for and kindness to others."

Last year Strachan was also appointed to Gov. Tim Pawlenty's Stadium Screening Committee. The group was charged with making recommendations to the Legislature on the possible financing and construction of professional sports stadiums for the Twins and the Vikings in the metropolitan area.

"I think the governor is on the right track," Strachan said. "He's sort of focusing on 'This is a problem and it's not going to go away.'"

Strachan previously served on the Farmington City Council before being elected to the newly redrawn District 36B in 2002. Some of the stereotypes of the Legislature have proven true, he said, such as posturing by legislators and intentional distraction from the issues.

Conversely, he said, there are a number of good Republicans and DFLers in the Legislature.


"A huge majority on both sides are here for the right reasons," Strachan said of his peers. "I can leave here honestly saying I've done all I can to create solutions rather than division."

Strachan says he has taken extra measures to keep his constituents informed of his initiatives and the workings of the Legislature. On a Weblog he offers through the House Web site, Strachan posts everything from updates on specific bills, to links to newspaper articles, to jokes.

He began the Weblog to better address the diverse character of his district and as an effort to explain why things occur at the Legislature.

"I think people sort of appreciate straight talk," Strachan said. The Weblog has proven popular, urging him to continue it in his new job.

Strachan said he would leave the Legislature with an appreciation for the many friends he has made at the Capitol, and a stronger connection with his ancestry. Using the resources at the Legislative Reference Library, Strachan learned that his great grandfather, a Scottish immigrant, was a Minnesota legislator during the Civil War.

"It sounds like a platitude, but having the opportunity to serve as a state representative is a tremendous opportunity. When I'm 95 years old I'll be able to look back and say I was a state representative." 

STEPPING DOWN

Rep. Steve Strachan
Republican
District 36B — Farmington
Terms: 1

Career Notes: As a career police officer, Strachan worked on many issues affecting the law enforcement community. He was chief sponsor of a bill that would require multi-line telephone systems, such as those in apartment buildings, to provide 911 caller locations. He also sponsored a bill that would regulate the ownership of dangerous animals, such as bears, primates, and lions.

2004 Minnesota House of Representatives Members

District/Member/Party	Room*	Phone (651) 296-	District/Member/Party	Room*	Phone (651) 296-
48B Abeler, Jim (R)	369	1729	44B Latz, Ron (DFL)	225	7026
43B Abrams, Ron (R)	585	9934	40B Lenczewski, Ann (DFL)	237	4218
42A Adolphson, Peter (R)	597	3964	66A Lesch, John (DFL)	223	4224
19A Anderson, Bruce (R)	437	5063	1B Lieder, Bernie (DFL)	323	5091
3A Anderson, Irv (DFL)	321	4936	2B Lindgren, Doug (R)	523	4265
27B Anderson, Jeff (R)	583	4193	32A Lindner, Arlon (R)	417	7806
39B Atkins, Joe (DFL)	221	4192	56A Lipman, Eric (R)	567	4244
35A Beard, Michael (R)	451	8872	22A Magnus, Doug (R)	515	5505
51B Bernardy, Connie (DFL)	337	5510	67A Mahoney, Tim (DFL)	289	4277
59A Biernat, Len (DFL)	303	4219	65B Mariani, Carlos (DFL)	203	9714
12B Blaine, Greg (R)	387	4247	9B Marquart, Paul (DFL)	311	6829
19B Borrell, Dick (R)	545	4336	57B McNamara, Denny (R)	577	3135
26B Boudreau, Lynda (R)	559	8237	53B Meslow, Doug (R)	377	5363
29B Bradley, Fran (R)	563	9249	58A Mullery, Joe (DFL)	209	4262
25A Brod, Laura (R)	581	4229	6B Murphy, Mary (DFL)	343	2676
35B Buesgens, Mark (R)	445	5185	30A Nelson, Carla (R)	571	0573
45B Carlson, Lyndon (DFL)	283	4255	46A Nelson, Michael (DFL)	231	3751
61A Clark, Karen (DFL)	307	0294	17B Nelson, Peter (R)	433	5377
24B Cornish, Tony (R)	487	4240	18A Newman, Scott (R)	367	1534
25B Cox, Ray (R)	413	7065	10A Nornes, Bud (R)	471	4946
31B Davids, Gregory (R)	379	9278	47B Olsen, Stephanie (R)	531	4280
62A Davnie, Jim (DFL)	241	0173	16B Olson, Mark (R)	501	4237
49A DeLaForest, Chris (R)	503	4231	15B Opatz, Joe (DFL)	277	6612
29A Demmer, Randy (R)	371	9236	45A Osterman, Lynne (R)	431	4176
28A Dempsey, Jerry (R)	575	8635	11B Otremba, Mary Ellen (DFL)	247	3201
6A Dill, David (DFL)	315	2190	52B Otto, Rebecca (DFL)	393	3018
27A Dorman, Dan (R)	579	8216	37B Ozment, Dennis (R)	479	4306
23B Dorn, John (DFL)	201	3248	42B Paulsen, Erik (R)	459	7449
17A Eastlund, Rob (R)	449	5364	64B Paymar, Michael (DFL)	253	4199
2A Eken, Kent (DFL)	329	9918	31A Pelowski, Gene (DFL)	295	8637
58B Ellison, Keith (DFL)	229	8659	1A Penas, Maxine (R)	553	9635
64A Entenza, Matt (DFL)	267	8799	20A Peterson, Aaron (DFL)	313	4228
41A Erhardt, Ron (R)	591	4363	40A Powell, Duke (R)	411	4212
16A Erickson, Sondra (R)	407	6746	39A Pugh, Thomas (DFL)	273	6828
21B Finstad, Brad (R)	353	9303	44A Rhodes, Jim (R)	443	9889
4A Fuller, Doug (R)	525	5516	5A Rukavina, Tom (DFL)	279	0170
37A Gerlach, Chris (R)	533	5506	26A Ruth, Connie (R)	415	5368
50A Goodwin, Barbara (DFL)	331	4331	50B Samuelson, Char (R)	423	0141
54A Greiling, Mindy (DFL)	259	5387	41B Seagren, Alice (R)	477	7803
24A Gunther, Bob (R)	485	3240	21A Seifert, Marty (R)	357	5374
47A Haas, Bill (R)	569	5513	5B Sertich, Anthony (DFL)	233	0172
48A Hackbarth, Tom (R)	409	2439	14A Severson, Dan (R)	389	7808
22B Harder, Elaine (R)	509	5373	57A Sieben, Katie (DFL)	211	4342
66B Hausman, Alice (DFL)	245	3824	10B Simpson, Dean (R)	473	4293
13A Heidgerken, Bud (R)	359	4317	55B Slawik, Nora (DFL)	317	7807
46B Hilstrom, Debra (DFL)	239	3709	33A Smith, Steve (R)	543	9188
8A Hilty, Bill (DFL)	207	4308	8B Soderstrom, Judy (R)	439	0518
36A Holberg, Mary Liz (R)	349	6926	3B Solberg, Loren (DFL)	309	2365
34B Hoppe, Joe (R)	537	5066	14B Stang, Doug (R)	375	4373
60B Hornstein, Frank (DFL)	227	9281	36B Strachan, Steve (R)	345	1069
4B Howes, Larry (R)	351	2451	28B Sviggum, Steve (R)	463	2273
7A Huntley, Thomas (DFL)	335	2228	23A Swenson, Howard (R)	517	8634
54B Jacobson, Carl (R)	429	7153	33B Sykora, Barb (R)	403	4315
7B Jaros, Mike (DFL)	291	4246	65A Thao, Cy (DFL)	215	5158
43A Johnson, Jeff (R)	401	5511	63A Thissen, Paul (DFL)	301	5375
67B Johnson, Sheldon (DFL)	243	4201	49B Tingelstad, Kathy (R)	507	5369
13B Juhnke, Al (DFL)	281	6206	18B Urdahl, Dean (R)	521	4344
59B Kahn, Phyllis (DFL)	255	4257	52A Vandever, Ray (R)	529	4124
60A Kelliher, Margaret Anderson (DFL)	261	0171	62B Wagenius, Jean (DFL)	251	4200
56B Klinzing, Karen (R)	539	1147	61B Walker, Neva (DFL)	213	7152
15A Knoblach, Jim (R)	453	6316	12A Walz, Dale (R)	527	4333
20B Koenen, Lyle (DFL)	327	4346	38B Wardlow, Lynn (R)	491	4128
34A Kohls, Paul (R)	421	4282	55A Wasiluk, Scott (DFL)	217	1188
53A Krinkie, Philip (R)	365	2907	51A Westerberg, Andrew (R)	549	4226
30B Kuisle, William (R)	565	4378	11A Westrom, Torrey (R)	381	4929
9A Lanning, Morrie (R)	593	5515	38A Wilkin, Tim (R)	551	3533
63B Larson, Dan (DFL)	287	7158	32B Zellers, Kurt (R)	557	5502

*All rooms are in the State Office Building unless otherwise noted, St. Paul, MN 55155
List as of January 28, 2004.

2004 Minnesota Senate Members

District/Member/Party			Phone (651) 296-	District/Member/Party			Phone (651) 296-
		Room*				Room*	
66	Anderson, Ellen (DFL)	120 Cap.	5537	54	Marty, John (DFL)	323 Cap.	5645
52	Bachmann, Michele (R)	141 SOB	4351	38	McGinn, Mike (R)	G-19 SOB	7-8073
6	Bakk, Thomas (DFL)	301 Cap.	8881	39	Metzen, James (DFL)	322 Cap.	4370
40	Belanger, William (R)	113 SOB	5975	41	Michel, Geoff (R)	151 SOB	6238
61	Berglin, Linda (DFL)	309 Cap.	4261	67	Moua, Mee (DFL)	235 Cap.	5285
51	Betzold, Don (DFL)	111 Cap.	2556	28	Murphy, Steve (DFL)	306 Cap.	4264
50	Chaudhary, Satveer (DFL)	317 Cap.	4334	25	Neuville, Thomas (R)	123 SOB	1279
64	Cohen, Richard (DFL)	121 Cap.	5931	17	Nienow, Sean (R)	105 SOB	5419
26	Day, Dick (R)	147 SOB	9457	33	Olson, Gen (R)	119 SOB	1282
60	Dibble, D. Scott (DFL)	111 Cap.	4191	34	Ortman, Julianne (R)	G-21 SOB	4837
18	Dille, Steve (R)	103 SOB	4131	19	Ourada, Mark (R)	145 SOB	5981
14	Fischbach, Michelle (R)	129 SOB	2084	65	Pappas, Sandra (DFL)	120 Cap.	1802
47	Foley, Leo (DFL)	G-24 Cap.	4154	36	Pariseau, Pat (R)	117 SOB	5252
21	Frederickson, Dennis (R)	139 SOB	8138	59	Pogemiller, Lawrence (DFL)	235 Cap.	7809
43	Gaither, David (R)	107 SOB	4314	63	Ranum, Jane (DFL)	120 Cap.	7-8061
42	Hann, David (R)	G-27 SOB	1749	53	Reiter, Mady (R)	132D SOB	1253
58	Higgins, Linda (DFL)	328 Cap.	9246	45	Rest, Ann (DFL)	205 Cap.	2889
23	Hottinger, John (DFL)	317 Cap.	6153	35	Robling, Claire (R)	143 SOB	4123
13	Johnson, Dean (DFL)	208 Cap.	3826	24	Rosen, Julie (R)	G-23 SOB	5713
49	Johnson, Debbie (R)	135 SOB	3219	4	Ruud, Carrie (R)	109 SOB	4913
48	Jungbauer, Michael (R)	115 SOB	3733	11	Sams, Dallas (DFL)	328 Cap.	7-8063
44	Kelley, Steve (DFL)	205 Cap.	7-8065	3	Saxhaug, Tom (DFL)	124 Cap.	4136
31	Kierlin, Bob (R)	127 SOB	5649	46	Scheid, Linda (DFL)	303 Cap.	8869
30	Kiscaden, Sheila (IP)	G-15 SOB	4848	29	Senjem, David (R)	G-17 SOB	3903
15	Kleis, Dave (R)	G-25 SOB	6455	2	Skoe, Rod (DFL)	124 Cap.	4196
37	Knutson, David (R)	133 SOB	4120	62	Skoglund, Wesley (DFL)	124 Cap.	4274
12	Koering, Paul (R)	131 SOB	4875	7	Solon, Yvonne Prettner (DFL)	303 Cap.	4188
20	Kubly, Gary (DFL)	306 Cap.	5094	27	Sparks, Dan (DFL)	G-24 Cap.	9248
9	Langseth, Keith (DFL)	122 Cap.	3205	1	Stumpf, LeRoy (DFL)	G-24 Cap.	8660
10	Larson, Cal (R)	153 SOB	5655	5	Tomassoni, David (DFL)	321 Cap.	8017
56	LeClair, Brian (R)	149 SOB	4166	22	Vickerman, Jim (DFL)	226 Cap.	5650
32	Limmer, Warren (R)	121 SOB	2159	16	Wergin, Betsy (R)	125 SOB	8075
8	Lourey, Becky (DFL)	G-24 Cap.	0293	55	Wiger, Charles (DFL)	226 Cap.	6820
57	Marko, Sharon (DFL)	G-24 Cap.	7-8060				

*Capitol or State Office Building, St. Paul, MN 55155
For phone numbers, contact Senate Information at 651-296-0504

Minnesota House and Senate Membership

1 A Rep. Maxine Penas-(R) B Rep. Bernie Lieder-(DFL) Sen. LeRoy A. Stumpf-(DFL)	15 A Rep. Jim Knoblach-(R) B Rep. Joe Opatz-(DFL) Sen. Dave Kleis-(R)	29 A Rep. Randy Demmer-(R) B Rep. Fran Bradley-(R) Sen. David H. Senjem-(R)	43 A Rep. Jeff Johnson-(R) B Rep. Ron Abrams-(R) Sen. David Gaither-(R)	57 A Rep. Katie Sieben-(DFL) B Rep. Denny McNamara-(R) Sen. Sharon Marko-(DFL)
2 A Rep. Kent Eken-(DFL) B Rep. Doug Lindgren-(R) Sen. Rod Skoe-(DFL)	16 A Rep. Sondra Erickson-(R) B Rep. Mark Olson-(R) Sen. Betsy L. Wergin-(R)	30 A Rep. Carla Nelson-(R) B Rep. William Kuisele-(R) Sen. Sheila M. Kiscaden-(IP)	44 A Rep. Jim Rhodes-(R) B Rep. Ron Latz-(DFL) Sen. Steve Kelley-(DFL)	58 A Rep. Joe Mullery-(DFL) B Rep. Keith Ellison-(DFL) Sen. Linda Higgins-(DFL)
3 A Rep. Irv Anderson-(DFL) B Rep. Loren A. Solberg-(DFL) Sen. Tom Saxhaug-(DFL)	17 A Rep. Rob Eastlund-(R) B Rep. Peter (Pete) Nelson-(R) Sen. Sean R. Nienow-(R)	31 A Rep. Gene Pelowski Jr.-(DFL) B Rep. Gregory M. Davids-(R) Sen. Bob Kierlin-(R)	45 A Rep. Lynne Osterman-(R) B Rep. Lyndon R. Carlson-(DFL) Sen. Ann H. Rest-(DFL)	59 A Rep. Len Biernat-(DFL) B Rep. Phyllis Kahn-(DFL) Sen. Lawrence J. Pogemiller-(DFL)
4 A Rep. Doug Fuller-(R) B Rep. Larry Howes-(R) Sen. Carrie L. Ruud-(R)	18 A Rep. Scott Newman-(R) B Rep. Dean Urdahl-(R) Sen. Steve Dille-(R)	32 A Rep. Arlon Lindner-(R) B Rep. Kurt Zellers-(R) Sen. Warren Limmer-(R)	46 A Rep. Michael Nelson-(DFL) B Rep. Debra Hilstrom-(DFL) Sen. Linda Scheid-(DFL)	60 A Rep. Margaret Anderson Kelliher-(DFL) B Rep. Frank Hornstein-(DFL) Sen. D. Scott Dibble-(DFL)
5 A Rep. Tom Rukavina-(DFL) B Rep. Anthony (Tony) Sertich-(DFL) Sen. David J. Tomassoni-(DFL)	19 A Rep. Bruce Anderson-(R) B Rep. Dick Borrell-(R) Sen. Mark Ourada-(R)	33 A Rep. Steve Smith-(R) B Rep. Barb Sykora-(R) Sen. Gen Olson-(R)	47 A Rep. Bill Haas-(R) B Rep. Stephanie Olsen-(R) Sen. Leo Foley-(DFL)	61 A Rep. Karen Clark-(DFL) B Rep. Neva Walker-(DFL) Sen. Linda Berglin-(DFL)
6 A Rep. David Dill-(DFL) B Rep. Mary Murphy-(DFL) Sen. Thomas M. Bakk-(DFL)	20 A Rep. Aaron Peterson-(DFL) B Rep. Lyle Koenen-(DFL) Sen. Gary Kubly-(DFL)	34 A Rep. Paul Kohls-(R) B Rep. Joe Hoppe-(R) Sen. Julianne E. Ortman-(R)	48 A Rep. Tom Hackbarth-(R) B Rep. Jim Abeler-(R) Sen. Michael J. Jungbauer-(R)	62 A Rep. Jim Davnie-(DFL) B Rep. Jean Wagenius-(DFL) Sen. Wesley J. Skoglund-(DFL)
7 A Rep. Thomas Huntley-(DFL) B Rep. Mike Jaros-(DFL) Sen. Yvonne Prettner Solon-(DFL)	21 A Rep. Marty Seifert-(R) B Rep. Brad Finstad-(R) Sen. Dennis R. Frederickson-(R)	35 A Rep. Michael Beard-(R) B Rep. Mark Buesgens-(R) Sen. Claire A. Robling-(R)	49 A Rep. Chris DeLaForest-(R) B Rep. Kathy Tingelstad-(R) Sen. Debbie J. Johnson-(R)	63 A Rep. Paul Thissen-(DFL) B Rep. Dan Larson-(DFL) Sen. Jane B. Ranum-(DFL)
8 A Rep. Bill Hilty-(DFL) B Rep. Judy Soderstrom-(R) Sen. Becky Lourey-(DFL)	22 A Rep. Doug Magnus-(R) B Rep. Elaine Harder-(R) Sen. Jim Vickerman-(DFL)	36 A Rep. Mary Liz Holberg-(R) B Rep. Steve Strachan-(R) Sen. Pat Pariseau-(R)	50 A Rep. Barbara Goodwin-(DFL) B Rep. Char Samuelson-(R) Sen. Satveer Chaudhary-(DFL)	64 A Rep. Matt Entenza-(DFL) B Rep. Michael Paymar-(DFL) Sen. Richard J. Cohen-(DFL)
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10 A Rep. Bud Nornes-(R) B Rep. Dean Simpson-(R) Sen. Cal Larson-(R)	24 A Rep. Bob Gunther-(R) B Rep. Tony Cornish-(R) Sen. Julie Rosen-(R)	38 A Rep. Tim Wilkin-(R) B Rep. Lynn Wardlow-(R) Sen. Mike McGinn-(R)	52 A Rep. Ray Vanderveer-(R) B Rep. Rebecca Otto-(DFL) Sen. Michele Bachmann-(R)	66 A Rep. John Lesch-(DFL) B Rep. Alice Hausman-(DFL) Sen. Ellen R. Anderson-(DFL)
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Tracking new laws, vetoes

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

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill;
- or do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the second year of the biennium (even-numbered years), as this year is, a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

(Sundays are not counted in the three-day limit, but holidays are.)

But if a bill is passed during the last three days of session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "*sine die*" (Latin for adjournment "without a date certain"). If the governor does not sign a bill within this time frame, it will not become law, an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed

during the final three days of the session, or within three days after the governor receives the bill at any other time.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

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

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

This information is also available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:

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

CH	HF	SF	Description	Signed	Vetoed
134	921	906*	Sex offender treatment co-payments authorized.	2/17/2004	
135	973	1015*	Veterans Affairs Dept. authorized to access taxpayer ID information to notify veterans of health hazards.	2/26/2004	
136	1794*	1615	Airport federally funded projects minimum required local contribution decreased.	3/10/2004	
137	480*	837	Job reference information, school violence data, and employee personnel records disclosure regulated.	3/22/2004	
138	1743	2182*	Public utility performance-based regulation plan purpose modified.	3/19/2004	
139	1980	1799*	Watershed and soil and water conservation district officers conflicts of interest clarified.	3/19/2004	
140	1822	1814*	Metropolitan Council government electronic funds transfer use authorized.	3/19/2004	
141	1935	1626*	Storm and sanitary sewer financing provisions modifications.	3/26/2004	
142	307*	497	Noncommercial sign ordinance exemption provided during state general election years.	3/26/2004	
143	1064*	1197	State employee technical and housekeeping changes provided.	3/26/2004	
144	1702	1748*	Emergency medical services provisions modifications.	3/26/2004	
145	2491	2498*	Domestic abuse <i>ex parte</i> protection or temporary restraining orders effectiveness.	3/26/2004	
146	1803	1745*	Trust law provisions modified and guardianship and conservatorship law changes provided.	3/26/2004	
147	1855	1903*	Counties hazardous buildings and property removal authority.	4/2/2004	
148	2878*	2537	Dr. Norman E. Borlaug World Food Prize Day designated.	4/2/2004	
149	339	40*	Minors personal injury or property damage parental liability limit increase; graffiti civil.	4/2/2004	
150	2105*	2632	Iron Range Resources and Rehabilitation Commissioner's Office established.	4/2/2004	
151	2118	2063*	Local government units financial institution deposits collateralization requirements clarification.	4/2/2004	
152	2033	1958*	Towns electronic or wire transfer payments and credit card or electronic payments acceptance authority.	4/6/2004	
153	1805	1621*	Mortgage satisfaction certificates and assignments or releases.	4/6/2004	
154	2107	1653*	Real property survey and monument requirements modified.	4/8/2004	
155	2651*	2347	Interstate Compact for Adult Offender Supervision amended and interstate compact repeal delayed.	4/14/2004	

CH	HF	SF	Description	Signed	Vetoed
156	2455*	2499	Five-level correctional facility classification system authorized.	4/14/2004	
157	1836*	1693	Mineral tailing deposition into mine pits permitting clarified.	4/14/2004	
158	3005*	2840	County seat voting times modified.	4/14/2004	
159	1817	1614*	Service animal injuries criminal penalty and restitution requirement.	4/19/2004	

BILL INTRODUCTIONS

APRIL 16 - 22, 2004

HOUSE FILES 3180 - 3185

Monday, April 19

HF3180—Wilkin (R)

Rules & Legislative Administration

Medicaid and Medicare Center memorialized by resolution to designate the state of Minnesota as a single-state region under the Medicare Modernization Act.

HF3181—Brod (R)

Education Finance

School boards authorized to elect to levy debt service against referendum market value.

HF3182—Bernardy (DFL)

Taxes

Tax increment financing authorities authorized to establish urban renewal areas.

Wednesday, April 21

HF3183—Westerberg (R)

Taxes

Alcohol "dime-a-drink" tax imposed, cigarette and tobacco taxes increased, and MinnesotaCare provider tax eliminated.

HF3184—Juhnke (DFL)

Education Finance

Common School District No. 815, Prinsburg, special levy authorized.

HF3185—Ellison (DFL)

Judiciary Policy & Finance

Civil freedoms; resolution affirming the Minnesota Legislature's commitment to the civil freedoms guaranteed by the constitutions of Minnesota and the United States.

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MINNESOTA

I N D E X

Mining in Minnesota

Mining industry contribution to the state's annual economy, in billions	\$1.5
Goods and services purchased by the industry from Minnesota companies, in millions	\$900
Number of iron mining and processing operations in Minnesota	6
Investment in plants and machinery that the development of taconite has drawn over time, in billions	\$4
Minnesotans, in March 2004, who were employed in mining	4,802
In March 2003	5,101
In March 2000	6,900
Mining employment as total percent of state workforce in March 2004	0.18
Estimated millions in wages and benefits to mining employees	\$260
Estimated number of other jobs throughout the state that depend on Minnesota mines	13,200
Local tax revenue, as of October 2002, that would be lost annually in northeastern Minnesota without iron mining, in millions	\$70
Percent of taconite, as approximate, that is iron ore	25
Metric tons of iron ore produced in Minnesota in 2002	39.3
Percent increase from 2001	15
State rank in iron ore production	1
Domestic iron ore shipments to the U.S. steel industry in 2002, as percent, from Minnesota	70
Estimated billions of tons of taconite pellets that could be produced from existing Iron Range reserves	9
Using today's mining methods, and anticipating a continuing worldwide steel demand, years until reserves would be expected to be depleted	200
Year that George Stuntz is credited with discovering iron ore while searching for gold on the Vermillion Range	1865
Year the first iron ore was shipped from the Vermillion Range near Tower	1884
From the Mesabi Range	1892
From the Cuyana Range	1911
Length of Mesabi Range, in miles, between Babbitt and Grand Rapids	110
Tons of taconite that large dump trucks used in mining can hold	240
Tons of iron ore pellets that the largest ore ships that sail Lake Superior can carry	65,000
Estimated percent of iron ore pellets shipped by rail	18
Year gold was discovered on Little American Island in Rainy Lake	1893

Sources: Iron Mining Association of Minnesota, Iron Range Economic Alliance, Minnesota Department of Employment and Economic Development, Minnesota Department of Natural Resources, U.S. Geological Survey.

FOR MORE INFORMATION

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

APRIL 30, 2004

VOLUME 21, NUMBER 13

In this issue:

BONDING BILL PASSES

STADIUM SCRUTINY, LEGAL ASSISTANCE, AND MORE

HF3186-HF3188

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 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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On the cover: Alix Hougau, 8, of Minneapolis looks at Saturn through one of the telescopes set up in front of the State Capitol April 27. The Minneapolis Planetarium held the star party to show the general support and interest in the sky and universe. There were also astronomical displays in the Great Hall of the State Capitol earlier in the day.

— Photo by: Tom Olmscheid

Bonding bill passes

House advances \$677.6 million proposal to fund buildings and bridges, but not commuter rail

By MARY KAY WATSON

It took almost seven hours, but the House passed its omnibus bonding bill 102-30 April 29 following debate that focused largely on the Northstar commuter rail line.

"This bill doesn't represent what each of us wants in a bill," said Rep. Philip Krinkie (R-Shoreview), sponsor of HF2991. He called it a "difficult task" to sift through \$2 billion in requests and arrive at a proposal.

A hodgepodge of cuts and reconfigurations made in the House Ways and Means Committee April 27 left the bill totaling \$677.6 million, about \$80 million less than proposed by Gov. Tim Pawlenty. Those changes survived debate on the House floor.

The bill now goes to the Senate.

Northstar commuter rail

Emotions and rhetoric peaked, both in the House Ways and Means Committee and on the House floor, in debate about the Northstar commuter rail project that would link Minneapolis with Big Lake.

In committee, Rep. Bill Haas (R-Champlin) successfully offered an amendment stripping \$37.5 million in project funding and replacing it with \$20 million for the Northwest Corridor Busway — funding approved in 2002 that would have been canceled under the bill, \$15 million for a regional headquarters in Mankato for the Department of Transportation, and funding for smaller projects scattered across the state.

Supporters of the commuter rail project include Pawlenty, House Speaker Steve Sviggum (R-Kenyon), and committee chair Rep. Jim Knoblach (R-St. Cloud). Krinkie, the bonding bill sponsor, is among those opposed.

Dan McElroy, the governor's chief of staff, who formerly opposed the project, told the committee he has changed his position, as the plan has been refined.

"I now see this as an opportunity to try new things," McElroy said.

The line is "the most scrutinized project we've ever had," said Rep. Kathy Tingelstad (R-Andover), sponsor of a Northstar funding bill

(HF1233). It is more cost effective than a busway or additional roads because it makes use of a rail system that is already in place, she said. The project has the support of citizens, businesses, organizations, and community groups.

The corridor from Minneapolis to St. Cloud is the fastest growing in the state, and there are no plans on the part of the Department of Transportation to fix it, said Rep. Jim Abeler (R-Anoka). "There's been a bipartisan, bicameral lack of planning for this quadrant," he said.

"We're going to have to spend a bundle of money (in the corridor) because people have to be moved," Sviggum said in committee. "The Northstar gives us an opportunity to move them in a cost-effective way."

Corrections

The bill calls for \$65.4 million to the Department of Corrections. The funding mirrors the governor's priorities with the notable exception of the Faribault prison expansion, which would receive \$34.9 million. The governor requested \$74.9 million.

In February, Krinkie invited private prison providers to make presentations to the House Capital Investment Committee. He said at the time he wanted to look at all the alternatives before making a decision about investing in expansion.

"There is little doubt that with enhanced sentence, it is prudent that we look ahead," Krinkie said. "It is of critical importance to know what type of facilities we will need."

He successfully offered an amendment to his bill in committee that would require the commissioner of corrections to fund a study from "existing resources" that would include projected inmate population growth, alternative sentencing models, and a cost-benefit analysis comparing private prisons and jails.

"I have concerns about privatization," said Rep. Neva Walker (DFL-Mpls). "We're not

funding preventive measures and not looking at root causes." Amendments offered in committee and on the House floor failed to remove the cost-benefit analysis.

"Prisons should be run by the state, and the employees should be state employees," said Rep. Tom Rukavina (DFL-Virginia).

"A study is not needed," said Rep. Steve Smith (R-Mound), chair of the House Judiciary Policy and Finance Committee. "What is needed is the \$75 million we requested for the expansion of Faribault. What we do need is bed space."



PHOTO BY TOM OLMSCHIED

Dan McElroy, Gov. Pawlenty's chief of staff, testifies before the House Ways and Means Committee April 27 in support of the Northstar commuter rail project. The committee removed funding for the project.

as to receive funding, including:

- \$237.5 million for higher education, of which \$87 million is for asset preservation;
- \$81 million to the Department of Transportation, which includes \$31.1 million in local bridge replacement;
- \$61.3 million to the Department of Employment and Economic Development, including \$20 million for the University of

Additional funding

The bill calls for a number of other areas



Depressed conditions

State officials struggle with Depression-fueled crime spurt

As the dark days of the Great Depression began to fade into the background of history, state criminal apprehension officials were sounding one last warning to lawmakers for help.

An unprecedented jump in crime at the tail end of the Depression left the state Bureau of Criminal Apprehension reeling to handle the volume of cases, according to the bureau's 1933-34 biennial report.

"The Depression with its resulting unemployment has added to the field of criminals," wrote Superintendent M.C. Passolt. "The working facilities of the bureau have been stretched to the limit to meet the situation."

According to the report, crimes against people more than doubled from 1932 to 1933 and property crimes nearly doubled over the same period. Crimes remained steady from 1933 to 1934. Subsequent reports showed the trend continued into the 1935-36 biennium, as well.

The bureau, created in 1927, had an annual budget of about \$48,500 from 1930 through 1933. In 1934, according to session laws, the budget was dropped to \$25,500, though it returned to \$44,400 for 1935.

In addition, success rates for recovering stolen property bottomed out during the time period. From 1927 to 1931, bureau agents recovered property at a rate between 20 percent and 25 percent. In 1932, the recovery rate dropped to less than 1 percent and only climbed to 4 percent in 1933.

Bank robberies plagued the state from 1929 to 1933, according to crime statistics. In the 1933-34 report, 13 people were listed as wanted bank robbers, including two women. Two of the men on the list were involved in eight of the robberies.

In the report, Passolt suggested the bureau needed more personnel, more sophisticated communication technology, and basic equipment. "All peace officers and sheriffs should be adequately equipped to cope with the criminal element and have the latest and most approved types of firearms

and motor vehicles," he wrote. "The protectors of the persons and property of the citizens of the state are now at a tremendous disadvantage because of inadequate equipment."

The 1935 Legislature responded to Passolt's plea, addressing all three major concerns in his report.

First, the Legislature nearly doubled the appropriation for the bureau. In the 1936-

37 biennium, the attorney general's office, which operated the bureau at that time, received \$178,000 for salaries and operating budgets at the bureau. The bureau increased its personnel from 12 to 28, including nine new investigators.

In addition, a 1935

law authorized the creation of a radio communications system, to be maintained by the bureau. Each police car was to have a radio and the bureau would assure that any bulletins related to criminal activity would be broadcast over the radio. The bureau received an additional \$25,000 the first year to construct the radio station, followed by \$12,500 to operate it the first year.

Regarding the identification of felons, Passolt had asked that sheriffs and police chiefs be required to submit fingerprints and photographs of felons and suspected fugitives to the bureau. Previously, law enforcement agencies had the power to collect the information, but there was no requirement that they do so.

The bureau also received full police powers throughout the state that session.

Following the 1935 Legislature's action, Passolt's subsequent report had nothing but rave reviews.

"It is highly significant," Passolt wrote, "that at a time when the Legislature sought to keep all department appropriations at a minimum, that the body saw fit and proper to act on those recommendations and to substantially increase the appropriations of the bureau in order that its powers and activities might be expanded."

(M. KIBIGER)



Suspects in a 1935 police line-up.

Minnesota/Mayo Clinic biotech research facility;

- \$52.4 million to the Department of Natural Resources, including \$20 million in flood hazard mitigation grants;
- \$46.7 million for 25 local government projects, with the largest being \$10 million for infrastructure repair and improvements in Roseau arising out of the 2002 flood;
- \$23 million to the Board of Water and Soil Resources, including \$20 million for Reinvest in Minnesota Reserve and the Conservation Reserve Enhancement Program;
- \$18.6 million to the Department of Agriculture, with \$18 million of that earmarked for Rural Finance Authority loans;
- \$18.1 million to the Minnesota Amateur Sports Commission, with \$18 million going to build a hockey arena in Bemidji; and
- \$18 million to the Metropolitan Council, including \$10 million for a Cedar Avenue bus rapid transit project.

Policy changes

Amendments making policy changes to the bill were successfully offered both in committee and on the House floor.

The committee approved an amendment from Krinkie that would require a referendum for any local bonding expenditure exceeding \$1 million unless the local governing body endorses the project unanimously.

Noting this would mean a single board member could halt a project that involves several counties or municipalities, for example, the Northstar line, Rep. Lyndon Carlson (DFL-Crystal) unsuccessfully attempted to change the wording from "all" to "a majority."

"I understand this sets a fairly high bar," Krinkie said. "But if there's not a unanimous vote all it does is trigger a referendum."

Grant money from the Minnesota Redevelopment Council would have to be divided equally between metropolitan and non-metropolitan counties, according to an amendment successfully offered by Rep. Bob Gunther (R-Fairmont). This would include grants for biotech facilities, he said.

The House removed a requirement that would have required state bond-financed projects — such as museums, arenas, and rail transit — to post attendance data on their websites. Rep. Morrie Lanning (R-Moorhead) offered that amendment.

However, the House approved an amendment by Rukavina that would require the state to use funds in the budget reserve and cash flow account for bond principal and interest payments before raising property taxes. 🐼

Photo courtesy of the Minnesota Historical Society

★ **CRIME****Orders for protection****Signed
by
the
governor
★ ★ ★**

A new law signed April 26 by Gov. Tim Pawlenty allows orders for protection for domestic violence victims when their abusers are about to be released from jail or prison.

Previously, protection orders could only be extended for three reasons: violation of a past order, fear of physical harm, or actual acts of harassment or stalking. Orders are valid for a set period of time, which is often one year, and on occasion two years.

However courts cannot extend orders indefinitely. And they were limited in extending or granting orders when the abuser was released from jail or prison because the victim couldn't establish that there had been contact necessitating protection.

The new law is effective April 27, 2004.

Supporters of the law are the Minnesota Coalition for Battered Women, the Domestic Abuse Project in Minneapolis, the St. Paul Domestic Abuse Intervention Project, and the Watch Project in Minneapolis.

Sponsors of the new law are Rep. Steve Smith (R-Mound) and Sen. Don Betzold (DFL-Fridley).

HF1944*/SF1797/CH164

★ **EDUCATION****Transition committee membership****Signed
by
the
governor
★ ★ ★**

A mental health representative must be placed on transition committees that help secondary and postsecondary aged youth with disabilities adjust to adult life, under a new law signed by

Gov. Tim Pawlenty April 26.

Effective April 27, 2004, the new law amends a law requiring a school district or special education cooperative to form community transition teams for special needs students in grade nine or an equivalent age, and their families.

Community transition interagency committees identify services and programs for secondary and postsecondary special education students, and develop an implementation plan to meet the transition needs of individuals with disabilities.

The committees also include representatives of special education, other education and training agencies, adults with disabilities who have received transition services, parents,

business or industry, as well as county social service and health agencies.

Districts or special education cooperatives must follow transition committee procedures determined by the state Education Department and annually report to the department on transition services provided to individuals with disabilities.

Sponsors of the new law are Rep. Alice Seagren (R-Bloomington) and Sen. Jane Ranum (DFL-Mpls).

HF2502/SF2609*/CH166

★ **ELECTIONS****Redistricting corrections**

Residents in two Edina apartment buildings found their neighbors across the hallway voting in different House districts.

The House passed a bill 125-0 April 26 that would correct the problem. It now goes to the governor.

Rep. Ron Erhardt (R-Edina), sponsor of HF2482/SF2300*, said when the census lines were drawn between districts 41A and 41B that "they unfortunately drew it through the middle of two large apartment buildings," causing confusion among voters in the area.

The bill adjusts the boundary to follow a consensus block line.

Debra Mangen, Edina city clerk, told the House Governmental Operations and Veterans Affairs Policy Committee that the building residents are mostly elderly and that problems became evident in the 2002 elections. She said that voters felt disenfranchised when they went to the wrong place to vote after talking with neighbors about where their polling place was located.

The bill passed 63-0 March 22 in the Senate, where Sen. Geoff Michel (R-Edina) is the sponsor.

Member confirmation

The House confirmed the appointments of two members to the Campaign Finance and Public Disclosure Board by a voice vote April 23.

Recommended by Gov. Tim Pawlenty, Hilda Bettermann and Felicia Boyd are subject to confirmation by the House and Senate. The Senate has yet to act.

According to its Web site, "The Board's four major programs are campaign finance registration and disclosure, public subsidy administration, lobbyist registration and disclosure, and economic interest disclosure by public officials."

Bettermann, a legislator from 1991 to 1998, is an instructor at Alexandria Technical

ARMED FORCES HONORED

PHOTO BY TOM OLMSCHIED

Members of the armed forces are honored prior to the House floor session April 26. Those in attendance were: Air Guard members Master Sgt. Byron Todd, Staff Sgt. Adam Galloway, and Senior Airman Mike Wolff; National Guard members Lt. Col. Gary Olson, Sgt. Maj. Curt Jasper, and Sgt. 1st Class Mitch Hellkamp; European Security Mission members Sgt. Ryan Ross and Sgt. Adam Kelly; and Multi-National Force members Sgt. Joshua Ceasar and Sgt. James Dronen.

College. Her resume includes current and past volunteer community service activities as advisory committee member for the Central Lakes Area Sanitary District, former member of the Rural Health Advisory Council, the Workers' Compensation Council, and the Minnesota State Colleges and Universities system Trustee Advisory Council.

"As a former legislator and as a citizen who has and still does report to the Board, I understand the responsibilities of the Board in regard to elected officials and political campaigns," she said.

Boyd is a partner with the law firm of Faegre and Benson and has been working for 16 years in intellectual property litigation.

House Minority Leader Matt Entenza (DFL-St. Paul), noting that Boyd belongs to a litigation firm that represents several high profile politicians and does lobbying work, asked how she would handle the situation if there would be a conflict.

Rep. Jim Rhodes (R-St. Louis Park), chair of the House Governmental Operations and Veterans Affairs Policy Committee, said Boyd told the committee that she would first look into, and follow, conflict of interest rules that govern the situation. If a client were involved she would have the ability to withdraw from the situation.

★ ENVIRONMENT

Petroleum tank parity

The House passed a measure April 22 that would create some regulatory symmetry between aboveground and underground storage tanks. The bill also would raise the penalties for certain violations and shorten the compliance grace period facility operators have to meet the regulations.

HF2365/SF2299*, sponsored by Rep. Joe Hoppe (R-Chaska) and Sen. Thomas Bakk (DFL-Cook), awaits the governor's signature.

The legislation was brought forward by the Minnesota Petroleum Marketers Association, Hoppe said.

Under current law, the Pollution Control Agency issues red tags for failure to comply with state and federal requirements. The tag is attached to the top of the tank's fill pipe, and it signifies that petroleum product deliveries are prohibited until the violation is corrected.

The bill would make aboveground storage tanks subject to the same regulations as underground storage tanks with respect to environmental considerations such as spill, overfill, and corrosion protections and leak detection methods.

Under the bill, facility owners would have

60 days to correct a violation before a citation is issued, unless there is a discharge association with the violation or it is a repeat violation from a previous inspection. Currently, the grace period is 90 days.

Another provision would raise from \$250 to \$500 the penalty for violating rules relating to upgrading existing underground storage tank systems, up to a maximum of \$2,000 per tank system, and raise from \$100 to \$250 the penalty for violating underground storage tank system general operating requirements.

The black and the gray

The House passed a measure April 22 that aims to give residential septic system owners some options beyond the typical mound or trench filtration configurations when soil conditions call for a different approach. The vote was 129-0.

HF2040, sponsored by Rep. Mark Olson (R-Big Lake), would create a 10-year pilot program for state certification and approval of new septic system technologies that could be a better fit for some.

"The technology with regard to septic systems has grown tremendously over the years," Olson said.

This bill is about establishing a pilot process with the Department of Health and Pollution Control Agency to get approval for these new technologies, and the goal is to make those technologies more easily accepted and used by consumers to protect the environment, he said.

The new type of residential system, known as a biodigester and water reclamation system, collects and separates blackwater — sewage from toilets and garbage disposals — from other wastewater, known as greywater, and then allows the water to be mechanically or biologically recycled or returned to surface and ground water supplies.

Under the bill, the alternative systems would be required to meet state and federal wastewater treatment standards. Manufacturers would be obligated to achieve certification by the Pollution Control Agency, a process for which the agency could charge them up to \$4,000.

Manufacturers also would be required to provide appropriate training to install, maintain, operate, and monitor the systems. The agency, together with the Department of Health and local regulatory authority, would require independently verified annual monitoring and maintenance reports from system owners.

Rep. David Dill (DFL-Crane Lake) said he is particularly hopeful the bill will have a big impact on northeastern Minnesota lakes suffering from nitrates and all types of pollutants from failing septic systems.

The bill now goes to the Senate, where Sen. Dallas Sams (DFL-Staples) is the sponsor.

★ GOVERNMENT

Fund management

Special revenue funds and accounts created in law would be reviewed more often, and possibly eliminated, under a bill approved 125-0 by the House April 26.

Rep. Jim Knoblach (R-St. Cloud), the sponsor of HF2446, said other than the state's general fund, "There are something like 1,600 other special little funds the state has. Many of them are adopted into law and not reviewed as often as they should be by the various finance committees that are involved with them because there are so many."

The bill would change several functions:

- authorizes the commissioner of finance to eliminate funds that have had less than \$1,000 of activity in the last four years or a balance of less than \$1,000,
- the commissioner is to notify the Legislature when a fund established in law is eliminated,
- each agency that manages accounts within a fund must notify finance committees on the number, purpose, and recent financial activity in accounts annually, which is not a current requirement, and
- beginning in 2007, there is a sunset process put in place for special funds.

Knoblach said the sunset process would force the finance committees "to look at these various accounts and reauthorize them."

The bill now goes to the Senate, where Sen. Richard Cohen (DFL-St. Paul) is the sponsor.

Departmental changes

The House passed a bill April 26 that makes comprehensive housekeeping and technical changes to the Department of Employment and Economic Development.

The vote was 118-8.

Rep. Lynne Osterman (R-New Hope), the sponsor of HF2386, said it eliminates duplications such as the name of the agency, moves archaic functions outside of the new agency scope, corrects or updates the statutes that related to previous departmental reorganizations, updates statutes to current federal law, and repeals outdated laws and rules.

The Legislature abolished the Department of Economic Security effective July 1, 2003, and transferred its duties to the new Department of Employment and Economic Development, which was previously called the Department of Trade and Economic Development.

A department merger update said the

consolidation of offices provides a single, cohesive agency to provide workforce and economic development services. In addition, it allows them to consolidate the offices in the same physical space, thereby eliminating millions in future lease payments.

Rep. Barbara Goodwin (DFL-Columbia Heights) expressed concern about the costs associated with the department as a whole moving into a new location. "This is a bill that costs money that is not being appropriated," said Goodwin, who feared that moving costs could result in layoffs. Moving costs are to come from the agency budget.

Osterman said that it is no longer the whole department being moved, just the trade office at a cost estimated to be between \$50,000 and \$70,000, with the buyout of the current lease costing \$347,000.

The bill now goes to the Senate, where Sen. Julie Rosen (R-Fairmont) is the sponsor.

★ HUMAN SERVICES

Collaborative service models

A bill that would call for counties and managed care organizations to develop collaborative models for home and community-based waiver services passed the House 129-0 April 22.

HF2425, sponsored by Rep. Char Samuelson (R-New Brighton), would require the human services commissioner to request proposals for models that would integrate home and community-based elderly waiver services and other nursing home services into the Prepaid Medical Assistance Program. Implementation of waiver services under the program would be gradually phased in, with statewide coverage delayed until on or after July 1, 2006.

"Counties are uniquely positioned to organize these services," Richard Backman, social services division manager for Washington County, told the House Health and Human Services Policy Committee March 8.

The bill would also clarify Medical Assistance coverage for individuals who are enrolled in Medicare hospices. The bill specifies that "dual eligibles" who have waived the Medicare skilled nursing facility room and board benefit and enrolled in the Medicare hospice program would be covered under Medical Assistance.

Rep. Thomas Huntley (DFL-Duluth) referred to this as "comfort language" and said it serves to codify current practice. The provision would allow individuals or their families to choose a hospice without having to go to a nursing facility first.

The bill now goes to the Senate, where Sen. Sheila Kiscaden (IP-Rochester) is the sponsor.

STATE PATROL ANNIVERSARY



PHOTO BY ANDREW VONBANK

The Minnesota State Patrol celebrates its 75th anniversary at a ceremony in the Capitol Rotunda April 23. As part of the celebration, the State Patrol brought out vintage squad cars and throwback uniforms. The State Patrol was created in 1929 when Highways Commissioner Charles M. Babcock appointed Hennepin County Sheriff Earl Brown as chief of the highway patrol.

Licensing provisions

The House passed a bill April 22 that would make a variety of technical and substantive changes to Department of Human Services licensing provisions. The vote was 104-21.

Sponsored by Rep. Jim Abeler (R-Anoka), HF2277 also includes a number of small bills that were passed by the House Health and Human Services Policy Committee earlier in the session.

Two amendments successfully offered on the House floor would incorporate several bills passed earlier by the House, as well as make adjustments to effective dates.

Abeler said combining these bills into a single larger one facilitates "good, small policy changes."

Rep. Thomas Huntley (DFL-Duluth) agreed, saying there was nothing controversial in the amendments.

The bill would affect the following licensing-related statutes:

- Human Services Licensing Act,
- Human Services Background Studies Act, and
- Maltreatment of Minors and Vulnerable Adults Acts.

Also affected would be provisions related to insurance for foster home providers, day training and habilitation, and human services fair hearings.

Among its provisions, the bill would provide clarification regarding background studies conducted by the department for the Department of Corrections; require applicants seeking licensure from the department to have a program office within Minnesota; and establish a new licensure class and standards for residence-based adult day care services, which

are currently licensed under adult foster care standards.

"I hope this will remove the impediments to those seeking senior foster care," said Rep. Ray Vandever (R-Forest Lake).

The bill, which would have no fiscal impact, now goes to the Senate, where it is sponsored by Sen. Sheila Kiscaden (IP-Rochester).

Provision modifications

The House passed the Department of Human Services policy initiatives bill 108-20 April 22.

"This bill is pure, exciting policy," said Rep. Jim Abeler (R-Anoka), sponsor of HF2724.

The 134-page proposal incorporates a number of previous bills that include changes in child welfare, child care assistance, adoption, economic supports, health care, mental health, and care for the elderly.

For example, among its provisions, the bill would require social services agencies to make a comprehensive search to find both paternal and maternal relatives before placing a child for adoption.

Rep. Tom Rukavina (DFL-Virginia) successfully amended the bill with language that would require the health commissioner to seek federal approval allowing home delivery of supplemental foods to families using the Women, Infants, and Children Program.

"A lot of people in my district don't have cars and have difficulty getting to town," Rukavina said.

"I think you're trying to change something that doesn't need changing," said Rep. Bob Gunther (R-Fairmont).

Rep. Fran Bradley (R-Rochester) was concerned that there might be a cost associated with the change. Rukavina pointed out a provision in the amendment that would require costs be kept to a minimum.

Rep. Phyllis Kahn (DFL-Mpls) successfully offered an amendment that would allow new mothers who are eligible for basic sliding fee child-care assistance to stay at home with their babies for the first year and receive at-home infant child-care subsidies in lieu of assistance.

Kahn said this was the proposal, based on research showing the importance of the first year of life, for which former Rep. Richard Mulder (R-Ivanhoe) received national recognition.

"This is a very wise approach," Bradley said. "It would not cost us any more."

Rep. Maxine Penas (R-Badger) successfully offered an amendment that would permit a purchasing alliance to redefine "eligible employees" to include seasonal employees, thereby allowing them to get health insurance in the months they do not work.

Penas previously brought this provision as HF2504 to the House Health and Human Services Policy Committee, which recommended it to pass.

The bill will now go to the Senate, where Sen. Sean Nienow (R-Cambridge) is the sponsor.

Clean up bill

The House passed a bill April 22 that would make 63 technical changes to Department of Human Services programs. The vote was 126-0.

Sponsored by Rep. Char Samuelson (R-New Brighton), HF2637 would have no financial implications. The bill consists mostly of clarifications, definitions, and the removal of obsolete references. There was no discussion to the bill on the House floor.

Included changes relate to child-care assistance, the Minnesota Family Investment Program, the Diversionary Work Program, continuing care, and long-term health care programs.

Among other things, it reflects that child-care assistance programs have been moved from the Department of Education to the Department of Human Services.

The bill will go next to the Senate, where Sen. Sean Nienow (R-Cambridge) is the sponsor.

★ LOCAL GOVERNMENT

Public finance provisions

The House Taxes Committee approved a public finance bill (HF3081) April 22 that would provide bonding authorization for Metropolitan Council transit capital improvements and the

public safety radio system, as well as a number of authority and policy-related changes to local municipalities.

The bill, sponsored by Rep. Ron Abrams (R-Minnetonka), now moves to the House floor.

One financial provision in the bill would allow the Metropolitan Council to issue \$32 million in bonds for transit-related capital improvements, including such things as replacing and expanding the bus fleet, bus garages and scheduling systems, and bus shelters and park-and-ride facilities.

Since 1999, the Legislature has authorized nearly \$200 million in regional bonds, including \$45 million in 2003. The bonds are tied to the life of the project, meaning if a project extends the life of a vehicle for five years, the bonds are sold for five years.

In addition, the bill would authorize the council to serve as the fiscal agent and issue revenue bonds for public safety radio system improvements in the southeastern district or Benton, Sherburne, Stearns, or Wright counties – part of the State Patrol's central district. The counties would be eligible for up to 50 percent of the costs of building infrastructure for the system.

Overall, the system is intended to provide a high-frequency system that will allow all officers to communicate and be compatible with systems used by local agencies.

The bonds would be backed by the statewide 911 surcharge.

A number of other local issues are addressed in the bill that would authorize the following:

- cities outside the Twin Cities metropolitan area may establish special services districts and contract with a nonprofit corporation to provide the services in the district, through June 30, 2007;
- the Lakes Area Economic Development Authority, near Alexandria, would be established as a special taxing district so it may adopt and certify its own levy;
- the Aitkin Drainage and Conservancy district, initially abolished in 1987, would be reinstated for the purposes of administering a deteriorating diversion channel on the Mississippi River;
- the Housing Finance Authority may transfer up to \$50 million of its tax exempt bond allocation authority, that it expects to go unused, to the Higher Education Services Office for student loan bonds;
- the city of St. Paul may contract with a nonprofit entity to maintain, manage, and operate the RiverCenter complex; and
- housing and redevelopment authorities may issue general obligation bonds to develop qualified housing projects, even if the project is owned by a limited partnership or other entity, as long as the authority is its sole partner.

The Senate companion (SF2846), sponsored by Sen. Lawrence Pogemiller (DFL-Mpls), awaits action in the Senate Taxes Committee.

Land dedication

A bill that would require a connection between fees a municipality charges a developer and the development-related public costs incurred by the municipality passed the House 81-47 April 22.

HF2103, sponsored by Rep. Carla Nelson (R-Rochester), would amend state law that allows a municipality to charge development fees and require that land in a proposed commercial or housing development be dedicated for public infrastructure, conservation, or recreation purposes.

The bill now goes to the Senate, where Sen. Betsy Wergin (R-Princeton) is the sponsor.

Nelson said the bill "deals with growth," and would provide "a connection between the fees charged (to a development) and the costs incurred."

Rep. Barbara Goodwin (DFL-Columbia Heights) opposed the bill. "This bill is good for the builders association to try and get reduced fees and so forth."

An amendment by Goodwin to gather information about water and mold damage to structures through the building permit process was ruled out of order, as was an amendment by Rep. Kent Eken (DFL-Twin Valley) that would require state fees to be reviewed for possibly exceeding the cost of a provided service.

"It's prudent for us to practice what we preach," Eken said.

The bill adds language to existing law that, "there must be an essential nexus between the fees or dedication ... and the municipal purpose sought to be achieved." Such fees could not be used by a municipality for "ongoing operation or maintenance."

When the House Local Government and Metropolitan Affairs Committee initially heard the bill the League of Minnesota Cities expressed opposition, but support came from the Builders Association of the Twin Cities.

In committee testimony, Tom Grundhoefer, league general counsel, said a law passed by the 2001 Legislature covered the same issue the bill would address. That law, Grundhoefer said, provided that a municipality's fees are "fair, reasonable, and proportionate."

Remi Stone, a lobbyist for the Builders Association of the Twin Cities, said that "more accountability" was needed on how a municipality used the fees.

Nelson said since the committee hearing, the bill was revised to address the concerns of its opponents and supporters.

Annual town audits

**Signed
by
the
governor**
★ ★ ★

A new law signed by Gov. Tim Pawlenty April 22 will affect annual financial audit requirements for 2004 for cities or towns with populations of more than 2,500.

Effective April 23, 2004, the law increases the minimum annual gross revenue amount that triggers a state required audit for a small city or town from \$500,000 to \$670,500. Threshold amounts tied to the audit requirement will be annually adjusted for inflation after 2004.

Since towns were added in 1992 to the financial reporting law, the threshold amount has been \$500,000.

The law was sponsored by Rep. William Kuisle (R-Rochester) and Sen. David Senjem (R-Rochester).

Kuisle testified before the House Local Government and Metropolitan Affairs Committee in February that the bill would help small local governments cut paperwork and potentially save money. An annual audit, which is often contracted for, costs the affected local government an estimated \$2,000, Kuisle said.

HF1843/SF2903*/CH161

Payroll processing

**Signed
by
the
governor**
★ ★ ★

Cities in Minnesota are authorized to use an electronic time recording system for payrolls, under a new law signed April 26 by Gov. Tim Pawlenty.

Effective April 27, 2004, the new law amends a section of law that governs the process by which statutory cities pay wages for city employees, as well as claims for goods and services.

Rep. Mark Buesgens (R-Jordan), who sponsored the law with Sen. Sharon Marko (DFL-Cottage Grove), said the measure would allow cities better "efficiency in payroll processing."

The law allows a city to use electronic time recording systems "if the governing body of the city adopts policies to ensure that the time-keeping and payroll methods used are accurate and reliable."

HF2906*/SF2871/CH165

Charter commissions

The House passed a bill April 26 that could prevent members of a city council from serving on the city's charter commission.

The vote was 125-0.

State law allows voters in cities governed by charters to petition a district court to appoint a charter commission to amend a city's char-

ter or draft a new one. A charter is a governing foundation document for a city, similar to a state constitution.

A city council can also request a district court to appoint a charter commission, or the court can appoint a commission on its own if it determines it is in a city's best interest.

Rep. Ray Vandever (R-Forest Lake), the sponsor of HF1392, said the bill would amend state law to allow a commission-drafted charter or charter amendments — subject to approval by voter referendum — to propose that members of a city's governing body cannot serve on the charter commission.

Vandever said the bill was drafted at the request of some Lino Lakes residents. A petition signed by several hundred residents in 2003, he said, sought to prevent city council members from sitting on a charter commission.

Vandever said the bill addressed "a good government issue," but was not specifically drafted to resolve a local government conflict.

John Bergeson, Lino Lakes mayor, testified in support of the bill March 10 before the House Local Government and Metropolitan Affairs Committee.

The bill now goes to the Senate, where Sen. Michele Bachmann (R-Stillwater) is the sponsor.

★ RECREATION

Stadium scrutiny

After three days of hearings by the House Taxes Committee centered around a proposal to build two new professional sports stadiums in the Twin Cities metropolitan area, the only solid clue about the bill's future may come next week or perhaps not until the late innings of the 2004 legislative session.

HF3089, sponsored by Rep. Doug Stang (R-Cold Spring), would establish a regional stadium authority with the power to negotiate the public-private financing, locations, construction, and other details of proposed publicly owned stadiums that would be leased to the Minnesota Twins and Minnesota Vikings.

"There is a feeling around here that if we do nothing, we'll be all right," Stang said. "But we cannot ignore this problem any longer. Our failure to act is going to result in real consequences for our state."

The committee took no action following Stang's April 27 presentation of a revised version of the bill, but more meetings are scheduled on April 30 and May 3. A companion bill (SF2536), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits Senate committee action.

Although he opposes the bill as currently drafted, Rep. Ron Abrams (R-Minnetonka),



Jim Bouton, left, a former New York Yankees all-star pitcher and the best-selling author of "Ball Four," talks about stadium financing with the House Taxes Committee April 28. Seated next to Bouton is Tom Goldstein, publisher of *Elysian Fields Quarterly*, a journal based in St. Paul.

the committee chair, said the extended hearings were not "an exercise in futility." He said he wants the issue "heard fairly and fully."

Major concerns committee members raised about the bill include proposed tax-increment financing as a funding mechanism for the state's proposed one-third share of construction costs, and the power the proposed authority would have to negotiate the host community's financing share — through stadium-related taxes and a local sales tax — and to negotiate the professional franchise's contribution, particularly "up-front cash."

During April 28 testimony, Jerry Bell, president of Twins Sports Inc., said the club would agree to pay one-third of the cost "of a ballpark," but not "project costs," as proposed in the bill. Bell said potential host communities — Minneapolis and Hennepin County, and the city of St. Paul — are aware that the team's share would not cover site acquisition or clean-up costs for a proposed \$500 million-plus stadium.

The city of Blaine and Anoka County are prospective host communities for a proposed \$600 million football stadium for the Vikings.

Another issue committee members have yet to address is an opinion from the nonpartisan House Research Department that the bill may need a three-fifths majority (81 votes) to pass the House.

According to the analysis, paying off revenue

bonds issued by the Metropolitan Council for stadium construction with state income and sales taxes (via proposed stadium tax-increment financing) would mean that the bonds “will be public debt” as defined by the state constitution, and lead to the bill requiring a three-fifths majority. Stadium tax-increment financing is a different form of tax-increment financing proposed for the purpose of capturing increased player income and sales tax revenue generated by the new stadiums.

Football on campus

The University of Minnesota wants a state commitment to fund up to 40 percent of a proposed \$222 million on-campus football stadium on its Minneapolis campus, but it’s willing to wait for the check.

The state’s potential \$89 million share to build a new stadium would be contingent on the university raising \$133 million – or 60 percent of proposed construction costs – from other sources, said University President Robert Bruininks.

He and other university officials reviewed the stadium proposal April 26 before the House Taxes Committee, which took no action.

There is no House companion to SF2825, sponsored by Sen. Geoff Michel (R-Edina), which would provide a 25 percent level of state funding for a 50,000-seat stadium that the university wants to build on parking lots east of Williams and Mariucci arenas.

“There is very significant non-public money out there,” Bruininks said, which the university hopes to raise enough of to “leverage a modest public investment.”

Gerald Fischer, president of the University of Minnesota Foundation, said that “consultative interviews” have indicated a potential \$40 million to \$60 million could be raised from individuals for the stadium. The study also indicated “serious interest” in corporate partnerships in the “tens of millions.”

The university has proposed that the state create a university stadium account in a special revenue fund. Before state payments toward the stadium are provided, according to the Senate bill, the state finance commissioner would certify the amount the university received for the stadium from private sources and “other non-state general fund revenue support.”

The university’s Board of Regents would issue bonds to finance stadium construction.

Richard Pfitzenreuter, university vice president and chief financial officer, said at this stage of the project he couldn’t predict what amount of the potential \$133 million in private money the university hopes to raise would be bonded.

Referring to a university suggestion that the

state provide \$7 million a year to fund the stadium – and a typical 30-year period to pay off construction bonds – Rep. Tom Rukavina (DFL-Virginia) said, “the state will be on the hook” for up to \$210 million.

The football team has played in the Metrodome since 1982. Prior to that year, home games were in the on-campus Memorial Stadium that was torn down in 1992 for a new alumni center.

Athletic director Joel Maturi said the university expects a new stadium to generate \$3.5 million in additional annual revenue for intercollegiate athletics, assuming a 50,000-seat sellout of every home game. The Gophers have averaged 43,000 fans per game at the Metrodome during the past five years.

Football coach Glen Mason said that he’s no longer “sheepish” before fans and alumni regarding the Metrodome. “I think it stinks,” he said.

“Put your money into something that’s not going to threaten to leave. We’re owned by the people of this state.”

SAFETY



One call says it all

Signed
by
the
governor

A new law signed by Gov. Tim Pawlenty April 26 aims to ensure that excavating around public utilities is done in a safe manner by making some changes to the responsibilities excavators and utilities have under the Gopher State One Call system.

Gopher State One Call is a notification

center designed to protect personal safety and pocketbooks in the excavation process.

The 1987 Legislature mandated the formation of a centralized statewide information center on the advice of a pipeline safety commission formed after a serious 1986 pipeline accident in the Twin Cities metropolitan area.

Under current law, homeowners and contractors are required to notify the nonprofit statewide call center of any intended excavations within 48 hours. An excavation means “an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically powered tool, or machine-powered equipment of any kind, or by explosives.”

Operators collect certain data from callers, including when, where, and how long the dig will be, and inform utilities with buried lines of the intentions to dig. The utilities are notified of excavation plans and mark with paint or flags the approximate location of their lines. Participating utilities include gas, electric, cable television, sewer, telephone, and water line operators. The utilities pay for the service, and participation is mandatory under state law.

According to the organization’s Web site, its operators handle more than 5 million communications per year.

Effective Aug. 1, 2004, the new law will make some technical changes to the blueprint requirements excavators follow during the bid process and modify the timeline for call center notification in both emergency and non-emergency situations.

Rep. Ray Cox (R-Northfield) and Sen. Dan Sparks (DFL-Austin) sponsored the legislation. HF995*/SF1268/CH163

SPRING FEVER



PHOTO BY TOM OLMSCHIED

John Doan, FAST Lanes program director with the Department of Transportation, kicks off his shoes and works outside on one of the benches across the street from department headquarters April 28 as the temperature topped 90 degrees.

Transferring duties

The House passed a bill April 26 that would transfer state tourism functions from the Department of Employment and Economic Development to a separate office in the executive branch to be known as Explore Minnesota Tourism. The vote was 126-0.

The way the office is currently configured no longer meets the needs of the industry, Rep. Gregory Davids (R-Preston), the sponsor of HF2044/SF2099*, said at a Feb. 19 meeting of the House Commerce, Jobs, and Economic Development Policy Committee.

Tourism in Minnesota generates annual revenues of \$9 billion in sales and \$1 billion in taxes, comparable to agriculture in its economic impact on the state. Despite these numbers, Minnesota has a "travel deficit," said John Edman, deputy commissioner for the Office of Tourism, at the February meeting.

Minnesota is being outspent on tourism marketing by neighboring states, he said. With more people leaving the state to travel than people coming here from other states, Edman said it is time to look at other funding mechanisms for promoting Minnesota travel.

For every dollar spent on the promotion of tourism by the state, it gets back \$4.60 in taxes. By giving Explore Minnesota Tourism the flexibility to pursue public-private partnerships, the bill would make the office more effective at generating marketing dollars, Edman said.

The budget would move with the office, resulting in no net fiscal impact to the state.

The governor would continue to appoint the director, as well as up to 28 voting members of a new body, the Explore Minnesota Tourism Council, four of whom must be legislators, two from each political party.

Rep. Kathy Tinglestad (R-Andover) said she hoped the commission would include members from the House and Senate Environment and Natural Resources committees. "Minnesota is really a gem with regard to its parks," she said.

In the Senate, where Sen. Thomas Bakk (DFL-Cook) is the sponsor, the bill passed 63-0 April 15. The bill now goes to the governor.

VETERANS

Leasing land

The Minnesota Veterans Homes Board may lease land on its Hastings campus to Dakota County for up to 60 years for the construction of permanent supportive housing for veterans and county residents, under a law signed April 22

**Signed
by
the
governor**
★ ★ ★

SALUTE TO SERVICE



PHOTO BY TOM OLMSCHIED

Col. Dennis Lord, center, executive director of the Minnesota National Guard, receives applause April 26 after being acknowledged by the House for his service in the armed forces. Honoring Lord are, from left, Rep. Lyle Koenen; Rep. Joe Atkins; Daniel Sundberg, a second lieutenant in the U.S. Army 1st Infantry Division leaving for Iraq on May 6; and his mother, Pat Sundberg; and Sgt. James Dronen, who was honored earlier by the House.

by Gov. Tim Pawlenty.

The measure is necessary because the board currently has only a 20-year leasing authority, according to Sandra Larson, public affairs director for the board. The lease will cost the county \$1 per year over the 60-year term.

Plans are for 30 units for veterans and 30 units for county residents. Currently, there is a 200-bed facility for veterans on the 128-acre campus.

The county plans to fund the facility through low-interest loans. The program is meant to be self-sufficient: neither the state nor the veterans will be asked for financial support, Larson said. Plans are not yet finalized.

"Our constituents are the veterans' organizations," Larson said. "We want to make sure they're comfortable with it before we proceed."

"It is a joint effort," she said. "We have nothing to lose."

The law is sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Sharon Marko (DFL-Cottage Grove).

HF2688/SF2626*/CH160

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SCHOOL OF ROCK

Photos and text by Lisa M. Sanders

Right: Tour guide Richard Klein points to paintings in the Capitol Rotunda while guiding a group.
Far Right: Students take notice of the details in the Capitol Rotunda floor.
Below: A group of students encircle the star on the floor of the Capitol Rotunda.





The Capitol Historic Site program of the Minnesota Historical Society offers many different types of State Capitol tours throughout the year. During the spring many of those learning about the history, art, and architecture in the Capitol and seeing the Legislature in action are students visiting on field trips.



Left: A group of exchange students pose for a photograph on the Capitol steps.
Below: Students tour the Quadriga on a recent trip.



Students mill around the State Capitol steps after a recent tour.



As their bus pulls away, students take one last look at the building.

Cargo conundrum

Plan would provide for economic development zone to help state businesses with international shipping costs

By **MIRANDA BRYANT**

Two conflicting but corresponding issues are coming into play with a bill that would provide for a regional cargo distribution center in Minnesota: a growing international consumer market and concerns about terrorism.

Construction of an air freight cargo center for use by international shippers is at the heart of the initiative. Proponents say the distribution center, which would consolidate international air freight to get quantity discounts from the airlines, is necessary to help Minnesota businesses remain competitive in a world market.

According to the Greater Metropolitan Area Foreign Trade Zone, 80 percent of Minnesota products shipped internationally are first trucked to Chicago, which has 52 weekly international freight flights. Minneapolis has none.

Gov. Tim Pawlenty highlighted the issue in the State of the State address in February.

"Job creators in Minnesota need access to global markets for their products," Pawlenty said. "Too many businesses have to ship through Chicago, which drives up their transportation costs and creates a competitive disadvantage for Minnesota."

Furthermore, the federal government could require more thorough cargo screening measures. Proponents of the regional distribution center concept say screening would be better facilitated at one location.

"I think members of the public would be shocked at how little cargo really gets screened," said Rep. Ron Abrams (R-Minnetonka), chair of the House Taxes Committee.

Abrams' bill (HF2298) would create an international economic development zone that is intended to stimulate development of the regional distribution center. Qualifying businesses within the zone could forgo for eight years many taxes, including commercial and industrial property taxes, individual income taxes, and corporate franchise taxes.

The measure is in the omnibus tax bill, which passed the House April 23. A companion bill (SF1801), sponsored by Sen. Ann Rest (DFL-New Hope), is being considered for

inclusion in the Senate tax bill.

The bill's international economic development zone would correspond with what is called a foreign trade zone, also known as a free trade zone.

Foreign trade zones are industrial sites located in or near U.S. Customs ports of entry where merchandise is considered legally outside the service's territory. Foreign goods can be shipped to the zone and held duty free for as long as needed. Companies can assemble a product with foreign parts, store the products



PHOTO BY TOM OLMSCHEID

A measure included in the omnibus tax bill would create an international economic development zone that would be intended to increase the state's capacity and capability to handle international air freight.

in the zone, and postpone duty payments until product sale.

More than \$250 billion worth of goods falls under zone status in the United States, including more than \$400 million in the Minneapolis-St. Paul foreign trade zone. The Greater Metropolitan Foreign Trade Zone Commission oversees six foreign trade zones in Minnesota, one of which encompasses the Minneapolis-St. Paul International Airport.

The bill requires the economic development zone to be created within 60 miles of the Minneapolis-St. Paul International Airport. According to a letter from Dakota County Commissioner Willis Branning, the city of Rosemount has land for the center at Highway 52 and County State Aid Highway 42.

However, some people are concerned about

the proposal. Carolyn Jones, director of transportation policy with the Minnesota Chamber of Commerce, said the business community envisions an integrated approach.

A 2001 Metropolitan Airports Commission study recommended separation of traditional cargo and passenger operations at the state's international airport, she said, and the creation of a distribution center at an existing regional airport. The study concluded that air cargo initiatives be treated as a common effort.

Said Jones, "We see this bill as part of a plan but we're sort of asking 'Where is the rest of it? What do we plan to do with our air cargo needs?'"

Because one-third of the 1,300 Minnesota businesses that ship internationally are in Greater Minnesota, regional airports outside the Twin Cities metropolitan area must be considered as well, said Rep. Al Juhnke (DFL-Willmar).

Jeff Hamiel, executive director of the Metropolitan Airports Commission, said at an April 20 committee meeting that there is a need for improved cargo capability at the state's largest airport.

"But," he said, "not until the business community demands that we have that kind of service and the cargo airline company recognizes that demand and responds are we going to see any real action."

Supporting the concept are the U.S. Department of Transportation, Hennepin County Board Chair Randy Johnson, Midwest Global Trade Association, and the Twin Cities Air Cargo Association.

The tax incentives are necessary for the regional distribution center, according to supporters, to offset the costs forwarders will incur in moving their operations to the new location.

While some legislators have questioned the need for the cargo center, Abrams is convinced developers are willing to build the necessary 1 million square foot building.

"But for these incentives, the opportunity goes away," he said at a committee meeting.

A business plan is slated for release in September. If the tax incentive measure becomes law, construction could be instigated in 2005 or 2006.



Justice for all?

Plan would reduce the dollars allocated toward legal help for low-income people

By **MIRANDA BRYANT**

A free service that helps low-income Minnesotans with civil legal problems such as housing evictions, workplace discrimination, and child support payments could receive a \$1.57 million cut in state funding.

The House judiciary finance omnibus bill (HF2028), passed March 31 by the House, makes the cut to the civil legal services funding provided by the state and administered through the state Supreme Court.

Bruce Beneke, executive director of Southern Minnesota Regional Legal Services, told the House Judiciary Policy and Finance Committee that the proposed cuts would leave 4,000 to 5,000 low-income people without access to justice. Most cases relate to public assistance, housing, and domestic abuse.

practicing preventative law. In 2003, preventing homelessness for more than 2,000 individuals saved nearly \$4 million in state homeless shelter subsidies. More than \$4 million was gained in child support for families through domestic abuse prevention and family law efforts. And about \$5 million in health and disability benefits are captured each year.

Other benefits of civil legal services, Beneke said, include stabilizing families in crisis and keeping children in school.

The Minnesota Legal Services Coalition is comprised of seven organizations throughout the state that receive funding based on a proportionate poverty level, he said. Clients are referred to lawyers and paralegals at various law centers and legal aid groups.

Clients typically qualify by comparing their



PHOTO BY ANDREW VONBANK

Attorney Lilian N. Ejebe, left, consults with a client April 28 at the Southern Minnesota Regional Legal Services in St. Paul. The group provides legal services to low-income persons and eligible client groups in civil matters.

“Legal aid certainly is the right thing to do,” Beneke said in testifying against the proposed funding reduction. “I would encourage you to remember also that legal aid is the smart thing to do.”

Legal aid saves the state government \$18 million annually, he added. This includes more than \$5 million saved through screening cases, negotiating settlements, and

incomes to the federal government poverty guidelines. A single person could not make more than \$18,620; a two-person family, \$24,980; a family of four, \$37,700.

Most often served are single-parent families, children, senior citizens, farmers, immigrants, refugees, and other low-income individuals “that have nowhere to turn,” Beneke said.

According to the coalition’s Web site, civil legal services provides: answers to legal questions, contact information for legal aid offices, and information on courthouses and community organizations. Clients can seek representation by a lawyer or a legal advocate, request information over the phone or in person, or attend clinics to discuss their issues with a lawyer or learn how to help themselves through a legal problem. Also

available are educational materials, workshops, and referrals to private attorneys.

Previous funding reductions to civil legal services have reduced the attorney staff statewide from 178 to 138, according to Beneke. The proposed cut could mean the loss of an additional 15 lawyers, he said.

The coalition expected some funding reductions, he said, but not to the degree proposed.

“I was a little surprised to see that civil legal services was singled out while other aspects of the court system were treated differently,” he said.

His comments touched off a debate between the chair of the committee, Rep. Steve Smith (R-Mound), the bill sponsor, and Rep. Michael Paymar (DFL-St. Paul). Paymar questioned why Smith didn’t consult the judiciary committee before penciling in the funding cut in the omnibus bill.

Smith said the proposed cut represents only a portion of legal services’ overall funding. Other sources are the federal government, fund drives, attorney fees, corporate grants, and interest on special bank accounts.

In looking at all service funding, the proposed 21 percent state reduction is “more like an 8 percent overall cut,” Smith said.

And despite the proposed cut, Smith said, Minnesota remains the fourth highest among the 50 states in state funding appropriations for civil legal services.

“It’s all relative,” Paymar responded. “If you want to race to the bottom, go ahead. But the fact of the matter (is) ... you’re balancing the budget on the backs of the poor.”

“The governor and this committee (have) not provided sufficient money for the sex offender program, so where do you take it from? You take it from the poorest people who can’t afford legal services. “I think it’s unfair,” he concluded.

A separate, but related, bill sponsored by Smith was not included in the committee’s omnibus finance bill. HF2585 would appropriate \$3 million to civil legal services by increasing certain court surcharges.

The \$5 fee would increase to \$7 for the indexing or recording of deeds and instruments, the filing of abstracts of titles, and the filing of certain documents related to multi-unit housing.

A companion bill (SF2480), sponsored by Sen. Jane Ranum (DFL-Mpls), awaits committee action.

The omnibus bill awaits action in the Senate, where Sen. Richard Cohen (DFL-St. Paul) is the sponsor. 🐼

'Small bill'

\$85.8 million revenue-raising tax bill passes House, differs in the Senate

By MICHELLE KIBIGER

The House passed its omnibus tax bill, after nearly five hours of discussion, April 23 on a vote of 107-25. The bill would provide \$85.8 million in additional revenue for the 2004-05 biennium, including \$36 million in tax-related revenue from a separate bill that authorizes a casino at Canterbury Park.

Tax-related provisions in the bill total \$49.6 million for the biennium.

Members proposed about a dozen amendments to the bill (HF2540), sponsored by Rep. Ron Abrams (R-Minnetonka). They dealt with issues such as local sales taxes, local revenues, personal rapid transit, foreign operating corporations, and alternative minimum taxes. Four items were amended onto the bill during discussion.

In addition, members addressed the fact that Abrams is serving his last term as chair of the committee. House rules dictate that a member may only serve three consecutive terms as chair of a committee with the same jurisdiction.

Members praised Abrams for his fairness and his ability to work together with all legislators regardless of party affiliation. He was more modest.

"Rep. Abrams, I really want to thank you for six years on the tax committee where you (were a) very, very fair chairman and a very well-educated chairman, I might add," said Rep. Tom Rukavina (DFL-Virginia).

Abrams called the tax bill a smaller bill than many of its predecessors. Nevertheless, he touted the fact that it reflects fiscal balance.

The bill would bring the budget reserve to \$290 million and move \$350 million to the cash flow account. It would also add new spending priorities in the event the state has another budget surplus before a rebate may be considered:

- add to the cash flow account until it reaches \$350 million,
- increase the budget reserve account until it reaches \$635 million,
- restore any property tax revenue shifts for K-12 education, and

- move holdback payments for K-12 state aid up to 90 percent.

It also contains a number of proposals intended to raise revenue, adjust alternative minimum tax income exemptions, give the Department of Revenue additional powers to assure foreign operating corporations are adhering to regulations, phase in a change to the way corporate franchise taxes are calculated, and add a 5 percent franchise fee on card club revenue at the racetrack.

"Once again you've put together a bill that we can all be proud of," said House Majority Leader Erik Paulsen (R-Eden Prairie). "The issue is managing a state budget."

As was the case when it received committee approval, members discussed the provisions that weren't in the bill more than the ones that were.

"We have fundamental inequities in our tax system," said House Minority Leader Matt Entenza (DFL-St. Paul). "This bill is not solving the real tax problems that we have."

Two issues of great concern to members involved corporate taxes and the growth of alternative minimum taxpayers in the middle income ranges. Specifically, the bill would allow the commissioner of revenue to disqualify a corporation from filing as a foreign operating corporation if it has no substantial business in the state, has significant transactions that don't reflect market prices, and its income is predominantly domestic on a multi-year

basis. Such a finding would also result in a 15 percent surtax to the corporation.

In addition, the bill would increase the exemption allowed for the alternative minimum tax through 2006. By then, the exemption for a married couple filing a joint return would grow to \$44,000 from the current level of \$40,000 which, according to nonpartisan fiscal and research staff, would reduce the number of total filers under the alternative minimum tax by 39 percent. In addition, all tax filers with federal adjusted gross incomes less than \$100,000 subject to the alternative tax would be reduced by 56 percent.

Congress created the alternative minimum tax in the 1960s to target 155 taxpayers who made more than \$200,000 in income but paid no taxes. In basic terms, the tax operates parallel to the regular income tax system. It allows for fewer deductions, exemptions, and credits than regular income tax.

The move will cost the state \$2.2 million in revenue for 2005 and is projected to cost \$13.9 million in the 2006-07 biennium.

The bill would also phase out the charitable contribution limit for alternative minimum taxpayers.

Rep. Thomas Pugh (DFL-South St. Paul) unsuccessfully offered an amendment to limit dividend deductions for foreign operating corporations and to take the additional revenue that would provide and raise the income exemption limit for alternative minimum taxpayers at a faster rate than the current bill would.

"You take a step toward fixing the foreign operating corporations problem in the state of Minnesota," Pugh said. "And you take a step toward fixing the problem for middle-income Minnesotans ... with adjustments to the alternative



PHOTO BY TOM OLMSCHIED

The omnibus tax bill establishes that a production tax would not be imposed on a facility until annual direct reduced ore production reaches a specified level.

minimum tax. My purpose is to make that shelter ... less attractive for corporations.”

“This would work in conjunction” with the overall tax bill, he said.

Abrams noted the advantage to the provisions in the amendment, but cautioned that the department should be given some time to work with the issue, because most corporate tax returns will not be available until later this year.

One amendment that did succeed was offered by Rep. Tom Rukavina (DFL-Virginia). It would exempt homesteaded property owned by a veteran, who was honorably discharged from the armed forces and suffered a total and permanent service-related disability, from paying property taxes.

In the Senate, where Sen. Lawrence Pogemiller (DFL-Mpls) is the sponsor, the bill was amended and passed April 29. A conference committee is expected to work out the differences.

Among the other significant provisions are the following highlights.

Corporate franchise taxes

The bill would phase in a new structure for calculating corporate franchise taxes. Under current law, Minnesota taxes are calculated by a formula that weighs sales in the state at 75 percent, and both property and payroll at 12.5 percent.

Under the bill, sales would bear the full 100 percent by 2012, which proponents say increases the incentive for businesses to physically locate in the state and pay employees good salaries.

The provisions were initially part of several bills heard by the committee and sponsored by Abrams, Rep. Ann Lenczewski (DFL-Bloomington), and Rep. Connie Ruth (R-Owatonna).

Tobacco provisions

Sales taxes on cigarettes would be collected at the wholesale level, based on the gross invoice price of distributors. The provision is an attempt by the Revenue Department to increase compliance in payment of the tax. It was introduced as part of the department’s policy bill, sponsored by Abrams.

In addition, delivery sales of tobacco products, typically from the Internet, would be regulated under the bill, including requirements that sellers verify the identity of the purchaser upon delivery and that shipped packages only be delivered to adults, as verified by a signature.

The provisions were initially part of HF2912, sponsored by Rep. Kurt Zellers (R-Maple Grove).

Economic development zone

The bill would also create an international economic development zone within 60 miles of the Minneapolis-St. Paul International Airport



Under a provision in the omnibus tax bill, property tax payers who file their claims electronically through county systems such as this would be eligible to receive their refunds early.

to serve as a regional distribution center that would increase capacity and handle air freight.

The zone would be eligible for certain tax exemptions for up to eight years, including state and local sales tax on purchases used by businesses in the zone, property taxes on improvements within the zone, and a jobs credit for higher paying jobs.

The provision was part of HF2298, sponsored by Abrams.

Ore production

The bill would redefine commercial production for the purpose of calculating the production tax on direct reduced ore. No tax may be charged, under the bill, until production levels reach 50,000 tons per year. Production under that threshold is considered an experimental/research phase.

However, once production hits 50,000 tons per year, it will be considered a commercial enterprise from that point forward regardless of production levels, and taxes will be phased in on a percentage basis during the first six years of commercial production.

The ore provision was initially contained in HF2083, sponsored by Rep. David Dill (DFL-Crane Lake).

Miscellaneous provisions

Personal Rapid Transit systems would receive certain sales tax exemptions under the bill, as initially provided in HF1687, sponsored by Rep. Mark Olson (R-Big Lake). The bill was amended on the House floor to provide for a sunset of the provision within three years of completion of a public safety certification and training facility for any qualifying project.

Property tax payers would be eligible for their refunds early if they file their claims elec-

tronically, as offered in HF2692, sponsored by Rep. Jeff Johnson (R-Plymouth).

The Sauk River Watershed District may increase its levy by \$100,000 to \$350,000 under the bill, as part of HF2841, sponsored by Rep. Doug Stang (R-Cold Spring).

Life insurance premiums would be subject to a 1.5 percent premium tax as of 2009, under the bill. The amount would be reduced by one-tenth of a percent each year. The premium tax provision was initially part of HF2501, sponsored by Abrams.

Corporate income may not be reduced for lease-in/lease-out or sale-in/lease-out transactions with governments that only serve as a tax shelter for corporations, part of HF2263, sponsored by Abrams.

Sales taxes for motor vehicle leases would be calculated and paid at the time the lease is purchased, under the bill, rather than on each monthly payment. The provision is a Revenue Department initiative.

Income tax payers may subtract up to \$10,000 for travel and lodging expenses and lost wages related to live organ donation, part of HF2048, sponsored by Paulsen.

Taxpayers may distribute among their children benefits of the \$2,000 family cap when using the K-12 education credit, though they may only claim expenses for two children, part of HF2772, sponsored by Rep. Jim Knoblach (R-St. Cloud).

Retail businesses would no longer qualify for incentives under the job opportunity building zones program, as provided in HF2316, sponsored by Rep. Tim Mahoney (DFL-St. Paul).

Minnesota tax law would conform to new federal provisions, particularly with regard to taxable military income and deductions for contributions to health savings accounts. The health savings account provisions were part of HF1742 and HF1976, sponsored by Knoblach and Rep. Tim Wilkin (R-Eagan).

The Camp Ripley game refuge in Morrison County would receive a payment in lieu of taxes, contained in HF2928, sponsored by Rep. Greg Blaine (R-Little Falls). Payments in lieu for land utilization project lands would be increased from 37.5 cents per acre to 96 cents per acre under the bill, initially provided in HF1740, sponsored by Rep. Irv Anderson (DFL-Int’l Falls).

Electric generating plants would be eligible for personal property exemptions, as long as the siting plan is approved by the host county and city. The provision includes partial exemptions for existing plans increasing their initial capacities.

In-home day cares would be treated as a residential property for tax purposes, under the bill, as provided in HF2200, sponsored by Rep. Doug Magnus (R-Slayton).



Law teacher

Biernat to retire from House, return full time to post at Hamline University law school

BY MIRANDA BRYANT

Rep. Len Biernat will have plenty of real-life cases to offer when teaching legal ethics and professional responsibility to Hamline University law students — and more time in which to present them. The four-term legislator is not seeking re-election.

The DFL representative from northeast Minneapolis has always viewed his job as a legislator to be part-time and temporary. “I think I’ve made a good commitment to public service and it’s time to rotate out,” Biernat said.

The 57-year-old has been a Hamline law professor for 30 years, modifying his schedule annually to accommodate legislative sessions. Retiring from the House allows him to return to the classroom full time.

He leaves the Legislature with mixed feelings. Retiring would be more difficult, he said, if his party were in the majority. Biernat’s eight years at the Capitol have been spent with a Republican or Independence Party governor at the helm.

Biernat was seldom vocal during the 2004 session on the House Civil Law Committee, despite the fact that he was the DFL lead. This is largely because the Republicans had an 8-4 lead on issues when partisan politics were at play, he said.

“So there’s really not a lot of arguments you can make,” he said, adding that he did try to point out when proceedings and bill components were irrational.

Ironically, Biernat first sought election as a state representative due to a feeling of powerlessness in crafting true reform. While serving for seven years on the Minneapolis School Board, he realized that the real ability to initiate education reform rested at the State Capitol.

Biernat wanted to make a difference, inspired as he was by his father. Ted Biernat served as a state representative from 1949 through 1957. “I always looked to him as a youngster and I wanted to emulate that role,” Biernat said.

In his father’s day, the Legislature met at most for six weeks in a year, and members chose a label of either “conservative” or “liberal” instead of political parties. Ted Biernat was a liberal.

“As he became older, he became more conservative,” Biernat said. “As I become older, I



PHOTO BY TOM OLMSCHIED

After eight years in the House, Rep. Len Biernat plans to return to the classroom full time.

become more liberal.”

Biernat said his political leanings are a result of his career background, which began with teaching high school. He later taught English as a first lieutenant in the U.S. Army, attended law school, and began teaching law. During this period he explored constitutional law and became committed to the idea of protecting the less fortunate and helping the downtrodden.

Now he inspires students at Hamline to get involved in politics, to run for office, and to craft good policy. He advises them to become active in community efforts and to keep the common good in mind.

“Politics is the art of compromising,” Biernat said. “You can’t get it all done in one step.”

In serving on the House Civil Law, Education Finance, and Education Policy committees, Biernat and his style have been respected by others. While he doesn’t enjoy the floor

sessions, in part because of the grandstanding that can occur, he likes the intensity and realism of committee debates.

“In committee I have always appreciated and admired Rep. Biernat’s analysis of the issues,” said Rep. Chris DeLaForest (R-Andover), vice chair of the House Civil Law Committee. “I always found him to be a cordial and fair-minded person.”

Mindful of his constituents’ interests, Biernat has focused his legislative career on policies related to education, property taxes, prescription drug pricing, and the quality of life for senior citizens.

“Recognizing that students need more time,” he lobbied to add three days to the traditional school year and to require summer school for those failing the basic skills test. And he proposed linking a teenager’s ability to get a driver’s license to school attendance.

Biernat, whose wife, Christine Jax, was the state education commissioner under Gov. Jesse Ventura, also worked to get school funding off the property tax rolls. But the effort has been rendered useless, he said, by the fact that most districts can now ask voters to approve adding operational levies to property tax calculations.

Realizing that this, among other efforts, has been repealed or undone by the changing political scene has been sobering, he indicated. “That’s been kind of a disappointment.”

But Biernat intends to stay tuned to legislative action, particularly family law matters, and to continue connecting the classroom experience with real-life situations at the Capitol.

“Hamline University is not that far away,” he said. 🐼

STEPPING DOWN

Rep. Len Biernat
DFL
District 59A - Minneapolis
Terms: 4

Career Notes: In keeping with his focus on education, Biernat supported efforts in 2004 to create all-day kindergartens throughout the state and to provide after-school enrichment programs. He was instrumental in securing committee approval of a \$6.4 million bond appropriation to construct the Colin Powell Youth Center in Hennepin County for the education, job training, and counseling of disadvantaged youth.

A change of focus

Personal issues play large role in Borrell decision to step aside after two years in the House

By MARY KAY WATSON

Despite setbacks that might prove daunting to others, Rep. Dick Borrell (R-Waverly) said he has stood firm in his views and worked hard for his district in his first and, probably, only term as a legislator.

He said highlights of his term have included balancing the budget, the so-called woman's right-to-know law, "concealed-carry," tort reform, restricting same-sex marriage, and repealing the Profile of Learning.

"I don't think we've had accomplishments like that in a long time. And we may not in the future," he said.

Borrell himself will not serve in the House in the future. He said his decision to not seek re-election was influenced by the death of his 47-year-old brother on Oct. 31, 2003.

"This job takes up an awful lot of your life," he said. "I'm perfectly willing to have someone else do it and have more of what's left of my life to enjoy."

The decision was not based on political pressures surrounding recent legal problems, he noted.

In January, Borrell pleaded guilty to a charge of false campaign advertising, agreeing to pay \$1,500 in court costs and to apologize to his opponent and the Wright County attorney.

A second incident relating to an airport arrest after a loaded gun was found in his carry-on baggage is also behind him. "I paid the fine and entered the plea," he said.

He has had a permit to carry a handgun for about 15 years and said he forgot the gun was in his bag.

"It's like having your wallet — it's kind of a part of things," he said. "I just didn't empty the bag."

Borrell, a former Marine, has been a long-time supporter of the so-called "concealed-carry" law. A sign on his office door reads: "Concealed Weapons Welcome Here." After KSTP-TV did a story on that sign, he added a new one reading, "Celebrate Diversity" with drawings of 20 different handguns.

"I'm not one to back away from controversy," he said.



PHOTO BY TOM OLMSCHIED

Rep. Dick Borrell has chosen not to seek re-election, after one term in the House.

He worries about how his three daughters can protect themselves, he said, noting that under previous law permits to carry a handgun were not often issued to women.

"At least now that's a decision my daughters can make," he said. "And they won't be disallowed (a permit) because of what county they live in."

Rep. Tim Mahoney (DFL-St. Paul), who sits near Borrell on the House floor, said he enjoys his colleague's sense of humor. "We almost always disagree, but with intelligence and humor. He's given me insights into how I can be a better legislator."

Of the committees he serves on — Civil Law, Education Policy, and Taxes — he said he has especially enjoyed civil law because "most of the really controversial bills come through that committee."

Borrell carried data practices legislation for that committee. Rep. Tom Pugh (DFL-South St. Paul), who served on the civil law and taxes committees with Borrell, said he was a "good shepherd" of that legislation, always diligent in asking members for input.

"Dick is always very inquisitive," Pugh said. "He contributed greatly from the perspective of his experience in small business."

One of Borrell's motivations for running for the House was his dissatisfaction with the Profile of Learning.

"It was prescriptive and subjective," said the former high school business teacher. "It wasn't fact-based. We should be teaching children how to think, not what to think. The profile was more social engineering."


He said the new plan is "a step in the right direction."

Another of the projects he has enjoyed working on this session is personal rapid transit, which has been allotted \$4 million in the House bonding bill.

"PRT is a breath of fresh air," he said. "This is a system that may actually be able to be developed privately without any government subsidy. We subsidize buses about 60 percent."

Borrell grew up in Waverly, where as a teenager he campaigned for Hubert Humphrey. He remained in the DFL party until about 15 years ago when he decided the Republican platform was more in line with his thinking. This is his first elected office, although he made a brief run for governor in 1998.

"It's been a wonderful experience," he said. "I think I've done an excellent job of representing the citizens, and I've just been honored to be able to do that."

He said he would continue to be active in politics. "It's in my blood." 

STEPPING DOWN

Rep. Dick Borrell
Republican
District 19B – Waverly
Terms: 1

Career notes: A supporter of "concealed-carry" legislation, Borrell also worked for the successful repeal of the Profile of Learning during his term.

Call, visit, watch, or log on...

Legislative information is available at your fingertips

Keeping track of what's happening at the Minnesota Legislature continues to get easier.

While the traditional methods such as visiting the Capitol and calling on the telephone are still useful ways to get the information you need, the newest technological methods on television and the Internet have made your choices better than ever.

An award-winning Web site

Since the Legislature's World Wide Web site went online in 1996, more than 230 million hits have been received. The site receives nearly one million hits per week on average during the year and well more than one million hits per week during the busy legislative session.

The site was honored in 2001 with an Eagle E-Government Award as The Council of State Governments named it the Best Legislative Branch Site. Among the criteria used in judging was: site design; how the site makes state government more accessible; the use of technological innovation, including online transactions; and how the site streamlines the government process.

Accessing information using your fingertips and a mouse begins by directing your browser to <http://www.leg.mn>, the Legislature's main page.

The site layout is often updated to make it visually simple but also easy to navigate. Users can use drop-down menus and hyperlink text to get to the information.

A mere click of a mouse button takes a user to both the House and Senate main pages. Easy access is also provided to other areas, including: member information, committee information, and schedules; Minnesota Statutes; Session Laws and Rules; joint legislative departments and commissions; youth pages; general information; legislative district information; and employment opportunities.

On each member's page is a link to their e-mail address so a user can easily contact his or her elected official.

One of the more popular options is the bill tracker. From the House and Senate pages, users can read any bill and track its status through the legislative process. For those not



Through the Legislature's Web site, the public can access information including bill descriptions and status, committee meeting schedules and agendas, and weekly publications of both the House and Senate.

familiar with the legal language used to draft bills, easy-to-understand summaries are also available. Bills can be searched by number, keyword, or author.

Both the House and Senate sites offer Internet streaming video of floor sessions, select committee hearings, press conferences, and other special events. The service features unedited, live, and recorded coverage. For archived events an index is provided making it

easy for users to find the specific bill or topic they wish to view, without having to weed through hours and hours of coverage. A Windows Media Player plug-in viewer is needed to watch the events unfold. A link to install that program is provided.

Information is available on the House Television Services Web site at <http://www.house.mn/htv/htvserv.htm>.

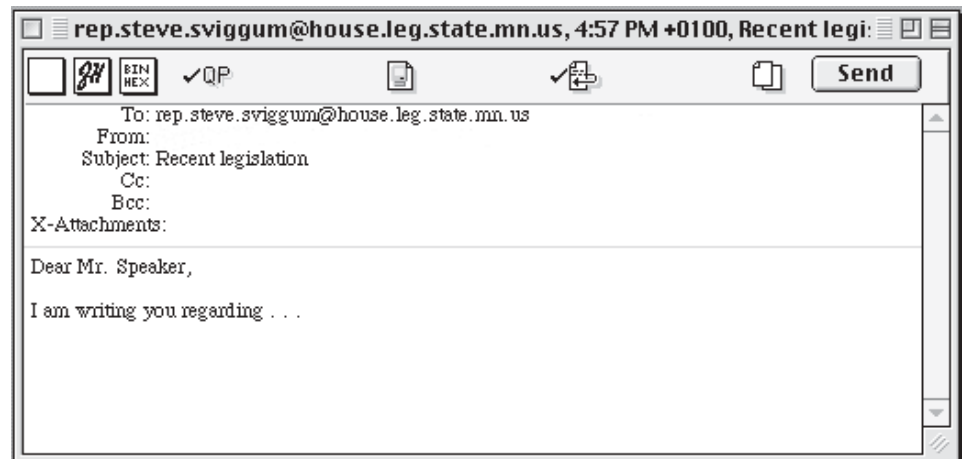
Schedules delivered to you

House committee schedules are available on the Web site at <http://ww3.house.mn/hinfo/hinfosched.asp>. Senate schedules are online at <http://www.senate.mn/schedule>.

Constituents with e-mail service can receive committee schedules from both the House and Senate without having to request them each day.

Updated daily, the schedules give specific information about which committees are meeting on a particular day, the time and location of the meeting, and general topic agendas.

To receive the House committee schedule, fill out the subscription form at <http://www.house.mn/hinfo/schedule/listserv.htm>. The Senate listserv can be accessed at <http://www.senate.mn/schedule/listserv.htm>.



E-mail is an increasingly common and efficient way for constituents to contact their legislators. Lawmakers regularly respond to signed messages, and they prefer that correspondents include their full names and addresses.



House Public Information Services provides coverage of action on the House floor and selected committee hearings on Channel 17 in the Twin Cities and local cable systems throughout the state.

Come on down

Technology is a wonderful asset for governmental information, but the best way to find out what's happening at the Capitol is to witness it in person. A good place to begin your visit is at the House Public Information Services Office, located in Room 175 of the State Office Building, directly west of the Capitol.

The office has a series of informational and educational publications designed to make the legislative process understandable and accessible for all.

Office staff can quickly determine in which House and Senate district you live and provide you with the name, office number, phone number, and e-mail address of your representative and senator.

Committee schedules are available at the office, as are issues of the award-winning newsmagazine *Session Weekly*, a free publication covering weekly House activities during session. To have this thorough wrap-up mailed directly to your home or business, call or stop by House Information, or complete the subscription form on the House Web site at <http://www3.house.mn/hinfo/subscribe.sw.asp>. Likewise, *Senate Briefly*, which covers weekly Senate activities, is available online at <http://www.senate.mn/briefly/index.htm>.

Session Daily is the online companion to *Session Weekly*. Located at <http://www.house.mn/hinfo/sdaily.asp> it offers news from the House on a daily basis, so you can stay on top of the major events at the

Capitol. Brief, informative updates about committee and floor action are posted before 8 a.m. Monday through Friday. Links to useful resources, such as bill introductions and reports or documents, are also offered. Each day's version is also archived by date and topic.

Pick up the phone

A wealth of information is also available via the telephone. The House Public Information Services Office can answer general questions regarding the legislative process and who your legislators are. They can also direct you to other offices for additional information. Call the information office at (651) 296-2146 (voice), (651) 296-9896 (TTY), or 1-800-657-3550 (voice and TTY).

You don't need to leave home to obtain copies of House bills, either. Simply call the House Chief Clerk's Office at (651) 296-2314 and they'll mail you a copy. If you don't know who sponsored a bill or what a particular bill's House File number is, call House Index at (651) 296-6646. They can also give you the status of a bill.

If you have a concern about a pending bill or a policy issue, call your legislator.

A voice version of the House committee schedule is available at (651) 296-9283.

For similar information in the Senate, call (651) 296-0504 or 1-888-234-1112.

Tune in

Television coverage of the Legislature is available in the Twin Cities metropolitan area on KTCI-TV, Channel 17. Coverage also is included throughout Greater Minnesota on more than 30 cable providers' services. Check with your local cable system for availability. All broadcasts are closed-captioned and schedules are available from House Public Information Services. Call (651) 297-1338 or visit the House and Senate Broadcast Television Schedule page at <http://www.house.mn/htv/htv.asp>.

Live coverage of floor sessions and committee hearings is provided throughout the day, and taped coverage is played between live proceedings.

Frequently used Web links

Legislature's main page:
<http://www.leg.mn>

Session Weekly on the Web:
<http://www.house.mn/hinfo/swmain.asp>

Session Daily on the Web:
<http://www.house.mn/hinfo/sdaily.asp>

Maps and legislative district finders:
<http://www.leg.mn/leg/districtfinder.htm>

To search the Legislative Web site:
<http://search.state.mn.us/leg/>

North Star government information:
<http://www.state.mn.us/>

Governor's office:
<http://www.governor.state.mn.us>

Office of the Secretary of State:
(Elections & Candidate Information)
<http://www.sos.state.mn.us>

Legislative Reference Library:
<http://www.leg.mn/lrl/lrl.htm>

Revisor's Office:
<http://www.revisor.leg.state.mn.us/revisor.html>

Legislative Links to the World:
<http://www.leg.mn/lrl/links/links.htm>

Frequently called numbers

House Information:
651-296-2146 voice; 651-296-9896 TTY
1-800-657-3550 toll free voice and TTY

Senate Information:
651-296-0504 voice; 651-296-0250 TTY
1-888-234-1112 toll free voice
1-888-234-1216 toll free TTY

Chief Clerk's Office: (copies of bills)
651-296-2314

Office of Secretary of the Senate:
651-296-2344

House Index: (bill status)
651-296-6646

State Capitol Information Desk:
651-296-3962
651-296-2739

Tracking new laws, vetoes

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

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill;
- or do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the second year of the biennium (even-numbered years), as this year is, a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

(Sundays are not counted in the three-day limit, but holidays are.)

But if a bill is passed during the last three days of session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "*sine die*" (Latin for adjournment "without a date certain"). If the governor does not sign a bill within this time frame, it will not become law, an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed

during the final three days of the session, or within three days after the governor receives the bill at any other time.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

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

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

This information is also available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:

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

CH	HF	SF	Description	Signed	Vetoed
134	921	906*	Sex offender treatment co-payments authorized.	2/17/2004	
135	973	1015*	Veterans Affairs Dept. authorized to access taxpayer ID information to notify veterans of health hazards.	2/26/2004	
136	1794*	1615	Airport federally funded projects minimum required local contribution decreased.	3/10/2004	
137	480*	837	Job reference information, school violence data, and employee personnel records disclosure regulated.	3/22/2004	
138	1743	2182*	Public utility performance-based regulation plan purpose modified.	3/19/2004	
139	1980	1799*	Watershed and soil and water conservation district officers conflicts of interest clarified.	3/19/2004	
140	1822	1814*	Metropolitan Council government electronic funds transfer use authorized.	3/19/2004	
141	1935	1626*	Storm and sanitary sewer financing provisions modifications.	3/26/2004	
142	307*	497	Noncommercial sign ordinance exemption provided during state general election years.	3/26/2004	
143	1064*	1197	State employee technical and housekeeping changes provided.	3/26/2004	
144	1702	1748*	Emergency medical services provisions modifications.	3/26/2004	
145	2491	2498*	Domestic abuse <i>ex parte</i> protection or temporary restraining orders effectiveness.	3/26/2004	
146	1803	1745*	Trust law provisions modified and guardianship and conservatorship law changes provided.	3/26/2004	
147	1855	1903*	Counties hazardous buildings and property removal authority.	4/2/2004	
148	2878*	2537	Dr. Norman E. Borlaug World Food Prize Day designated.	4/2/2004	
149	339	40*	Minors personal injury or property damage parental liability limit increase; graffiti civil.	4/2/2004	
150	2105*	2632	Iron Range Resources and Rehabilitation Commissioner's Office established.	4/2/2004	
151	2118	2063*	Local government units financial institution deposits collateralization requirements clarification.	4/2/2004	
152	2033	1958*	Towns electronic or wire transfer payments and credit card or electronic payments acceptance authority.	4/6/2004	
153	1805	1621*	Mortgage satisfaction certificates and assignments or releases.	4/6/2004	
154	2107	1653*	Real property survey and monument requirements modified.	4/8/2004	
155	2651*	2347	Interstate Compact for Adult Offender Supervision amended and interstate compact repeal delayed.	4/14/2004	

CH	HF	SF	Description	Signed	Vetoed
156	2455*	2499	Five-level correctional facility classification system authorized.	4/14/2004	
157	1836*	1693	Mineral tailing deposition into mine pits permitting clarified.	4/14/2004	
158	3005*	2840	County seat voting times modified.	4/14/2004	
159	1817	1614*	Service animal injuries criminal penalty and restitution requirement.	4/19/2004	
160	2688	2626*	Hastings veterans home property leasing authority.	4/22/2004	
161	1843	2903*	Towns annual audits subjection expansion.	4/22/2004	
162	1983*	1805	Uniform Commercial Code revisions enacted.	4/26/2004	
163	995*	1268	Notice and plan requirements modified for excavating around utility facilities.	4/26/2004	
164	1944*	1797	Domestic abuse orders for protection grounds expanded.	4/26/2004	
165	2906*	2871	Payroll processing efficiency increased for local governments.	4/26/2004	
166	2502	2609*	Mental health community representative included on a community transition team.	4/26/2004	

BILL INTRODUCTIONS

APRIL 23 - 29, 2004

HOUSE FILES 3186 - 3188

Friday, April 23

HF3186—Eken (DFL)

Health & Human Services Finance

Negotiated blended budget-neutral nursing facility rate authorized for a county in northwestern Minnesota.

HF3187—Sertich (DFL)

Jobs & Economic Development Finance

Greater Minnesota business development investments program established, and money appropriated.

Thursday, April 29

HF3188—Cox (R)

Taxes

Special taxing district definition expanded to include soil and water conservation districts.

Where to find information

House Public Information Services

175 State Office Building
(651) 296-2146 or 1-800-657-3550

House Public Information Services 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.mn>

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SPEAKER OF THE HOUSE: STEVE SVIGGUM
MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Transportation in Minnesota

Total miles of streets and highways in Minnesota	135,490
Miles in state trunk highway system	11,933
Percent of annual vehicle miles of travel done on state trunk highway system	61
Bridges in Minnesota in 2003	12,976
Percent of state highway bridges that are deficient for any reason	13
National average, as percent	26.6
National rank, in size, of Minnesota's highway system	5
Number of licensed drivers in the state in 2002	2,997,058
Millions of motor vehicles registered in 2002	4.52
Billions of vehicle miles traveled in 2002	54.56
Minnesota traffic deaths in 2003	646
In 2002	657
Of 2002 fatal incidents, those involved in an alcohol-related crash	239
Average time it took, in minutes, to clear an urban freeway incident	
in the Twin Cities metropolitan area in 2002	36.3
Minutes in 2000	34
Percentage of miles on the Twin Cities freeway system congested	
during rush-hour peak periods in 2002	19.9
Year that a state highway commission was created to build roads and bridges	1905
Year the commission was abolished and Department of Highways created	1917
Year Minnesota Department of Transportation was created	1976
Transportation Department budget for fiscal years 2004-05, in billions	\$4.09
Transit systems in the state	106
Millions of trips provided annually by these systems	93
Percent of Minnesota workers using public transportation in 2002	3.7
Year Minnesota's first railroad was constructed	1862
Miles of railroad in state in 1930	9,362
Miles in 2001	4,504
Miles of commercial waterways in Minnesota	231
Percent, as approximate, of grain shipments from the state that travel	
by barge, large vessel or saltwater ship	75

Sources: Minnesota Department of Transportation; Minnesota Department Results; Minnesota Safety Council; Minnesota Department of Finance; *State Rankings 2004: A Statistical View of the 50 United States*; CQ's *State Fact Finder 2004*.

FOR MORE INFORMATION

For general information, call:
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★ ★ ★

SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

MAY 7, 2004

VOLUME 21, NUMBER 14

In this issue:

STADIUM BILL ADVANCES

SEX TRAFFICKING, INSURANCE FRAUD, AND MORE

HF3189-HF3192

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 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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On the cover: A spring day near the Minnesota State Capitol as photographed through a Wratten no. 87 infrared gelatin filter.

— Photo by Andrew VonBank

First inning

Plan to build stadiums in the Twin Cities metropolitan area, including a referendum, survives its first committee vote

By **TOM LONERGAN**

Local governments would cover the biggest funding share of building two new publicly owned professional sports facilities in the Twin Cities metropolitan area, and a local referendum would be required for user tax increases, under a bill narrowly approved by the House Taxes Committee May 4.

HF3089, sponsored by Rep. Doug Stang (R-Cold Spring), is now before the House Ways and Means Committee, which began hearing the bill May 6. A companion bill (SF2536), sponsored by Sen. Steve Kelley (DFL-Hopkins), passed its first committee May 5.

Following five hours of debate, during which 28 amendments were considered, the committee voted 15-13 to advance the bill, which would limit the state's investment to \$285 million of a potential \$1.1 billion in construction costs for a Minnesota Twins baseball park and a Minnesota Vikings football stadium.

"This is a superfluous luxury that we're doing," said Rep. Mike Jaros (DFL-Duluth), who opposed the bill. Jaros said he voted in 1979 for the publicly funded Metrodome, where the Twins, Vikings, and University of Minnesota football team have played home games since 1982, because it provided "an efficient way to play sports."

However Jaros also expressed concern about what he called "a double standard in the state. Individuals have to prove they need (a government subsidy). Corporations don't have to prove they need it."

Twins and Vikings team officials have said that due to economic conditions, they can't raise enough annual revenue in the Metrodome to remain competitive in their respective professional sports. If a stadium deal is reached, the teams said they would likely increase some ticket prices and seek more stadium concession revenue than they currently receive in the Metrodome.

Jaros and three other DFL members joined nine Republican members in opposing the bill, which was supported by nine Republican and six DFL members.

The committee spent five days hearing testimony from stadium supporters and opponents prior to its extended debate before voting on the bill.

Rep. Jerry Dempsey (R-Red Wing), who supported the bill, said: "I don't know where the common good is and that has to do with morality. All we've heard from is special interests. Everybody comes to see how much is in it for me."

The bill would create an appointed regional stadium authority that would negotiate stadium locations, financing, construction, leasing, and operating details with the teams and prospective host local governments.

Hennepin County, with the city of Minneapolis, and the city of St. Paul are offering potential sites for a \$520 million-plus baseball park. Anoka County is the sole pursuer of a proposed \$645 million football stadium to be part of a larger commercial district development in Blaine.

Stadium costs are development estimates. Under the bill, the stadium authority —

following site selection and negotiations with the teams and host communities — would eventually determine a stadium's construction cost, which would be funded by a mix of public and private money. The Metropolitan Council would issue revenue bonds for stadium construction.

Citing the bill's structure, Stang said it was difficult to determine the maximum public funding shares to be borne by the state and host local governments. "We'll have time to continue to work on the numbers if we get to the floor on this," he said.

The committee adopted an amendment by Rep. Ron Abrams (R-Minnetonka), the committee chair, which sets "total public investment maximums" of \$478 million for the baseball stadium and \$600 million for the football stadium.

The bill would require each team's contribution to be no less than one-third of their respective stadium's project cost. The team share must be at least 25 percent in "up-front cash contributions," with the remainder in annual payments. The bill would require each team to pay all stadium cost overruns.

Rep. Alice Hausman (DFL-St. Paul), who opposed the bill, said its inclusion of a maximum state share, combined with yet unknown team contributions, meant "we've given up on the one-third" concept of the state, host local

Recent Stadium Financing

STADIUM (Year Opened)	TEAM	PUBLIC FUNDING
Petco Park (2004)	San Diego Padres	67.5%
Citizens Bank Park (2004)	Philadelphia Phillies	56.6%
Soldier Field (2003)	Chicago Bears	65.9%
Lincoln Financial Field (2003)*	Philadelphia Eagles	36.3%
Great American Ballpark (2003)	Cincinnati Reds	89.9%
Seahawks Stadium (2002)	Seattle Seahawks	65.1%
Gillette Stadium (2002)	New England Patriots	17.5%
Ford Field (2002)	Detroit Lions	23.9%
Reliant Stadium (2002)	Houston Texans	43%
PNC Park (2001)	Pittsburgh Pirates	82.5%
Miller Park (2001)*	Milwaukee Brewers	77.5%
Heinz Field (2001)	Pittsburgh Steelers	61.1%

*Does not include operating subsidy

Since 1990, 32 stadiums have been built across the United States for professional baseball and football teams, each funded by a combination of public/private sector financing. The chart is based on data the Metropolitan Sports Facilities Commission provided the House Taxes Committee in April.



Transit twins

Early forms of public transportation contributed to Twin Cities' growth

Transportation gurus have long debated whether improved transportation systems reduce traffic congestion and improve the quality of life, or if they simply encourage urban sprawl and intensified traffic jams.

While the question will remain the subject of examination, it's clear that the early forms of public transportation contributed to the growth of the Twin Cities.

This growth, as well as the early history of mass transit in the metropolitan area, is detailed in a 1958 report titled "Transit and the Twins," by Stephen A. Kieffer.

The idea of inter-urban public transit grew during the 1860s, according to the report. At the time, St. Paul had a population of 20,030. Scandinavian and German immigrants were well established, and newcomers from Ireland and Central Europe were finding their way to the Twin Cities.

The Legislature granted a charter authorizing organization and incorporation of the St. Paul Street Railway Company in 1872. Two miles of track were laid that same year and six horse-drawn cars, each capable of holding 14 passengers, were acquired.

"On July 15, the first car of the new line, carrying many of the city's most important citizens, moved grandly down the bluff...past cheering onlookers," Kieffer wrote.

Dubbed "cracker boxes on wheels," according to Kieffer, the cars were heated by small iron stoves. A thick blanket of hay on the floor kept passengers' feet warm. Riders neglecting to pay the 5-cent fare were chided by the conductor, who stamped on a gong.

Passengers were thrilled with the cars' speed. "Why, it was said they averaged six miles per hour, unheard of in that day!" Kieffer wrote.

While the horse-cars didn't move too quickly, Kieffer cited many examples of how the early success and popularity of mass transit did speed up the growth of the Twin Cities.

"In these early years, there is much evidence to indicate that the growth of St. Paul, in terms of settled land, was in great measure

determined by the presence of the streetcar company," he wrote. "Far-seeing city fathers, who envisioned a metropolis of a million persons in a hundred years, added huge tracts of land to the city in 1874 and 1887, so that, by the latter year, St. Paul had already gained its present boundaries. This, too, played an important part in encouraging widespread settlement."

Around that time, Minneapolis' population was 32,721. Nearly 50 percent of the population lived within a one-mile radius of its center and 97 percent within two miles. By 1883, and with more tracks having

been laid, the Minneapolis Street Railway Company, which began eight years earlier, saw a cumulative 8.5 million passengers.

"New lines were laid into areas with no previous settlement," wrote Kieffer. "Invariably, though there might be few houses in the area when the company announced plans for laying track, by the time this track was actually laid (and the difference in time was usually a matter of but a few months), real estate promoters had platted and sold almost all the land along the path of the line."

Minneapolis' first steam-powered motor train — preferred over sluggish horses — began operating in 1879. Electric streetcars appeared shortly thereafter, being preferred over the noisy and dirty steam engines. Newspapers praised the electric streetcars for carrying as many people in one car as a horse-car carried in an entire day.

"...It was the streetcar lines which opened up new areas and prevented the building of tenements and large flats with concentrated masses of population. In this way, the Twin Cities became known as cities of homes, with very high percentages of self-owned dwellings."

Kieffer wrote that the early history of bus transportation is "hazy." However, it's known that by 1921 Minneapolis had a regular urban bus service.

(M. BRYANT)



PHOTO BY JAMES A. BUSH

Driver John White handles a mule drawn streetcar in front of the car barns at Dupont Avenue and 28th Street, Minneapolis, in 1885.



PHOTO BY TOM OLMSCHIED

Vikings head coach Mike Tice speaks April 28 in favor of a proposed stadium for the NFL franchise.

governments and teams assuming equal shares of construction costs. Another unknown share "would be local governments," Hausman said.

Other amendments approved by the committee would provide for voter approval on local government proposed taxes to fund the stadiums, and legislative "intent" of future support for a \$222 million on-campus football stadium for the University of Minnesota, if the university raises 60 percent of the financing privately.

The university stadium amendment, proposed by Abrams, seeks a governor's recommendation at the start of the 2005 legislative session for a maximum \$89 million in state funds for a stadium to be built near existing sports arenas on the Minneapolis campus.

The local referendum amendment by Rep. Ray Vandever (R-Forest Lake) was adopted on a 22-1 committee vote. It would require voter approval on proposed restaurant, alcoholic beverage, prepared food, lodging, or general sales taxes in local government jurisdictions.

Taxes on stadium admissions and parking would not be included in the referendum requirement. The committee adopted amendments that dropped "places of amusement" and "sports memorabilia" from potential local taxation.

A half-dozen amendments that attempted to change the bill's most contested proposal — how the state's funding share of the stadiums would be determined — all failed.

The bill proposes that a team's lease

Continued on page 23

Photo courtesy of the Minnesota Historical Society

★ CHILDREN

Blocking Internet material

Public libraries that fail to install filtering or blocking software to prevent a person under age 18 from accessing obscene or pornographic material on the Internet could temporarily lose state funding, under a bill the House passed 111-18 May 5.

Sponsored by Rep. Jeff Johnson (R-Plymouth), HF2832 would also require all computers at a school site with Internet access to be equipped with software filtering or blocking technology, else the school would risk losing state funds for its library or computer lab.

The bill now moves to the Senate, where Sen. Betsy Wergin (R-Princeton) is the sponsor. It is also in the House omnibus education finance bill (HF1793), sponsored by Rep. Alice Seagren (R-Bloomington), which the House passed March 31.

Johnson said most library systems in the state have installed blocking software to comply with existing laws. He said the bill would amend state law to require that libraries and school districts purchase and install blocking software, rather than implement "some other system."

Compliance with the bill could cost a county library system up to \$31,000 annually to initially install and maintain blocking software, Johnson said.

"Quite possibly all schools are already doing this," he added.

Rep Keith Ellison (DFL-Mpls) opposed the bill. "I doubt any responsible library board or librarian condones looking at pornography on their computers. The state Legislature is not a nanny. Leave these budgetary decisions to the library board."

"Is this just another form of electronic book burning?" asked Rep. Barbara Goodwin (DFL-Columbia Heights). She said the bill would take funds away from local library and school officials who already determine what material is harmful to minors.

As a condition of receiving federal funding or grants for computer-related purchases, public libraries must install pornography filters on all computers with Internet access.

Johnson said he received an e-mail message from a librarian who said the bill would be a restriction on freedom.

"If freedom is to look at pornography in a library surrounded by kids," Johnson said, "then we live in a pretty messed up country, in my opinion."

★ CRIME

Gas-n-go

Those who fill their automobile gas tank and then cruise off without paying could face criminal charges, under a bill passed by the House 128-2 May 5.

Rep. Duke Powell (R-Burnsville), the sponsor of HF2763, said it is "attempting to solve quite a vexing problem." He explained that several Twin Cities metropolitan area retailers complained that police would not respond to 911 calls pertaining to gas-drive offs. The retailers told Powell that the police said such incidents are not addressed in criminal statutes and therefore can only be pursued through civil court proceedings.

"...That sounded like theft to me," Powell said.

His bill states that any civil liability proceedings do not preclude criminal charges from being filed against the individual.

"This, I believe, would instruct local law enforcement that this is indeed a crime and should be pursued as such," Powell explained.

An effort by Rep. Dean Urdahl (R-Grove City) to add an amendment prohibiting obesity lawsuits was ruled not to be germane by the House speaker. The amendment would have prohibited frivolous civil liability lawsuits against food producers, wholesalers, and retailers for any claim arising from weight gain, obesity, or a condition allegedly arising from "long-term consumption of food."

The bill now goes to the Senate, where Sen. William Belanger Jr. (R-Bloomington) is the sponsor.

Employee protection

A bill that would treat crimes against probation officers as seriously as crimes against jail and prison employees was passed 130-0 by the House May 5.

Rep. Sheldon Johnson (DFL-St. Paul) said his bill (HF2352/SF2387*) recognizes the increasing public safety concerns that law enforcement agents encounter in the course of their work. Johnson works in the corrections field.

Supporting the bill at the March 10 meeting of the House Judiciary Policy and Finance Committee was Terrence Wagner, chief steward for the Ramsey County probation officers.

"I think it's only going to get worse in the future," Wagner said, referring to violent incidents carried out against those in his profession.

A second component of the bill would make it a felony level crime to throw bodily fluids

or feces at a law enforcement officer or a probation officer.

A person convicted of throwing bodily fluids or feces at a law enforcement officer could be sentenced to up to three years in prison and made to pay a fine of up to \$6,000, or both, under the bill. The same crime against a probation officer or jail or prison employee carries a maximum penalty of two years in prison and a \$4,000 fine.

In the Senate, where Sen. Mee Moua (DFL-St. Paul) is the sponsor, the bill passed 64-1 on April 5.

It now goes to the governor.

★ ELECTIONS

District boundary adjustment

Residents in two Edina apartment buildings will no longer find their neighbors across the hall voting in a different House district, under a new law signed by Gov. Tim Pawlenty April 28.

According to Rep. Ron Erhardt (R-Edina), the House sponsor, when the census lines were drawn in 2002 they were drawn through the middle of two large apartment buildings. Effective April 30, 2004, the law adjusts the boundary between House districts 41A and 41B to follow a census block line.

Debra Mangan, Edina city clerk, told the House Governmental Operations and Veterans Affairs Policy Committee that building residents are mostly elderly and that problems became evident in the 2002 elections. She said voters felt disenfranchised when they went to the wrong place to vote after talking with neighbors about where their polling place was located.

Sen. Geoff Michel (R-Edina) is the Senate sponsor.

HF2482/SF2300*/CH170

★ EMPLOYMENT

Disabled worker study

A one-year project to study extended employment of people with severe disabilities would be conducted in Thief River Falls, under a bill the House passed 130-0 May 5.

The pilot project to study an industrial model for individuals with severe disabilities would not

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cost the state, said Rep. Tony Sertich (DFL-Chisholm), who sponsors HF2035/SF1946* with Sen. LeRoy Stumpf (DFL-Thief River Falls).

The program, which would begin July 1, 2004, would be monitored by the Department of Employment and Economic Development and implemented by the Occupational Development Center, a non-profit company. The project would provide the state with information to clarify the distinction between center-based and community employment subprograms.

The center's Custom Products division would provide employment. The company must pay minimum wages or better to all employees with severe disabilities and provide benefits equal to those provided to non-disabled employees. All work teams would be integrated and the project must maintain a minimum 60 percent ratio of disabled persons.

The Employment and Economic Development Department must complete a program evaluation by Oct. 1, 2005.

The bill was successfully amended by Rep. Marty Seifert (R-Marshall) to provide \$2.4 million in federal matching vocational rehabilitation funds to the Centers for Independent Living, whose funding was cut 30 percent by the 2003 Legislature.

The centers provide job training to moderately disabled people, Seifert said. The funding would be effective for fiscal year 2005, which begins July 1, 2004.

Because of the amendment, the bill now returns to the Senate where it passed 61-0 April 12.

Program changes

A bill that would make changes to the dislocated worker program that helps those who become unemployed through plant closings, substantial layoffs, and changing market

demands was passed 129-0 by the House May 5.

Sponsored by Rep. Bob Gunther (R-Fairmont), HF2799 modifies services, tightens eligibility requirements for the dislocated worker program, allocates grant funds, and provides legislative oversight.

Along with changes to how the program oversight board distributes funds to workforce service areas, a board would be required by January 15 of each odd-numbered year to submit recommendations to the Legislature regarding workforce development programs, modifications or eliminations of existing workforce programs under the board's oversight, as well as any potential new programs. Funding levels and sources must be included in the board's recommendations.

HF2799 also includes descriptions for long-term and short-term training, with greater emphasis on the short-term. The short-term training is used to "help the participant enhance current skills in a similar occupation or industry; entrepreneurial training, customized training, or on the job training; basic or remedial education to enhance current skills; and literacy and work-related English training for non-English speakers."

The bill now goes to the Senate, where Sen. Ellen Anderson (DFL-St. Paul) is the sponsor.

Workers' compensation changes

Changes recommended by the Workers' Compensation Advisory Board were approved by the House Ways and Means Committee May 4 and sent to the House floor.

The board consists of both labor and business representatives. Rep. Jeff Johnson (R-Plymouth), the sponsor of HF2915, said a delicate compromise was reached between both parties, resulting in the bill.

Provisions include:

- an injury or illness resulting from a vaccine required for an employee's job, as a result of a federal declaration under the Public Health Service Act, would be compensable;
- if an in-network pharmacy is not within 15 miles of an employee's work or home, the employee would be allowed to receive services from a closer pharmacy and still get reimbursed;
- an exemption from paying for workers' compensation coverage would be allowed for members of certain religious groups, the Amish and Mennonites, whose beliefs prohibit receiving those benefits;
- permission would be granted to certified managed care plans to offer discounted provider fees; and
- rules for health care provider standards of care would be based on an analysis of medical evidence and accepted standards of medical practice.

Judy Hawley, executive director of the Minnesota Chapter of the American Physical Therapy Association, said the association was opposed to provisions allowing discounted provider fees and the change in language regarding standards of care. Hawley said the change would compromise patient choice, the level of expertise patients receive, and their speed of returning to work.

"I don't criticize them for not liking the idea of providing a negotiating provision in there that might allow parties to negotiate a lower fee...but to argue that this is somehow going to hurt injured workers, I don't think that's accurate at all," Johnson responded.

No changes were made to the provision.

A companion bill (SF2844), sponsored by Sen. Thomas Bakk (DFL-Cook), awaits action in the Senate State and Local Government Operations Committee.

CAPITAL VIEW



A panoramic view of the State Capitol Mall from atop the Department of Transportation Building. This image is a composite of several images that were electronically "stitched" together.

★ ENERGY

Phasing out PCBs

Polychlorinated biphenyls (PCBs) are a class of man-made compounds that, up until serious health and environmental concerns arose in the 1970s, were commonly used as insulators in electrical equipment.

They are still sometimes found today in the oil that is placed in transformers and other electric utility equipment that has not reached the end of its service life, an average of 30 years, according to industry estimates.

A bill that utility representatives have described as a proactive way to voluntarily remove from service equipment containing those hazardous compounds passed the House 131-0 May 3 after it was passed in the Senate 64-0 April 5. It awaits action by the governor.

Sponsored by Rep. Dean Simpson (R-New York Mills) and Sen. John Marty (DFL-Roseville), HF2500/SF2422* would waive state hazardous waste fees on PCB waste associated with oil-filled electronic equipment voluntarily disposed of or retro-filled prior to the end of its service life.

"This legislation simplifies the laws surrounding polychlorinated biphenyls (PCBs) while retaining the high environmental protection standards Minnesotans are so proud of," Simpson said.

In the 1970s, Minnesota was ahead of the federal government in regulating PCBs, Simpson said. The federal government has since updated the codes, he said, and the bill would eliminate duplicative state and federal standards for labeling, emergency planning, and training, as well as a disincentive to get rid of the equipment in advance due to the cost of compliance with those double requirements.

Under current law, the industry pays

hazardous waste generator fees to the Pollution Control Agency for disposal of equipment that has reached the end of the line.

Under the bill, waste generators and the agency would have to execute a voluntary PCB phase-out agreement containing specific goals and a schedule for implementation.

The bill would not waive emergency fees or the fees on equipment being taken out of service at the end of its normal life span.

★ ENVIRONMENT

The nugget rush

Hopes are riding high in northeastern Minnesota and the Iron Range for a new process of producing high-quality iron nuggets from iron ore. After a successful testing period, the Mesabi Nugget process is ready to move from demonstration to production. Indiana, however, could give Minnesota a run for its money in the race to be the first full-scale producer of a better iron nugget.

In order to stay competitive, HF2986, sponsored by Rep. David Dill (DFL-Crane Lake), would exempt from certain environmental review the first iron nugget production facility in the state. The bill also would require state agencies with permit granting authority to provide public notice for necessary permits within four months of receiving a complete application.

The House Environment and Natural Resources Policy Committee approved the bill May 5 and sent it to the House Rules and Legislative Administration Committee.

The general belief has been that the production facility would be constructed at the site of the demonstration plant in Silver Bay. After three successful test runs, "the Minnesota Mesabi Nugget is now king and it's sought all

across America for steelmaking," Dill said. "The problem is there is not enough of it."

And the reality of a two- to three-year environmental review process for a facility along the Lake Superior shore has prompted a change in plans and location, Dill said.

Instead, the first production plant could be built on the site of the former LTV plant in Hoyt Lakes. Cleveland Cliffs purchased that plant in a bankruptcy, Dill said, and all of the assets such as roads, buildings, railroads, and tailing ponds, have been preserved. There is an existing operating permit for a 10 million-ton taconite plant for the site, and preliminary estimates show that the nugget process is "as clean or cleaner than for all pollutants from LTV furnaces," said Ann Foss, a program administrator with the majors and remediation division of the Minnesota Pollution Control Agency.

While the Pawlenty administration supports the bill, the agency is typically not supportive of waiving environmental review, Foss said. But, she added, the bill specifies that certain federal regulations still would apply and the agency would not reduce its environmental oversight.

"We are not opposed to the legislation," Foss said.

Rep. Rebecca Otto (DFL-Marine on St. Croix) offered an amendment that would have required the facility, when constructed, to utilize the "most effective available technology that specifically reduces mercury emissions." "We want the jobs, we want the plant," she said. "We're also concerned about the mercury."

Otto withdrew the amendment and deferred instead to an amendment successfully offered by Rep. Dennis Ozment (R-Rosemount) that states the agency "shall strive in the permitting process to assure the lowest mercury emissions reasonably possible."

Under the current plan, a second plant could be built in Silver Bay under the regular



PHOTO COMPOSITE BY PAUL BATTAGLIA

environmental review process.

A Senate companion bill (SF3022), sponsored by Sen. Thomas Bakk (DFL-Cook), has advanced to the Senate Rules and Administration Committee.

Regulating petroleum tanks

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A new law signed by Gov. Tim Pawlenty April 29 will modify the Pollution Control Agency's field citation practices to make aboveground storage tanks subject to the same regulations as underground storage tanks with respect to environmental considerations such as spill, overfill, and corrosion protections and leak detection methods.

Effective Aug. 1, 2004, the new law also will shorten the compliance grace period facility operators have to meet the regulations and raise the penalties for certain violations.

The agency has the regulatory authority to issue red tags to facility operators for failure to comply with state and federal requirements. The tag is attached to the top of the tank's fill pipe, and it signifies that petroleum product deliveries are prohibited until the violation is corrected.

Under the new law, which was forwarded at the behest of the Minnesota Petroleum Marketers Association, facility owners will have 60 days to correct a violation before a citation is issued, unless there is a discharge associated with the violation or it is a repeat violation from a previous inspection. Currently, the grace period is 90 days.

Another provision will raise from \$250 to \$500 the penalty for violating rules relating to upgrading existing underground storage tank systems, up to a maximum of \$2,000 per tank system; and raise from \$100 to \$250 the penalty for violating underground storage tank system general operating requirements.

Rep. Joe Hoppe (R-Chaska) and Sen. Thomas Bakk (DFL-Cook) sponsored the law. HF2365/SF2299*/CH169

GAMBLING

★

Charitable provisions

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A new law signed April 30 by Gov. Tim Pawlenty makes several changes to charitable gambling, including raising the total winnings of a bingo prize from \$2,500 to \$2,800, unless a cover-all game is played, in which case the limit increases from \$3,500 to \$3,800.

Rep. Carl Jacobson (R-Vadnais Heights) and Sen. Jim Vickerman (DFL-Tracy) sponsored

the law.

It also makes changes to the Minnesota Gambling Control Board. Added to its oversight responsibilities are the adoption of rules for tipboard games with multiple seals and cumulative or carryover tipboard prizes.

Other provisions include:

- Veteran's posts can spend up to \$1,500 per person to send as many as two veterans to Washington, D.C., for the May 29 dedication of the National World War II Memorial. The measure places a cap on the total amount from each organization at \$6,000. Originally the provision was HF1835 sponsored by Rep. Marty Seifert (R-Marshall).
- A person under age 18 may play bingo on one occasion at an event sponsored by a licensed organization as part of an annual community event, if a parent or guardian accompanies the minor.
- The number of days in a calendar year on which an organization may conduct lawful gambling on premises other than those for which the organization has a premises permit is increased to four. Also allowed is one event up to 12 consecutive days in connection with a county fair, state fair, church festival, or civic celebration. Previous law was one day or one event.
- No gambling organization may report cash shortages in any fiscal year that exceed three-tenths of 1 percent of the gross receipts from lawful gambling. Previous law allowed for four-tenths of 1 percent.

Most of the law is effective May 1, 2004, except for the cash shortages section, which takes effect July 1, 2004.

HF2521*/SF2435/CH172

GOVERNMENT

★

Fiscal impact notes

The House passed a bill May 3 that would give cities, townships, and other local units of government the ability to request fiscal notes under certain conditions when a state agency changes a rule. The vote was 100-30.

Under HF2101, sponsored by Rep. Marty Seifert (R-Marshall), the commissioner of finance would be required to prepare a fiscal impact note if requested by a governing body. If it is determined that the compliance cost exceeds \$50,000 for any business with less than 50 full-time employees, the rule must go before the Legislature for approval.

"Only the most costly and onerous rules" would be required to go through the process, Seifert said.

Governing bodies are defined in the bill as the elected governing body of a city, township, county, school district, soil and water

conservation district, or sanitary district. The request must be made at least 10 days before a public hearing, or at least 10 days before the deadline for requesting a public hearing.

The entity making the request may be required to pay a \$35 per hour fee for time spent preparing the note.

"Existing law covers this in a way that has been responsible," said Rep. Phyllis Kahn (DFL-Mpls) in opposition.

Gov. Tim Pawlenty vetoed a similar bill (HF624) last session that called for a \$10,000 threshold. During House floor debate Kahn read a portion of the veto message: "Currently, the Legislature has the authority to change or amend an existing rule through legislation. Existing law, which allows the Legislature to essentially override any rule passed by an agency, would seem to provide ample protections against overly burdensome or unnecessary rules."

Seifert said he attempted to address concerns such as the lower threshold and too much authority being given to the legislative branch.

Additionally, Kahn said the bill doesn't adequately address how one entity's cost may affect another entity's benefit. She said this was especially true in relation to environmental issues, citing as an example when a city discharging pollution into a river picks up the costs to improve water treatment and another town downstream benefits without paying anything.

Seifert said the issue comes down to a simple philosophical disagreement on the process. "If we have rules that impact a small business to that effect I think that they deserve to have their hearing before elected legislators not unelected bureaucrats."

The bill now goes to the Senate, where Sen. David Senjem (R-Rochester) is the sponsor.

Duty transfer

The House passed a bill 130-0 May 5 that would transfer duties from the education commissioner to the commissioner of veterans affairs relating to certifying higher education programs for federal funding eligibility and a veterans training program.

Sponsored by Rep. Dean Urdahl (R-Grove City), HF2166 conforms statutes to the Governor's Executive Reorganization Order 190 that became effective Dec. 25, 2003. Urdahl said both departments support the legislation, and three full-time staff had already made the move from the Education Department to the Department of Veterans Affairs.

The bill also changes some language relating to the State Soldier's Assistance Fund used to provide optical and dental assistance to needy veterans. According to nonpartisan House research staff, due to funding limitations the program has not been used to

provide emergency hospitalization and medical treatment. The bill changes statutes to reflect current practice.

The bill now goes to the Senate, where Sen. Jim Vickerman (DFL-Tracy) is the sponsor.

★ HEALTH

Green lighting hospitals

Under current law, hospitals are prohibited from increasing or redistributing bed capacity. The 1984 Legislature placed this moratorium on the construction of new hospitals in the state, and most exceptions must currently obtain legislative approval.

A bill that would lay new framework for the process through which hospitals seeking exceptions to the moratorium submit plans passed the House 128-1 May 3.

HF2085, sponsored by Rep. Dan Severson (R-Sauk Rapids), would establish a process by which the health commissioner must issue findings and recommendations to the Legislature when hospitals seek an exception.

Under the bill, hospitals would be required to pay for the cost of the review and answer a number of questions designed to establish whether the exception is in the public's best interest.

Originally, the moratorium was intended to regulate the "migration of hospitals from the inner city to the richer outer suburbs," Severson said.

"The reason this bill is here is because we need to take (moratorium exceptions) out of the political legislative process," and give the Department of Health the third-party ability to review the applications, Severson said. Those findings would give the Legislature an objective perspective, he added.

Rep. Joe Opatz (DFL-St. Cloud) agreed, stating legislators can become caught between a rock and a hard place when two local hospitals are competing.

"Is this going to be used as a gatekeeper or a way to stop competition?" asked Rep. Torrey Westrom (R-Elbow Lake).

Severson said the whole issue with regard to health care and the moratorium is that free enterprise does not always work in health care. The process is being proposed in order to get a good perspective on the competition and health care in an area, he said.

Representatives from both sides of the aisle, namely Rep. Mark Olson (R-Big Lake) and Rep. Michael Paymar (DFL-St. Paul), expressed concerns over whether the Legislature would have the ultimate say. Neither could find a legislative approval clause.

Severson said the process was not in place

of bringing the vote to the House and Senate floors, a statement backed up by the chairs of the House health and human services policy and finance committees.

The bill now moves to the Senate, where Sen. Michelle Fischbach (R-Paynesville) is the sponsor.

Moratorium exemption

A bill that would add to the list of hospital construction moratorium exceptions was passed by the House 130-0 May 5.

It now awaits gubernatorial action.

Rep. Loren Solberg (DFL-Grand Rapids), the sponsor of HF1896/SF1716*, said the Itasca County Hospital requested an exception to the moratorium to add 14 beds that would be used for rehabilitation services. "There is no opposition to the bill," he told members.

"The state imposed the construction moratorium several years ago in an effort to help control health care costs. So far, 16 other exemptions have been provided in law," according to a Feb. 20 news release from Solberg's office.

According to state statute: "The following construction or modification may not be commenced: (1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or

redistribution of hospital beds within the state; and (2) the establishment of a new hospital."

The bill was approved 61-0 by the Senate April 12. Its Senate sponsor is Sen. Tom Saxhaug (DFL-Grand Rapids).

License provisions

The House passed a bill 123-6 May 5 that would make changes to licensure provisions for speech-language pathologists, audiologists, occupational therapy professionals, dentists, and other public health occupations.

Rep. Jim Abeler (R-Anoka), the sponsor of HF2175, said he was originally opposed to the bill, but took on the project to find areas to be tweaked. The bill covers nine licensure groups and clarifies regulations.

Several additional regulations include: allowing physician's assistants to provide radiography, adding oriental massage to acupuncturists' scope of practice, and requiring that graduates from nursing education programs in Canada show proof of licensure in that country or the United States, while graduates from other countries must submit verification of graduation from a nursing program and be approved the Board of Behavioral Health and Therapy.

The bill also encourages health-care providers to use thimerosal-free vaccines when available. A pair of health agencies and vaccine manufacturers have recommended against using thimerosal as a precautionary

NATIONAL CHAMPIONS



PHOTO BY TOM OLMSCHIED

Melissa Coulombe, left, holds the national championship trophy as the House honors the University of Minnesota women's hockey team during the May 3 floor session. The Gophers won the NCAA title with a 6-2 win over Harvard on March 28. It was the team's second national title in five years.

measure. Thimerosal is a mercury-containing preservative used in some vaccines. Doses used in vaccines may cause minor reactions like redness or swelling at the injection site.

A successful amendment by Rep. Laura Brod (R-New Prague) added a cross reference of language relating to licensures of Minnesota National Guard members who are ordered to active military service.

A nurse recently returning from deployment faced a situation as to whether he could be relicensed due to some lapsed continuing education requirements. Brod said the change would help those reading the statutes relating to veterans and service members, "know where to find the place where this service member is covered."

Also amended onto the bill was HF2436, also sponsored by Abeler. It modifies the Emergency Health Powers Act in a number of ways, including: allowing the governor to issue an executive order allowing care to be administered in temporary facilities when the regional hospital system is at capacity, and permitting law enforcement to use "reasonable force" in enforcing a quarantine or isolation order. A Senate companion (SF2512), sponsored by Sen. Becky Lourey (DFL-Kerrick), awaits action by a third committee.

The bill now goes to the Senate, where Sen. Sheila Kiscaden (IP-Rochester) is the sponsor.

Survey changes

Every nursing home in Minnesota must have a state license from the Department of Health to operate. Department staff, known as surveyors, regularly inspect the homes for compliance.

On a 129-0 vote, the House passed a bill May 5 that makes changes to the federally required nursing facility survey process.

"What this bill does is look at the survey processes in the nursing homes and includes some areas where these can be approved," said Rep. Char Samuelson (R-New Brighton), the sponsor of HF2246.

Rick Carter, president of Care Providers of Minnesota, told the House Health and Human Service Policy Committee Feb. 25 that the survey process is "out of control. It is demoralizing for all concerned."

Among changes under the bill are additional requirements for provider and surveyor training.

"One of the areas is joint training, which means that the providers and the surveyors will have training together on new items or new regulations that are in place," Samuelson said. Otherwise, the only time the entities would meet is during the actual survey, which can be a stressful time for all involved.

The bill requires the health commissioner

to establish a quality improvement program for the facility survey and complaint process. According to the bill, "The commissioner must regularly consult with consumers, consumer advocates, and representatives of the nursing home industry and representatives of nursing home employees in implementing the program." An annual quality improvement report must be submitted to the Legislature beginning Dec. 15, 2004.

The commissioner must also provide facilities with draft statements of deficiencies at the time of the survey exit process and provide facilities with completed statements of deficiencies within 15 working days of the exit process. Furthermore, when citations are posted on the agency Web site, the facility's response must also be posted.

"There is no fiscal impact and all stakeholders are in favor of the bill," Samuelson said.

The bill has no Senate sponsor.

Adverse event reporting

The House passed a bill May 5 that clarifies the duties of the Department of Health and health facilities in the reporting of adverse health care events.

Following the 130-0 vote, the bill is on its way to the governor. Senate approval was given by a 64-0 vote April 26.

"We passed a bill last session that requires the reporting of 27 events that should never happen in hospitals," said Rep. Lynda Boudreau (R-Faribault), who sponsored HF2537/SF2365* with Sen. Steve Kelley (DFL-Hopkins). "This bill makes some technical changes to that act."

Under current law, adverse health care events could include surgery on the wrong body part or person, patient death or disability related to medical devices or drugs, or patient protection errors such as discharging an infant to the wrong person.

"Medical errors that now involve children will be reported and that is why there is a reference to the Maltreatment of Minors Act," she said. "The boards of practice for physicians, nurses, physicians assistants, pharmacists, and podiatrists want to be mandated reporters of these adverse events, in addition to the hospitals."

The bill also addresses the protection of the confidentiality of investigative documents that are held by the Department of Health.

"I'm not aware of any opposition or concerns with this legislation," Boudreau said. "There's great peace in the valley on this bill."

Different terminology

A bill that provides a state statute clarification for the way some assisted living facilities are termed is on its way to the governor.

Passed by the House 130-0 on May 5, HF1936/SF1571* was passed by the Senate 63-0 March 22.

"This bill is a technical fix to the assisted living communities in the state of Minnesota," said Rep. Brad Finstad (R-New Ulm), who sponsored the bill with Sen. Mee Moua (DFL-St. Paul).

"We see in the industry some problems with long-term care insurance, and the way our state statutes address assisted living we call it 'housing with services,'" he said. "This bill just makes some technical changes in providing more definitions for housing with services as an assisted living facility and assisted living services."

Under the bill, a registered housing with services establishment "that holds, or contracts with an individual or entity that holds, a home care license and all other licenses, permits, registrations, or other governmental approvals legally required for delivery of the services the establishment offers or provides to its residents, constitutes an 'assisted living facility' or 'assisted living residence.'"

★ INDUSTRY

Non-oxygenated fuel exemptions

The statutory definition of oxygenated gasoline is gasoline that has been blended with agriculturally derived denatured ethanol or with another oxygenate approved by the U.S. Environmental Protection Agency.

State law now requires that all gasoline sold in Minnesota must contain at least 10 percent denatured ethanol by volume, with the exception of gas sold for use in collector vehicles or vehicles eligible to be licensed as collector vehicles, off-road vehicles, motorcycles, boats, snowmobiles, or small engines.

HF2098/SF2453*, sponsored by Rep. Dan Dorman (R-Albert Lea) and Sen. Becky Lourey (DFL-Kerrick), would make some changes to the guidelines for stations selling both oxygenated and non-oxygenated fuels.

The bill passed the House 111-19 May 5.

Dorman said that the 10 percent mandate has caused a "small hitch" for certain retail gasoline stations that sell both types of gasoline.

In some cases, those stations could have a blending switch on a pump and come close to meeting the new mandate but not quite make it, he said. The bill would provide certain exemptions for those retailers.

Another provision would require a sticker

informing customers of the approved non-oxygenated fuel uses to be placed on the pump at least 2 feet above the ground.

Dorman said in some cases the sticker wasn't visible unless a person bent over to tie their shoes while pumping gas.

Also under current law, gasoline stations in Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Washington, and Wright counties must notify the Department of Commerce of the intent to sell non-oxygenated fuel between Oct. 1 and Jan. 31 and then report the number of gallons sold during that period.

Under the bill, any retail gas station in the state selling non-oxygenated premium gasoline would have to submit a report summarizing the annual sales volume every two years.

Dorman said it makes more sense to establish a trend line and find out how much non-oxygenated fuel is being used on an annual statewide basis.

The provision would "give the folks in the renewable fuel area some comfort," he said.

Rep. Bob Gunther (R-Fairmont) successfully amended the bill to include a provision that would raise the petroleum inspection fee from 85 cents to \$1 for every 1,000 gallons. The additional fee would be directed to the department's petroleum quality inspection program.

The amended bill now returns to the Senate, where the original bill was approved 61-3 April 5.

★ INSURANCE

Solvency calculation

A bill that would change how the solvency of health plans is calculated was passed 130-0 by the House May 5.

HF2258 is sponsored by Rep. Tim Wilkin (R-Eagan), who said the Department of Commerce asked that the bill be considered.

"The actuaries there have requested that we put in place a way to regulate the solvency of health plans through a method called risk-based capital," Wilkin said.

"This is the same way property casualty companies are currently regulated, life insurance companies, and similar to the way banks are regulated," he added.

The bill is based on model legislation from the National Association of Insurance Commissioners, said Wilkin.

At the same time, the bill repeals the old method of regulating capital.

HF2258 also allows the Department of Commerce and the National Association of Security Dealers to share data when working on joint fraud investigations.

Wilkin said he was not aware of any opposition to the bill.

A successful amendment offered by Wilkin on the House floor contains several health plan provisions from the health and human services omnibus bill that aim to achieve costs saving, as well as regulate the electronic transmission of required information.

The Senate companion bill (SF2587), sponsored by Sen. Dan Sparks (DFL-Austin), has been incorporated into SF1889, which contains government data classification and dissemination provisions. That bill awaits action by the full Senate.

★ LAW

Statute of limitations

Efforts of non-Minnesota residents to bring class action and other lawsuits seeking awards for damages would be limited, under a bill passed by the House 91-39 May 5.

Rep. Paul Kohls (R-Victoria) said his bill (HF2444) is an "anti-forum shopping" bill to prevent non-Minnesotans from using Minnesota courts when the statute of limitations has expired in their home state.

He explained that if a Kansas resident who was injured while installing plumbing in a home under construction in Kansas, for example, didn't file a lawsuit within the Kansas statute of limitations, there's nothing to prevent him from filing that lawsuit here.

The situation is not hypothetical, Kohls said. In a federal court case heard in Minnesota, he said, the judge declared the lawsuit as "flagrant forum shopping" while admitting there was nothing he could do to stop it.

Kohls said the bill is in keeping with the Uniform Conflict of Laws-Limitations Act adopted by other states and is necessary to "prevent our courts from being a potential dumping ground for whatever the next court craze may be." He cited class action lawsuits stemming from Fen-Phen weight loss drugs.

But other members questioned the need for this legislation. Rep. Steve Smith (R-Mound) said only five states have adopted the Uniform Conflict of Laws-Limitations Act as it was originally written. The last one to do so, he said, did so 13 years ago.

"This uniform law is one of the most restrictive uniform laws we could take up and consider," Smith said.

At most, Smith said, 12 cases are seen in Minnesota courts every year that would fall under the purview of the bill. "Twelve cases a year is nothing to get worked up over," he added.

An amendment successfully offered by Rep. Joe Atkins (DFL-Inver Grove Heights) makes the bill applicable to claims arising from

incidents occurring only on or after Aug. 1, 2004.

The bill now goes to the Senate, where Sen. Ann Rest (DFL-New Hope) is the sponsor.

★ SAFETY

Driving privileges

A bill that would limit the ability of most teenagers to gain a driver's license following accidents or drunken driving incidents was passed 100-29 by the House May 3.

Sponsored by Rep. Greg Blaine (R-Little Falls) and Sen. Betsy Wergin (R-Princeton), HF2555/SF2851* does two things.

First, a young person whose provisional license is revoked due to a drunken driving crime or a crash-related moving violation would not be able to regain a license until age 18. Furthermore, that person would have to complete a formal driving instruction course, document three months' experience in operating a motor vehicle, and pass the driver's license written examination.

Second, any person under age 18 driving without an instruction permit who is convicted of a DWI-related crime or a crash-related moving violation would not be allowed a license until age 18. In order to obtain a regular license, this person would then have to pass a written test, obtain a learner's permit and hold it for at least six months, and then pass a behind-the-wheel test.

Blaine said the bill is referred to as "Vanessa's Law." Vanessa Weiss was killed in May 2003, just days before her 16th birthday. She was a passenger in a vehicle being driven by an unlicensed 15-year-old who lost control of the vehicle.

Vanessa's mother, Mary Weiss of St. Louis Park, testified before the House Civil Law Committee March 12 in support of the bill. She said alcohol and drugs were not a factor in the accident. To blame were excessive speed, inattentive driving, and youthful inexperience.

"I feel it is very unfortunate that the life of an innocent young girl was taken before we have taken action to address this issue," Blaine said.

The bill was amended on the House floor to clarify its intent.

The amendment was preceded by a robust debate between Blaine and Rep. Tom Rukavina (DFL-Virginia). Rukavina said passing the bill would only further disenfranchise teenagers and limit the ability of judges to use discretion.

"It's very unfortunate what happened to this young woman...but to just go with a blanket

Continued on page 14

The image to the right was photographed normally in the visible spectrum. To the far right is the same Capitol area image photographed using an infrared filter.



Below: The ghostly forms of children playing around the Charles Lindbergh memorial in a three-second infrared exposure.





With the use of an infrared filter, light is captured in the part of the spectrum not visible to the human eye. Such images often take on a dreamlike or otherworldly look. Since green light is translated into white through the infrared filter, spring landscapes often take on the appearance of a snow-covered environment. These infrared images were obtained using a Wratten no. 87 filter at shutter speeds between one second and three seconds.



Below left: The Korean War Veterans Memorial in infrared.

Below right: Friends enjoy an infrared lunch on the east veranda of the State Capitol.

SPRING IN INFRARED LIGHT



PHOTOS AND TEXT
BY ANDREW VONBANK

Continued from page 11

bill, Rep. Blaine, I just can't support it," Rukavina said.

Responded Blaine, "This a blanket attempt to address the fact that we want young people in the state of Minnesota to think before they get behind the wheel if they don't have a driver's license."

The Senate passed the amended version 63-1 May 4. It now goes to the governor.

Property protection

**Vetoed
by
the
governor

A bill that would have protected private property cave owners from injury lawsuits by recreational explorers was vetoed by Gov. Tim Pawlenty April 29.

The veto comes in the wake of the April 27 deaths of three teenagers from carbon monoxide poisoning in St. Paul caves near the Mississippi River. The odorless, colorless gas tends to build up in the caves.

"In light of the deaths this week in a St. Paul cave, this is an issue we should not take lightly," Pawlenty said in a press release. "We've seen first-hand the dangers involved in cave exploration. This bill could decrease precautions to avoid tragedy in the future."

The veto is the first of the 2004 legislative session.

Under current law, a landowner making his property available for recreational activities without charge has no responsibility to prevent individuals from harming themselves. Activities currently covered by the law are hunting, trapping, fishing, swimming, boating, camping, picnicking, hiking, bicycling, horseback riding, firewood gathering, pleasure driving, snowmobiling, water skiing, as well as activities including winter sports, use of trails on foot or motorized vehicles, and the viewing of historical, archaeological, scenic, or scientific sites.

The bill would have added rock climbing and cave exploration to the list. Rep. Gregory Davids (R-Preston) and Sen. Mady Reiter (R-Shoreview) were its sponsors.

Bill Brueck of Chatfield, representing the Minnesota Speleological Survey, testified in support of the bill at the Feb. 18 House Civil Law Committee meeting.

"...As hobbyists, as cave explorers, as scientists, as recreationalists on this activity, we are finding that landowners are simply concerned about having us on their property out of concern of liability," Brueck said.

The Minnesota Speleological Survey is an affiliate of the National Speleological Society, an organization dedicated to the study, exploration, and conservation of caves.

The group asked for the addition of rock climbing to the definition as well, recognizing that access to cave entrances occasionally requires rock climb and rappelling.

"We also feel it is our responsibility if we get in trouble while we're doing this and so we want to make sure landowners are not held responsible for our activities," Brueck said.

HF1861*/SF1645/CH168

TOURISM



Promoting Minnesota

**Signed
by
the
governor

A new law signed April 28 by Gov. Tim Pawlenty creates a new office within the executive branch called Explore Minnesota Tourism.

Tourism functions are currently administered within the Department of Employment and Economic Development, but the transfer of duties to a new agency would help "increase the awareness of tourism in Minnesota," John Edman, deputy commissioner of the Minnesota Office of Tourism, told a House committee.

The budget would move with the office, resulting in no net fiscal impact to the state.

Rep. Gregory Davids (R-Preston), who sponsored the law with Sen. Thomas Bakk (DFL-Cook), said the current configuration no longer meets the needs of the industry.

Edman said Minnesota is being outspent on tourism marketing by neighboring states. With more people leaving the state to travel than people coming here from elsewhere, it is time to look at other funding mechanisms for promoting Minnesota travel. He said for every dollar the state spends, it gets \$4.60 back in taxes. By giving Explore Minnesota Tourism the flexibility to pursue public-private partnerships, the law would make the office more effective at generating marketing dollars.

Under the law, the governor will continue to appoint the director, as well as a 28-member council to oversee the tourism office. Council members will include the director of Explore Minnesota Tourism, 11 representatives from associations representing specified tourism and hospitality groups, one representative from each of the four tourism marketing areas to be designated by the office, and two legislators from both the House and Senate.

Effective July 1, 2004, the law permits the director to sell reports, publications, or related publicity or promotional material of the office. The office could also receive revenue from advertising, although promotional expenses are excluded from being used for radio and

television appearances of an elected public official.

HF2044/SF2009*/CH171

TRANSPORTATION



Pounds of gross weight

Garbage trucks would be allowed to bypass road weight restrictions typically imposed during the spring thaw season, under a bill passed 98-32 by the House May 3.

HF722, sponsored by Rep. Ron Erhardt (R-Edina), would allow garbage trucks to continue making their routes despite any posted weight restrictions until July 1, 2005, provided the trucks do not exceed 14,000 pounds per axle.

Under current law, some heavy vehicles are already exempt from temporary annual weight restrictions, including school buses and recycling trucks.

The provision's expiration date was chosen, Erhardt said, to coincide with completion of a study on road wear and weight restrictions being conducted by the Minnesota Department of Transportation and the Center for Transportation Studies at the University of Minnesota.

There was no floor debate on the issue, but the bill generated a great deal of discussion in committee. The measure was favored by garbage companies and opposed by city engineers and county representatives.

Julie Ketchum, representing Waste Management of Minnesota Inc., told the House Transportation Policy Committee that five of her company's drivers were charged with gross misdemeanors in April 2003 for violating highway weight restrictions. After being unable to get the charges placed in the company's name, they are facing jury trials.

If signed into law, the bill would allow law enforcement to impose a civil penalty on garbage and recycling truck drivers violating weight restrictions. It would disallow criminal penalties.

Tom Mathisen, Crystal city engineer, told the committee that the garbage hauling industry has increased truck sizes to increase profits and is now asking the Legislature for an exemption.

"You can't make a highway pavement stronger by passing a law," added Mike Wagner, Nicollet County engineer.

The committee also heard Roseville City Engineer Deb Bloom say that building one mile of road requires about \$850,000. Allowing heavier loads could exacerbate the condition of county roads, which have \$195 million in preservation and maintenance needs throughout the state,

added Carol Lovro, representing the Association of Minnesota Counties.

The bill now goes to the Senate, where Sen. William Belanger Jr. (R-Bloomington) is the sponsor. The provisions are also in a Senate omnibus transportation policy bill (SF2247), sponsored by Sen. Steve Murphy (DFL-Red Wing). It awaits action on the Senate floor.

Behind the wheel

Substantial changes to the hours that truck drivers may work was signed into law April 29 by Gov. Tim Pawlenty.

The new rules add an hour to

allowed driving times, but also increase required off-duty rest times. Furthermore, more non-driving activities have been added to the definition of driving.

The changes, effective April 30, 2004, were mandated by an update of federal law in January.

Earlier this year, trucking companies throughout the nation objected to the new federal rules, fearing that the changes would drive up costs.

However, the Federal Motor Carrier Safety Administration, on its Web site, states that the new hours-of-service rule will save 75 lives and prevent 1,326 fatigue-related injuries and 6,900 incidents of property damage every year. Prevention of such incidents would save the

American economy \$628 million a year.

The cause of driver fatigue is the length of a driver's workday, not just the amount of time he or she spends on the road, according to the federal agency.

"That's why the ... new hours-of-service rule reduces a driver's workday by an hour and requires it to be consecutive, while allowing more of that time to be spent on the road, where most drivers earn their living," said Administrator Annette M. Sandberg, on the agency's Web site.

Sponsors of the law are Rep. Michael Beard (R-Shakopee) and Sen. Mark Ourada (R-Buffalo).

HF1978*/SF1910/CH167

Signed
by
the
governor
★ ★ ★

What's on the Web

Finding legislator votes online

How did my representative vote on the issue?

The answer to this frequently asked question is seldom packaged as neatly as many constituents would prefer, but the documentation does exist as a matter of public record.

While there are no official compilations of voting records by individual legislator, all roll-call votes — required for the final passage of any bill — are recorded electronically and published in the Journal of the House.

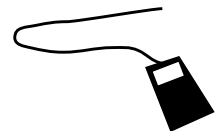
The HouseWeb site contains electronic versions of the journal back to 1994. Visit www.house.leg.state.mn.us/cc/journals/journl.htm to view the collection.

Even better than that, the House Web site features a handy link to floor votes and their respective journal pages sorted by House file number.

From the House main page (www.house.mn), select the "Recorded Roll Call Floor Votes" link under the House Legislation heading.

The Recorded Roll Call Votes By Year page offers links to every bill passed by a roll call vote back to the 2001 session. Select the particular bill you are interested in and the subsequent screen will present the vote tally, as well as links to the specific journal page, and the list of members who voted in the affirmative or the negative.

A link to recorded roll call votes also is available on the status page for House bills.



Frequently called numbers

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Information, House

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Toll free 1-800-657-3550

TTY, House 296-9896

Toll free 1-800-657-3550

Chief Clerk of the House

211 Capitol 296-2314

Index, House

211 Capitol 296-6646

Sergeant-at-Arms, House

45 State Office Building 296-4860

Committee Hotline, House 296-9283

Information, Senate

231 Capitol 296-0504

Toll free 1-888-234-1112

TTY, Senate 296-0250

Toll free 1-888-234-1112

Secretary of the Senate

231 Capitol 296-2344

Voice mail/order bills 296-2343

Index, Senate

110 Capitol 296-5560

Sergeant-at-Arms, Senate

Senate Chamber 296-7514/296-1119

Committee Hotline, Senate 296-8088

Legislative Reference Library

645 State Office Building 296-3398

Governor's Office

130 Capitol 296-3391

Toll free 1-800-657-3717

Attorney General's Office

102 Capitol 296-6196

Toll free 1-800-657-3787

Secretary of State's Office

180 State Office Building 296-2803

Capitol Security

B-5 Capitol 296-6741

Emergency 296-2100

Victims and criminals

Measure would distribute funds to fight domestic and international sex trafficking of Minnesota women, children

By MIRANDA BRYANT

Paula can't remember her first trick as a prostitute. But she can recall being abused by her brother and her father's best friend.

At age 12 she presented a fake ID and began working as a prostitute at a massage parlor. By age 15 she had a pimp who beat her numerous times and trafficked her to seven different states, forcing her to walk the streets as a prostitute. Ultimately, she was bought and sold eight times to other pimps.

"Not only was I seen as a victim, but I was seen as a criminal," she told the House Judiciary Policy and Finance Committee March 11. As she spoke, several women stood with their backs to the committee, allowing members to see the slogans on their T-shirts which stated: "We will not be bought, sold or traded at any price."

Paula was testifying in support of HF2314, sponsored by Rep. Kathy Tingelstad (R-Andover), which would expand the definition of prostitution to include sex trafficking. The initiative would also allocate funds for the continued investigation of sex traffickers, and to organizations helping prostitutes and sex trafficking victims.

The measure has been included in the House judiciary finance omnibus bill (HF2028), approved by the House. The Senate companion (SF2245), sponsored by Sen. Sandra Pappas (DFL-St. Paul), has been incorporated into the Senate omnibus crime prevention bill (SF1863). It awaits action by a second committee.

Minnesota is not immune from sex trafficking crimes, according to Matt Wenthe, a Minneapolis police officer. Working undercover, Wenthe has helped numerous outstate police agencies infiltrate the adult and juvenile sex trade in Minnesota, particularly a statewide circuit that has developed over the past 15 to 20 years.

"There is no point on the compass that is immune from this particular situation," Wenthe said. "The smallest of towns can have a problem and not see it."

While Paula was recruited domestically, other women and children are recruited

internationally.

Women in foreign countries can be lured by newspaper advertisements offering good jobs at high pay in exciting cities. Fraudulent travel, modeling, and matchmaking agencies can also lure victims. And in some cases, parents are convinced their children will be taught a useful skill or trade, or that their daughters will be married to rich, kind men.

Victims often feel powerless to seek help, hampered by language barriers, threats of physical harm, and fear of arrest.

Vednita Carter, executive director of the group Breaking Free, told the committee of one case in which 10 Minnesota girls under the age of 18 were kidnapped and taken to

and 20 years, depending on the prostitute's age.

A major component of the bill is the distribution of funds gained through the sale of property used in prostitution. State law allows such items to be seized and sold. HF2314 would distribute the proceeds as follows:

- 40 percent to the law enforcement agency involved in the forfeiture,
- 40 percent to the Department of Public Safety for distribution to crime victims service organizations helping prostitution and sex trafficking victims, and
- 20 percent to the prosecuting agency handling the forfeiture.

The amount of revenues that could be raised is unknown.

However, state agencies submitting fiscal analyses to the judiciary committee expressed skepticism and concern.

"The activities covered in the definition of sex trafficking may already be prohibited," stated a Supreme Court fiscal note.

The Sentencing Guidelines Commission reported that 21 people were sentenced for pro-


motion of prostitution under the current definition in 2002. "It is projected that expanding the definition will result in a minimal increase in the number of offenders sentenced for this offense," said the commission's fiscal note.

The note went on to state, however, that local jail costs could be more substantial if the number of cases increases.

An amendment offered by Rep. Steve Smith (R-Mound) would require an annual report on the dis-

tribution and expenditure of seizure funds.

Officer Wenthe said the distribution of seized property revenues is important because complex sex trafficking investigations can last up to two years and severely burden local police forces with limited resources.

Said Wenthe, "Legislative initiatives like this one will only help to keep the law enforcement toolbox stocked with valuable and necessary tools — tools needed to catch and convict individuals bent on criminal exploitations of others." 



PHOTOILLUSTRATION BY PAUL BATTAGLIA

The definition of prostitution would be expanded to include sex trafficking, under a measure in the House omnibus judiciary finance bill.

Chicago as part of a sex trafficking ring.

"Is it possible to end this form of oppression?" Carter said. "I say, yes, it is. Our policymakers were able to abolish slavery. We certainly can abolish prostitution, which is an extension of slavery."

HF2314 defines sex trafficking to mean "receiving, recruiting, enticing, harboring, providing or obtaining by any means, an individual to aid in the prostitution of an individual."

Under current law, promotion of prostitution carries a maximum sentence of 15 years

Greenway on the Red

Proposal would create greenway along Red River to prevent floods, boost tourism

By NICOLE WOOD

In response to repeated, devastating floods in the Red River Valley, officials from three states and a province are working together to prevent flooding in the basin and thereby reduce the potential for damages and taxpayer expenditures in the aftermath of flooding.

The Red River of the North flows approximately 550 miles south to north from a confluence of the Otter Tail and Bois de Sioux rivers near Breckenridge, Minn., forming the Minnesota-North Dakota border, to an outlet in Lake Winnipeg, Manitoba.

The river's basin encompasses an area of 45,000 square miles, including portions of northwestern Minnesota, much of eastern North Dakota, the southern part of Manitoba, and a small portion of northeastern South Dakota.

Minnesota's portion of the basin covers about 37,100 square miles in all or part of 21 counties.

The fertile land surrounding the Red River is not so much a valley as it is an exposed lakebed, where Lake Agassiz formed 10,000 years ago in the wake of a receding glacier.

The Red River and its tributaries frequently overflow their banks in an ongoing effort, it seems, to return the basin to its prehistoric saturated state.

The consequences of the flooding wreak havoc on families, businesses, and state coffers.

A 1997 flood broke a number of records and set off an international debate over the degree to which the severity and frequency of flooding in the region is caused by human activities or Mother Nature.

Economic damages in the U.S. and Canada neared the \$5 billion mark, according to the International Joint Commission, an organization established by the 1909 Boundary Waters Treaty to help the two countries manage shared water resources.

After the flood, the Canadian and U.S. governments asked the commission to examine flood management techniques and offer better solutions to reduce or prevent damages from future floods. The commission's efforts resulted in a November 2000 report titled "Living with the Red."

"There is no single solution to the flood damage mitigation challenge," according to the report. "To reduce vulnerability to flooding, all possible approaches, including both structural and nonstructural damage reduction measures, must be considered as part of a comprehensive plan.

"This would include, when environmentally, economically and socially justified, development of additional reservoir storage, restoration of wetlands, micro-storage, construction or improvement of levees and dikes, floodwalls and bypass channels, permanent evacuation of high-risk areas, flood-proofing, and the enhancement of flood forecasting and warning systems."

Put quite bluntly, "There are no silver bullets," according to the report. "The residents of the Red River basin must be ready to cope with the next flood. They must be prepared to deal with the challenges of fighting the flood and flood recovery. In other words, they must become resilient to the effects of flooding where they cannot avoid them."

The resiliency to meet those flood mitigation challenges requires state, federal, and international cooperation. A number of flood damage reduction strategies are underway and under discussion by agencies and organizations in both countries, from the local to the federal levels.

Acting under a Memorandum of Understanding for Flood Mitigation signed in 2000, top elected officials from Minnesota, North Dakota, South Dakota, and Manitoba are con-

sidering the creation of a continuous parks and trails system along the length of the Red River. The Greenway on the Red, as the project is known, would extend from Lake Traverse in South Dakota to Lake Winnipeg.

The greenway would provide "multiple on-the-ground benefits through riparian restoration, water quality enhancement, farmer/landowner incentives, community strengthening, and increased recreation, tourism, and economic development," according to Prairie Public Broadcasting's River Watch Web site.

Gov. Tim Pawlenty recently hosted the annual meeting of state and provincial leaders at the governor's residence in St. Paul. As an outcome of that gathering, the group has committed to exploring the greenway concept as a

way to boost tourism and recreational opportunities while preventing flood damage.

"I believe that we do need a greenway along the Red," said Rep. Maxine Penas (R-Badger), who represents a portion of the basin. "The question is, how far out?"

While she recognizes the need for a buffer zone, there is good fertile soil along the river that should be used for agriculture, she said.

The Conservation Reserve Enhancement Program is one vehicle to obtain the necessary easements, Penas said, but there has to be sound scientific data to ensure the width is appropriate and the greenway would accomplish flood mitigation goals without encroaching on farmers' and landowners' rights.

In addition to her state representative duties, Penas also is a delegate to an annual Red River basin legislator forum. Lawmakers from the three states and Manitoba are scheduled to gather at the end of May, Penas said, and the greenway surely will again be a topic of debate.



The Red River Basin stretches northward from Lake Traverse in South Dakota to Lake Winnipeg in Manitoba. Officials are considering a greenway along the entire length.

Fighting fraud

Lawmakers are considering the creation of an insurance fraud agency that could eventually save Minnesotans money

By PATTY JANOVEC

Insurance fraud is on the rise across the nation, driving up the cost of property and automobile insurance by billions of dollars every year. Now, a legislative initiative would address the growing problem in Minnesota.

HF2640, sponsored by Rep. Gregory Davids (R-Preston), would create an insurance fraud prevention agency within the state Commerce Department. The division would "go after some of the folks that...have been defrauding insurance companies," he said.

According to Bruce Gordon, the department's information director, the unit would investigate bodily injury fraud cases stemming from staged or actual auto accidents, fabricated injuries related to lawyer conspiracy, auto repair fraud, and workers' compensation claims. Between six and eight law enforcement officers would be assigned to the unit.

Currently, 70 individuals at the department field consumer complaints, some of which pertain to insurance matters. Employees refer calls to the appropriate enforcing department if insurance fraud is discovered.

Davids explained the agency policing component would work by employing certified police officers who would investigate such complaints as stolen cars, cars sent to "chop shops," and fraudulent rings of chiropractors or doctors who mark up claims to "rip off insurance companies."

Insurance companies would pay for the cost of establishing the agency, likely passing on the expense to consumers. Although the initial effect could mean higher premiums, savings would eventually be realized through the prevention of fraud, Davids said.

The bill has been approved by five House committees and awaits action by the House Rules and Legislative Administration Committee. A Senate companion (SF2607), sponsored by Sen. Linda Scheid (DFL-Brooklyn Park), has been approved by two committees and awaits action in the Senate Finance Committee.

Insurance fraud costs Americans an estimated \$30 billion a year, according to the National Insurance Crime Bureau. This leaves the

average Minnesota family to absorb about \$1,000 per year in higher costs and premiums for insurance and other products, according to Bob Johnson, a lobbyist with the Insurance Federation of Minnesota.

Under current practice in Minnesota, insurance companies investigate suspicious claims and often refer cases to city or county attorneys. However, insurance companies do not have arrest powers or other tools that would be available to the proposed state insurance fraud unit.

The Coalition of Insurance Fraud reports that in the early 1990s, only eight fraud bureaus existed throughout the nation; 25 bureaus were created from 1991 to 1995. Today 40 states have insurance fraud units, utilizing

a variety of funding mechanisms, Gordon said.

These insurance fraud bureaus received nearly 89,000 reports of potential fraud in 2000, up 5 percent from 1999. Referrals come from a number of sources, including insurance agencies, consumers, and other government and law enforcement agencies. New York, California, New Jersey, and Florida accounted for 73 percent of all referrals.

Of the complaints, more than 19,000 were determined by 35 bureaus to be actual fraud. Nearly 4,000 cases were prepared for prosecution by 38 fraud bureaus in 2000. Convictions totaled 2,123 in 2000, more than double the total five years earlier.

New Hampshire was the first state to address insurance fraud by appointing an insurance commissioner in 1851. As the insurance industry grew, so did the need for federal regulation. In 1945, Congress adopted the McCarran-Ferguson Act, declaring that states should regulate the business of insurance for the public's best interest, according to the National Association of Insurance Commissioners.

Minnesota isn't alone in debating new methods of addressing insurance fraud. The Louisiana Legislature is considering three fraud bills, according to the Coalition Against Insurance Fraud. Maryland legislators recently passed two anti-fraud bills, and Massachusetts sent to a study committee a bill that would create a state false claims act for insurance fraud.

Nearly half of the state fraud bureaus are housed in departments of insurance. Since 1995, legislatures have placed three bureaus within such departments, two in attorney general offices, and three in state police agencies.

Much of the debate in Minnesota's House committees revolved around what state agency should oversee the work of the proposed insurance fraud unit. The debate was sparked by a section of the bill that would move duties of the statewide auto theft prevention program from the Public Safety Department to the Commerce Department.

Davids told the House Judiciary Policy and Finance Committee that auto theft insurance is generally covered by comprehensive coverage on auto insurance policies, and it should therefore fall under the purview of the Commerce Department.


Opponents said the Public Safety Department should have more involvement in a policing agency. 



PHOTO BY ANDREW VONBANK

Bob Johnson, representing the Insurance Federation of Minnesota, testifies before the House Judiciary Policy and Finance Committee April 28 during a discussion of a bill that would create an insurance fraud prevention agency in the Department of Commerce.

Space-age transit

House bonding bill appropriates \$4 million for personal rapid transit pilot project

By MIRANDA BRYANT

While legislators continue to feud over funding the highly touted Northstar commuter rail, another effort at mass transit has persistently, and in many ways, quietly, received approval.

Personal rapid transit — described by some as a vision from the 1960s TV cartoon “The Jetsons” — consists of elevated guideways and automated personal pods. Riders would board at any one of multiple stations by swiping a prepaid fare card and entering a destination. A personal pod, capable of seating from one person to multiple people, would zoom to the station, pause for boarding, and then cruise off automatically and non-stop to the passenger’s destination.

Advocates say the system reduces automobile

Critics say personal rapid transit has never truly worked in any city, that the elevated guideways are a visual blight, and that capacity levels are overstated and construction and development costs are understated.

Nonetheless, a bill (HF1686) appropriating bond money for the design and construction of a pilot personal rapid transit project somewhere in Minnesota was approved by three House committees. Portions of the bill, including a \$4 million appropriation, were included in the bonding bill (HF2991) passed by the House April 29.

Sponsored by Rep. Mark Olson (R-Big Lake), HF1686 originally called for giving the pilot project grant money to the Duluth Transit Authority. The bill was later amended to allow the grant to whichever local government

unit, postsecondary educational institution, or public transit authority meets the grant requirements.

To qualify, the recipient must agree to construct a 2,200-foot oval guideway, one off-line station, and a maintenance and control center. The final agreement must include cooperation from:

- a city government;
- a local public transit

provider, for the provision of personal rapid transit services to the public; and

- a postsecondary educational institution that will provide technical support and training for planning, design, operation, and maintenance.

The pilot project would allow for the training of engineers and operators, and for safety certification necessary for public use. The bonding bill further states that the pilot project would “establish a new and economically self-sustaining, viable technology in Minnesota,” and provide royalties to the University of Minnesota.

The grant agreement would be contingent on two matters: provision of \$12 million in matching funds by the grant recipient, and an \$8 million contribution from a private Minnesota entity with the “licensing and technological capacity” to provide at least three personal rapid transit vehicles and six months of testing.

The private entity, presumably, is Taxi 2000 Corporation. In the past months, the corporation has sponsored numerous tours for legislators of its prototype vehicle, which rides a 60-foot magnetic propulsion demonstration track in Fridley.

The corporation’s CEO, J. Edward Anderson, is retired from the University of Minnesota as a mechanical engineering professor. He has spent 20 years working on the personal rapid transit prototype. The university owns 9 percent of his corporation’s stock.

A second bill (HF2540), also sponsored by Olson, would exempt operations and capital equipment purchases for personal rapid transit systems from sales taxes. The provision was included in the House omnibus tax bill (HF2540) approved April 23.

Not all members favored appropriating bonding money for the project, however.

Rep. Kathy Tingelstad (R-Andover) offered an amendment April 29 to remove personal rapid transit from the bonding bill in order to help fund the proposed Northstar commuter rail line. It failed 78-55.

At an earlier House Taxes Committee meeting, Rep. Ann Lenczewski (DFL-Bloomington) unsuccessfully offered a similar amendment.

“I don’t think it’s appropriate for government to subsidize them to do this,” she said. “This is not a precedent we want to start where we in the state of Minnesota help a producer get their product to market. We don’t even know if Minnesota wants this product.”

It’s clear that one Minneapolis city councilman does want personal rapid transit. Councilman Dean Zimmerman told the House Transportation Finance Committee Feb. 18 that he is proposing a 31-mile, 68-station personal rapid transit plan for Minneapolis.

His system would connect downtown Minneapolis, the west bank of the University of Minnesota, and the Uptown area and inner-city districts. The system would also connect to the new Hiawatha light rail line at four points and to the downtown Minneapolis skyway at six points. 🐼



PHOTO BY TOM OLMSCHIED

The Taxi 2000 Corporation in Fridley has offered numerous tours for legislators of its prototype personal rapid transit vehicle, which rides on a magnetic propulsion demonstration track.

accidents, is less expensive than other mass transit modes, emits less pollution than buses, and requires less landmass than freeways. The one-way guideway, which would sit atop 16-foot poles placed 90 feet apart, could be built above freeway medians and roads.

“Most, if not all, of the particular companies involved with the supporting materials for this are here in the state of Minnesota,” Rep. Bruce Anderson (R-Buffalo Township) said during the Feb. 18 House Transportation Finance Committee meeting, “so it would give jobs and economic development increases.”

How a Bill Becomes

Idea

1 A bill is an idea for a new law or an idea to change an old law. Anyone can suggest an idea for a bill — an individual, consumer group, professional association, government agency, or the governor. Most often, however, ideas come from legislators, the only ones who can begin to move an idea through the process. There are 134 House members and 67 senators.

Legal form

2 The Office of the Revisor of Statutes and staff from other legislative offices work with legislators in putting the idea for a new law into proper legal form. The revisor's office is responsible for assuring that the proposal's form complies with the rules of both bodies before the bill can be introduced into the Minnesota House of Representatives and the Minnesota Senate.

Authors

3 Each bill must have a legislator to sponsor and introduce it in the Legislature. That legislator is the chief author whose name appears on the bill along with the bill's file number to identify it as it moves through the legislative process. There may be up to 34 co-authors from the House and four from the Senate. Their names also appear on the bill.

General Register

7 In the House, the General Register serves as a parking lot where bills await action by the full body. Bills chosen to appear on the Calendar for the Day or the Fiscal Calendar are drawn from the General Register.

In the Senate, a different procedure is used. Bills are listed on the General Orders agenda. Senate members, acting as the "committee of the whole," have a chance to debate the issue and offer amendments on the bill. Afterwards, they vote to recommend: passage of the bill, progress (delay action), or further committee action. And sometimes they recommend that a bill not pass. From here, the bill is placed on the Calendar.

Calendar for the Day

8 In the House, the Calendar for the Day is a list of bills the House Rules and Legislative Administration Committee has designated for the full House to vote on. Members can vote to amend the bill, and after amendments are dispensed with, the bill is given its *third reading* before the vote of the full body is taken. The House also has a Fiscal Calendar, on which the chair of the House Ways and Means Committee or House Taxes Committee can call up for consideration any tax or finance bill that has had a second reading. The bills are debated, amended, and passed in one day.

In the Senate, bills approved by

the "committee of the whole" are placed on the Calendar. At this point, the bill has its *third reading*, after which time the bill cannot be amended unless the entire body agrees to it. Toward the end of the session, the Senate Committee on Rules and Administration designates bills from the General Orders calendar to receive priority consideration. These Special Orders bills are debated, amended, and passed in one day.

A bill needs 68 votes to pass the House and 34 votes to pass the Senate. If the House and Senate each pass the same version of the bill, it goes to the governor for a signature.



a Law in Minnesota

Introduction

4 The chief House author of the bill introduces it in the House; the chief Senate author introduces it in the Senate. Identical bills introduced in each body are called *companion* bills. The bill introduction is called the *first reading*. The presiding officer of the House then refers it to an appropriate House committee for discussion; the same thing happens in the Senate.

Conference

9 If the House and Senate versions of the bill are different, they go to a conference committee. In the House, the speaker appoints three or five representatives, and in the Senate, the Subcommittee on Committees of the Committee on Rules and Administration selects the same number of senators to form the committee. The committee meets to work out differences in the two bills and to reach a compromise.

Committee

5 The bill is discussed in one or more committees, depending upon the subject matter. After discussion, committee members recommend action — approval or disapproval — to the full House and full Senate. The House committee then sends a report to the House about its action on the bill; the Senate committee does likewise in the Senate.

Floor

10 The conference committee's compromise bill then goes back to the House and the Senate for another vote. If both bodies pass the bill in this form, it is sent to the governor for his or her approval or disapproval. (If one or both bodies reject the report, it goes back to the conference committee for further consideration.)

Floor

6 After the full House or Senate accepts the committee report, the bill has its *second reading* and is placed on the House agenda called the General Register or the Senate agenda called General Orders. (A committee can recommend that non-controversial bills bypass the General Register or General Orders and go onto the Consent Calendar, where bills usually pass without debate.) After this point, House and Senate procedures differ slightly.

Governor

11 Once the governor has the bill, he or she may: sign it, and the bill becomes law; veto it within three days; or allow it to become law by not signing it. During session, the House and Senate can override a governor's veto. This requires a two-thirds vote in the House (90 votes) and Senate (45 votes). The governor also may "line-item veto" parts of a money bill, or "pocket veto" a bill passed during the last three days of the session by not signing it within 14 days after final adjournment. ▼



Tracking new laws, vetoes

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

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill;
- or do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the second year of the biennium (even-numbered years), as this year is, a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

(Sundays are not counted in the three-day limit, but holidays are.)

But if a bill is passed during the last three days of session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "*sine die*" (Latin for adjournment "without a date certain"). If the governor does not sign a bill within this time frame, it will not become law, an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed

during the final three days of the session, or within three days after the governor receives the bill at any other time.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

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

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

This information is also available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:

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

CH	HF	SF	Description	Signed	Vetoed
134	921	906*	Sex offender treatment co-payments authorized.	2/17/2004	
135	973	1015*	Veterans Affairs Dept. authorized to access taxpayer ID information to notify veterans of health hazards.	2/26/2004	
136	1794*	1615	Airport federally funded projects minimum required local contribution decreased.	3/10/2004	
137	480*	837	Job reference information, school violence data, and employee personnel records disclosure regulated.	3/22/2004	
138	1743	2182*	Public utility performance-based regulation plan purpose modified.	3/19/2004	
139	1980	1799*	Watershed and soil and water conservation district officers conflicts of interest clarified.	3/19/2004	
140	1822	1814*	Metropolitan Council government electronic funds transfer use authorized.	3/19/2004	
141	1935	1626*	Storm and sanitary sewer financing provisions modifications.	3/26/2004	
142	307*	497	Noncommercial sign ordinance exemption provided during state general election years.	3/26/2004	
143	1064*	1197	State employee technical and housekeeping changes provided.	3/26/2004	
144	1702	1748*	Emergency medical services provisions modifications.	3/26/2004	
145	2491	2498*	Domestic abuse <i>ex parte</i> protection or temporary restraining orders effectiveness.	3/26/2004	
146	1803	1745*	Trust law provisions modified and guardianship and conservatorship law changes provided.	3/26/2004	
147	1855	1903*	Counties hazardous buildings and property removal authority.	4/2/2004	
148	2878*	2537	Dr. Norman E. Borlaug World Food Prize Day designated.	4/2/2004	
149	339	40*	Minors personal injury or property damage parental liability limit increase; graffiti civil.	4/2/2004	
150	2105*	2632	Iron Range Resources and Rehabilitation Commissioner's Office established.	4/2/2004	
151	2118	2063*	Local government units financial institution deposits collateralization requirements clarification.	4/2/2004	
152	2033	1958*	Towns electronic or wire transfer payments and credit card or electronic payments acceptance authority.	4/6/2004	
153	1805	1621*	Mortgage satisfaction certificates and assignments or releases.	4/6/2004	
154	2107	1653*	Real property survey and monument requirements modified.	4/8/2004	
155	2651*	2347	Interstate Compact for Adult Offender Supervision amended and interstate compact repeal delayed.	4/14/2004	
156	2455*	2499	Five-level correctional facility classification system authorized.	4/14/2004	
157	1836*	1693	Mineral tailing deposition into mine pits permitting clarified.	4/14/2004	
158	3005*	2840	County seat voting times modified.	4/14/2004	

CH	HF	SF	Description	Signed	Vetoed
159	1817	1614*	Service animal injuries criminal penalty and restitution requirement.	4/19/2004	
160	2688	2626*	Hastings veterans home property leasing authority.	4/22/2004	
161	1843	2903*	Towns annual audits subjection expansion.	4/22/2004	
162	1983*	1805	Uniform Commercial Code revisions enacted.	4/26/2004	
163	995*	1268	Notice and plan requirements modified for excavating around utility facilities.	4/26/2004	
164	1944*	1797	Domestic abuse orders for protection grounds expanded.	4/26/2004	
165	2906*	2871	Payroll processing efficiency increased for local governments.	4/26/2004	
166	2502	2609*	Mental health community representative included on a community transition team.	4/26/2004	
167	1978*	1910	Truck driver hours law technical corrections provided.	4/29/2004	
168	1861*	1645	Recreational purpose definition modified relating to liability on land used for recreational purposes.		4/29/2004
169	2365	2299*	Petroleum storage tank violations enforcement procedures expansion.	4/29/2004	
170	2482	2300*	House districts 41A and 41B boundary adjustment.	4/30/2004	
171	2044	2009*	Tourism functions transfer.	4/30/2004	
172	2521*	2435	Lawful gambling provisions modified.	4/30/2004	

BILL INTRODUCTIONS

MAY 3 - MAY 6, 2004

HOUSE FILES 3189 - 3192

Monday, May 3

HF3189—Eken (DFL) Governmental Operations & Veterans Affairs Policy

Fee-payer's bill of rights enacted through proposed constitutional amendment.

Wednesday, May 5

HF3190—Greiling (DFL) Education Finance

Office of Educational Accountability funding provided through the University of Minnesota, and money appropriated.

HF3191—Davnie (DFL) Education Policy

School lunch a la carte menus required to provide healthy options.

Thursday, May 6

HF3192—Lieder (DFL) Rules & Legislative Administration

War on terrorism; resolution memorializing the president and Congress to provide increased benefits to National Guard and other reserve armed forces members who are engaged in the global war on terrorism.

Continued from page 4

agreement with the stadium authority include additional annual rent payments that are linked to expected additional revenue from a new stadium. The additional rent would be based on an estimated tax refund to the teams that the authority would set annually.

The rent/refund formula would be based on anticipated increased player payrolls, as well as increased ticket and concession sales taxes. The base year to which new stadium payroll and sales tax revenue would be compared would be the teams' 2003 season in the Metrodome.

That additional rent would be the state's contribution to stadium financing and be used toward paying off stadium construction bonds.

The bill's initial stadium tax-increment provision was revised to avoid state income and sales taxes from the stadium directly paying off the construction debt, which would require the bill to pass the House with a three-fifths majority (81 votes).

Amendments by Rep. Ann Lenczewski (DFL-Bloomington) and Rep. Dan Dorman (R-Albert Lea) to replace stadium-increment financing with a metropolitan area sales tax or continuation of a metropolitan-wide tax on gross revenues from retail liquor sales received the most discussion.

"There's no precedent to use (state) tax proceeds to fold back into a project," Lenczewski said. "We've never allowed this."

Stang said the issue was the teams staying in Minnesota. "Without the new stadiums, they will not be here."

Dorman said he agreed with backers of the new stadiums that the professional teams were a feature of the state's quality of life. "Who should pay for this quality of life portion that I believe exists," he asked. "Should it be general fund dollars? There's very little, if any, economic gain to this."


The Twins absence from cable television channels in parts of the state, including most of the Twin Cities metropolitan area, this season due to an ongoing dispute between its Victory Sports One network and cable companies

was also a factor in the committee's vote.

Abrams successfully amended the bill to tie the issuance of construction bonds to agreements that would provide access to at least 135 of the team's 162-game season to 70 percent or more of the cable or satellite television subscribers in the state.

Should the bill pass the Legislature this session, the earliest date for a bond issuance would be during 2005.

Rep. Tom Rukavina (DFL-Virginia), who voted for the bill, said the Twins television problems were "a public relations nightmare hanging over our heads." Since 1996, he said, the club has claimed its fan base included those not likely to see a game in person such as "nursing home residents and seniors watching on TV."

The bill also includes an amendment by Rep. Joe Mullery (DFL-Mpls) that the stadium authority's lease with the Twins include an agreement with Major League Baseball "that guarantees a major league baseball franchise will be a tenant of the stadium." 

MINNESOTA HOUSE OF REPRESENTATIVES
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SPEAKER OF THE HOUSE: STEVE SVIGGUM
MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Wetting a line

Date of the 2004 fishing opener	May 15
Percent of Minnesotans who fish	36
Estimated number of fishing licenses sold per year, in millions	1.5
Cost of a resident license (age 16 and older)	\$17
Non-resident license	\$34
State rank in fishing licenses per capita	1
Billions generated annually in direct expenditures from sport fishing	\$1.9
Estimated tax revenue, in millions, related to fishing in 2001	\$101.2
Approximate number of jobs related to fishing in Minnesota	47,000
Minnow dealers in the state	386
Minnow retailers	920
Number of lakes that are 10 acres or larger	11,482
Those that are fishing lakes	5,493
Millions of acres of fishing waters in Minnesota, excluding Lake Superior	3.8
Miles of fishable streams in the state, as approximate	15,000
Those that are trout streams	2,600
Hatcheries operated by the state	17
For cool and warm water species (walleye, muskie, catfish, etc.)	12
For coldwater species (trout and salmon)	5
Pounds, in millions, of commercial fish harvested each year in Minnesota	4.5
Approximate number of walleyes kept annually, in millions, by state anglers	3.5
Weight of those fish, in millions of pounds	4
Average length of walleye caught in the state, in inches	14
Weight, in pounds and ounces, of state record walleye caught on the Seagull River in Cook County in 1979	17-8
Fish species in Minnesota	158
First year for the Governor's Fishing Opener	1948
Before this year, times Baudette has been the event site	0

Sources: 2004 Minnesota Fishing Regulations, Minnesota Department of Natural Resources; other department publications; Explore Minnesota; governor's office.

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MAY 14, 2004

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In this issue:

SESSION WINDING DOWN

CENTENNIAL CELEBRATION, WWII MEMORIAL, AND MORE

HF3193-HF3207

Session Weekly

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On the cover: Several trees were split or uprooted in the Capitol Complex after a storm came through the area May 9.

— Photo by Tom Olmscheid

Session stalemate

As the clock winds down, House and Senate leaders labor to reach agreement on end-of-session structure

BY *SESSION WEEKLY* STAFF

As the May 17 constitutional deadline for session adjournment nears, House and Senate leaders are struggling to reach agreement on the structure of budget negotiations and a tidy way to wrap things up.

The week leading up to adjournment featured plenty of rhetoric from all sides, including references to a stalemate, a logjam, and an offer to meet at the OK Corral.

Gov. Tim Pawlenty stepped in May 13 with a move to eliminate \$97 million of the projected \$160 million state budget deficit for fiscal years 2004-05.

"I will unilaterally take care of 60 percent of it," he said at a press conference announcing his plan.

The governor ordered Finance Commissioner

for the Legislature to take care of the remaining 40 percent of the deficit this session. The balance would come from items both bodies have already passed and agreed upon, Pawlenty said, such as accelerating the tax on leased cars and increasing Department of Revenue tax compliance efforts.

"This is a first step to allow other things to potentially take place," Sviggum said. "I can't imagine they would say no."

At risk if the Senate DFL does not agree to the first step, Pawlenty said, is a bonding bill that could create up to 10,000 jobs in the state, money for roads, educational standards reform, as well as a number of other proposals.

"The bizarre part about this session is that there is agreement in concept on many of those items," Pawlenty said.

"The point is we now have one last fleeting opportunity to get this session done in a productive fashion," he said. "We can do this. The question is, do they want to?"

Later that afternoon, Johnson praised Pawlenty for offering solutions to ending the House and Senate stalemate. But, he took great exception with the specifics of the proposal, and the form in which it was offered.

"Send us the bill," Johnson said. "This was a press release today and now we need to have the bill."

A press release of his own states, "The budget debate should follow the traditional legislative process and that process includes House-Senate conference committees where public input is encouraged."

The statement echoes a livelier comment he made earlier in the week: "All the speaker has

To our readers:

This year's final issue of *Session Weekly* is scheduled to be held until the 2004 Legislature completes its business. The publication date may vary in the event of a special session. A renewal card for the 2005 *Session Weekly* will appear in the final issue. Thank you for your continued interest in the legislative process and the magazine.

to do is appoint five people and meet us downstairs at the 'OK Corral' and we'll get to work."

Sen. Linda Berglin (DFL-Mpls) criticized the governor's proposal to take money from the Health Care Access Fund in order to balance the state budget.

"It's really unfortunate that the governor continues to believe the way we should balance the budget is by rationing health care," Berglin said.

As of *Session Weekly* press time, no accord has been reached. The governor said he has a dim view of calling a special session without a pre-arranged agreement and an increased amount of cooperation between the players.

House and Senate leaders have indicated they do not want to meet in session on Sunday, May 16. House leaders advised members to make themselves available May 14 and May 15.

Placing additional pressure on the timeline is a constitutional provision prohibiting the passage of bills by either body on the last day of session, and the actual mechanical limitations on printers that crank out the final version of bills.

"We are at a point where there is a concern about the production" of bills needing to be drafted for House and Senate consideration, Revisor Michelle Timmons said May 13. However, Timmons and her staff are up to the task. "The Office of the Revisor works for the Legislature and whatever we're required to do, we'll do," she said.

The fate of an omnibus bonding bill (HF2991) remains up in the air. The House version, passed April 29, calls for \$677.6 million in capital investment. A Senate version consisting of \$948.7 million in projects failed to pass that day May 6.

"Nothing much happens without the Senate Democrats and what we want is a bonding bill," Johnson said May 13.

Though agreements on the budget, bonding, taxes, and issues such as strengthened sex offender laws remain elusive, both bodies continue to pass a number of other bills, and a



PHOTOS BY TOM OLMSCHIED

House Speaker Steve Sviggum outlines the Republican budget-balancing plan May 13. Looking on are, from left, Senate Minority Leader Dick Day, Gov. Tim Pawlenty, and House Majority Leader Erik Paulsen.

Peggy Ingison to retain in the state's general fund \$80 million in federal money that otherwise would have been placed in the Health Care Access Fund. The remaining \$17 million will come from a 3 percent reduction to agency budgets.

Along with the Pawlenty directive came an offer to Senate Majority Leader Dean Johnson (DFL-Willmar) from the governor, House Speaker Steve Sviggum (R-Kenyon), and Senate Minority Leader Dick Day (R-Owatonna)

limited amount of conference committee activity inches forward.

The following update reflects recent activity from a couple of high profile committees:

Blood-alcohol limit

A conference committee failed to reach any compromise May 11.

Both bills would lower the legal limit for blood alcohol concentration from 0.10 to 0.08, with the Senate bill effective Aug. 1, 2004, and the House bill effective Sept. 1, 2007.

The federal government is mandating that all states lower their blood-alcohol limit to 0.08 in order to continue receiving federal transportation dollars. Minnesota risks losing approximately \$100 million in federal transportation funds by not adopting the lower standard.

"What'll kill this bill is whether we'll get an effective date that is realistic," said Sen. Leo Foley (DFL-Coon Rapids), the sponsor of SF58.

Replied Rep. Steve Strachan (R-Farmington), the sponsor of HF97, "If this bill dies this year, we made an offer."

Education

Conferees on K-12 and higher education met three times between May 10 and May 12.


No votes were taken by the committee, which is co-chaired by Rep. Alice Seagren (R-Bloomington) and Sen. Steve Kelley (DFL-Hopkins).

Education policy, finance, and tax-related issues are in three separate Senate-passed bills, while the House omnibus education bill covers policy and finance issues.

Thus far, Senate conferees have refused to discuss education finance issues.

Additionally, the committee is trying to agree to K-12 academic standards for social studies and science.

The Senate adopted a different set of social studies standards than the House, which passed standards proposed by the Education Department.

Both bodies have adopted the same set of science standards drafted by the department, with the only difference being a House amendment regarding the study of alternatives to scientific theories such as evolution. 

SESSION WEEKLY WRITERS MIRANDA BRYANT, MIKE COOK, TOM LONERGAN, AND NICOLE WOOD CONTRIBUTED TO THIS STORY.



Senate Majority Leader Dean Johnson responds to the Republican budget-balancing plan.

IT'S A FACT



Appealing proposal

Full-time tax court born out of need for timely resolution of tax disputes

In 1939, taxpayers were granted a formal process for appealing the tax-related decisions of governmental bodies in the state. That year, the Legislature passed a law establishing the Board of Tax Appeals within the Department of Taxation, which would later become the Department of Revenue.

Though it is no longer under the specific auspices of an executive department, the Minnesota Tax Court operates as an executive branch agency with specific instruction that it serve independently.

According to the 1939 law, the agency would "not in any way (be) subject to the supervision or control of the commissioner of taxation."

As a part-time agency in its early days, the law specifically barred members of the board from participating in any interests that could potentially affect their judgment.

"No member of the board shall hold any other office under this state or any of its political subdivisions," the law stated, "nor any other office or position the salary for which is paid in whole or in part from appropriations of the tax revenues of the State of Minnesota."

The law went on to prohibit federal employment or candidacy for public office for board members.

The governor appointed three board members, and that appointment was subject to confirmation by the Minnesota Senate. Board members were paid \$25 per day for up to 150 days of service per year. That pay rate remained until 1965, when the amount was raised to \$45 per day for the same time period.

The tax board had the ability to hold hearings around the state as necessary to increase convenience for parties to a dispute. In addition, taxpayers had the ability to appeal board decisions further to the state Supreme Court.

Four years later, lawmakers passed a law to allow for a \$9,000 annual salary, and the dollar amount was completely removed in 1974.

However, the pressures on the district courts to hear appeals prompted the change from a part-time to full-time court in 1977. A new law that year, established the court, which had statewide jurisdiction over any dispute related to tax laws of the state, and appropriated \$208,000 for its first year.

The full-time court "was created in response to several pressing needs, including the demands for a resolution of the heavy backlog of property valuation cases pending in the district courts, as well as a backlog of cases in the existing part-time tax court," according to a history of the law and lawyers in Minnesota by the

state bar association. In addition, the full-time court aimed to minimize the expense and inconvenience to individual taxpayers, which often resulted from protracted tax disputes.

The court still had three members but state law now defined specific terms for the members, as well as clarifying the extent of jurisdiction statewide. Under the 1977 law, judges served six-year terms, which were staggered so that one judge was eligible for appointment every two years.

It also continued initial guidelines governing tax officials that disallowed them to act as counsel, attorney, or agent for a tax matter before the court for one year after their position on the court expired.

Today, the court employs three full-time judges and three administrative staff, operating on a budget of \$735,000 per year. According to its budget documents, it has never again suffered backlogs like those reported in the 1970s that prompted its creation.

The court handles between 1,000 and 7,000 statewide petitions annually, covering the range of tax issues. Many cases are resolved within a year, though the complicated nature of tax issues sometimes means other cases may take several years to be resolved.

(M. KIBIGER)



The legal counsel that went before the Minnesota Supreme Court to argue iron ore tax valuation cases in 1936.

Photo courtesy of the Minnesota Historical Society

★ **AGRICULTURE****Kosher codes**

The House passed a bill May 10 that would update the way kashrut, or the more common term kosher, dietary laws are referenced in Minnesota statutes. The vote was 131-1.

HF2864, sponsored by Rep. Frank Hornstein (DFL-Mpls), would require that Minnesota law define foods labeled as kosher be prepared "as prescribed by a rabbinic authority, with the name and institutional affiliation and denominational affiliation, if any, of the rabbinic authority identified." Current law states the food must be prepared "in accordance with orthodox Hebrew religious requirements."

Updating the 1929 food law would protect the kosher consumer, Hornstein said, because the current statute would not hold up under court scrutiny. Similar laws have been challenged as violating the establishment clause in states such as New York, New Jersey, and Maryland, he said.

"There's no pork in this legislation at all, not even close," he said, eliciting a chuckle from fellow House members.

Proponents have said that maintaining the orthodox Hebrew reference would allow one movement out of the orthodox, conservative, and reform movements within the Jewish religion to make kosher process decisions for all.

As introduced, the bill would have replaced the language with "prepared in accordance with Jewish religious requirements." The rabbinic authority reference was the outcome of negotiations between Jewish community members, Hornstein said, and the Jewish Community Relations Council supports the legislation.

While no one spoke against the bill on the House floor, opponents testified during the committee process that changing the law would take away from easily identified and respected standards set by the Orthodox Union kosher certification.

The bill now moves to the Senate, where Sen. Richard Cohen (DFL-St. Paul) is the sponsor.

★ **BANKING****Business practices**

A new law signed by Gov. Tim Pawlenty May 10 will include credit unions under state law liability exemptions for safe deposit companies.

Credit unions are authorized

to offer safe deposit boxes to its members. The new law adds credit unions to a list of financial institutions that can choose to have their safe deposit box activities regulated by the state.

State statute is also amended to allow the National Credit Union Administration to insure time deposits.

Furthermore, the new law allows a law enforcement agency to recover its expenses if it successfully collects on a dishonored check. The law enforcement agency can recover up to a \$30 service charge per each dishonored check it collects.

Sponsors of the new law, which takes effect Aug. 1, 2004, are Rep. Doug Stang (R-Cold Spring) and Sen. Dan Sparks (DFL-Austin).

HF2551*/SF2418/CH174

★ **BUSINESS****Towing vehicles**

Auto repair shops would be allowed to tow privately owned vehicles that have been abandoned on their property, under a bill passed by the House 132-0 May 11.

It now goes to the governor.

Under HF1972/SF1639*, a vehicle repair or service business could impound a vehicle five business days after notifying the vehicle owner by certified mail that the vehicle will be removed.

House sponsor Rep. Thomas Pugh (DFL-South St. Paul) said a problem has arisen in which some vehicle owners never bother to retrieve their car after receiving an estimate. Reasons for this, according to Dave Stephens, owner of Dave Stephens' Automotive, are that sometimes the repair estimate is more than the vehicle's value, or the owner can't afford the repair. Stephens testified Feb. 25 before the House Transportation Policy Committee.

The repair shop owner, however, is prevented from having the vehicle towed, Pugh said. The sheriff's office in the given county can sell the abandoned vehicle at an auction on the business grounds, but the repair shop must pay for the public notice, Pugh said, and in some cases no one bids on the vehicle.

"It's not a very efficient way for the business to remove that vehicle," Pugh said.

State law allows for the towing and disposal of vehicles that have been abandoned on public roadways, in parking lots, and on private nonresidential property that has been properly posted. It does not allow for auto repair shops, however, to have vehicles towed.

Under this bill, the vehicles towed from the

repair shop grounds could be sold at auction by the sheriff's office, as are cars abandoned in public roadways and parking lots.

Pugh noted that no one opposed the bill at any committee meeting.

In the Senate, where Sen. Linda Scheid (DFL-Brooklyn Park) is the sponsor, the bill passed 67-0 April 19.

Information disclosure

The House passed a bill 113-20 May 10 that would give the State Board of Investment the ability to invest in venture capital business opportunities without concern that certain potentially proprietary information could be disclosed.

Sponsored by Rep. Lynne Osterman (R-New Hope), HF3061 requires the board to make public the name of the entity in which the board invests, the amount invested, the market value, the board's internal rate of return, and the age of the investment in years.

Howard Bicker, executive director of the Minnesota Board of Investment, testified in a House committee that concerns were raised by businesses about required information that would have been "hurtful" and filtered throughout a community.

Any information that would be considered "financial or proprietary" in nature would be non-public, "so trade secrets would not be divulged," said Osterman.

Much of the discussion revolved around an unsuccessful Osterman amendment that would have allowed the board to use \$200 million of the state's pension funds for investments in Minnesota businesses.

Currently about 25 states across the nation are considering this option, and doing it at a "much more aggressive rate than Minnesota," Osterman said.

"We inspire the use of pension funds for other political and well-intentioned uses...but ones which are inappropriate and perhaps inconsistent...with the primary fiduciary obligations which is to return the best deal that you can for the pensioners," Rep. Eric Lipman (R-Lake Elmo) said in opposition. The sole concern should be the return of investment, not the social, regional, or geographical investments, he added.

The bill now goes to the Senate, where Sen. Steve Kelley (DFL-Hopkins) is the sponsor. The invested pension funds provision was in the Senate version of the bill.

★ CONSUMERS

Foreclosure consultant penalties

Scam artists convicted of preying on people threatened with home foreclosure would face stiff fines and a prison sentence, under a bill passed by the House 133-0 May 12.

HF2095, sponsored by Rep. Andrew Westerberg (R-Blaine), regulates "foreclosure consultants" and "equity purchasers," as well as provides remedies for homeowners.

In a practice known as "equity stripping," disreputable foreclosure consultants and equity purchasers prey on people whose homes are in mortgage foreclosure by promising to find financing to help people stay in their homes. In practice, they keep people waiting until they have no other option, thereby increasing the likelihood that the homeowner will sign over their homes and the home's equity. Ultimately, the scammer owns the home, evicts the previous homeowner, and sells the house at a profit, keeping the equity.

When the bill was heard in committees, legislators and testifiers noted that not all foreclosure consultants and equity purchasers are disreputable, however. Some do indeed help homeowners keep their homes.

"This bill targets bad actors who prey on people when they are most vulnerable," Westerberg said.

Under the bill, it would be a violation for a foreclosure consultant to:

- demand compensation until all services in the foreclosure contract are performed,
- charge more than 8 percent annually on any loan made to the homeowner,
- collect wages from the homeowners for compensation required by the foreclosure contract,
- acquire any interest in a residence in foreclosure, or
- take power of attorney from an owner for any purpose.

The House approved an amendment by Rep. Eric Lipman (R-Lake Elmo) that decreased the maximum penalty from \$100,000 and one year in prison to \$50,000 and one year in prison. Lipman said that despite the reduction of the fine, the penalty is still one of the harshest consumer protection fines in the state.

"This amendment and this whole bill has gone through a long, long process," said Rep. Cy Thao (DFL-St. Paul). "Essentially, this is an agreement between all the parties."

The bill now goes to the Senate, where Sen. Ellen Anderson (DFL-St. Paul) is the sponsor.

BORLAUG RECOGNIZED



PHOTO BY ANDREW VONBANK

Dr. Norman E. Borlaug, the 1970 Nobel Peace Prize winner and a University of Minnesota graduate, is given a standing ovation after being recognized on the House floor May 10. A new law designates October 16 as Dr. Norman E. Borlaug World Food Prize Day. His work in agriculture has resulted in saving millions of human lives by averting famine and alleviating hunger and malnutrition.

Alternative regulation plans

Telephone companies may elect to operate in Minnesota under an agreement known as an alternative form of regulation that provides for setting minimum consumer protection standards such as price controls, service standards, and infrastructure investment, in exchange for other operating flexibilities.

The House passed a bill 132-0 May 11 that would change the way such plans may be extended or renewed. It now moves to the governor's desk.

HF979/SF1115*, sponsored by Rep. Michael Beard (R-Shakopee) and Sen. Dallas Sams (DFL-Staples), also would put in place some consumer protections regarding third-party billing practices.

Both measures were included in an omnibus telecommunications bill (HF2151) previously passed by the House, but one of the provisions pertaining to the Department of Commerce, the Public Utilities Commission, and Qwest needs to be in effect before the end of the week, Beard said.

Another provision would require local carriers to obtain express prior authorization from customers before including charges from third-party service providers on bills.

Examples of third party billing include charges for Internet service, pagers, voicemail, or even club memberships.

Under the bill, consumers would be eligible for a refund of bogus charges back six months from the date of the claim.

Said Beard: The bill "adds some strengthened consumer protection for protecting us from scurrilous and spurious charges that we are not aware of and makes the procedure for getting rid of those things a lot easier and a lot more clear."



For information on a bill about electric rate discounts, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ CRIME



For information on a new law about crimes against probation officers, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

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

★ EDUCATION

Trust land federal funds

The House voted 126-0 May 6 to send a resolution to Congress seeking federal compensation for school trust lands, which became part of the federal Boundary Waters Canoe Area Wilderness more than 25 years ago.

The memorial resolution (HF2242/SF2222*), sponsored by Rep. Barb Sykora (R-Excelsior) and Sen. Steve Kelley (DFL-Hopkins), would be sent to the state's congressional delegation.

The resolution, which passed the Senate 53-10 April 12, now goes to the governor.

In the resolution, the Legislature specifically asks Congress to increase a user reservation fee in the popular canoe wilderness area by \$3. That could raise up to \$90,000 annually to be added to the state's Permanent School Fund, Sykora said.

The fund provides about \$20 million a year for public school districts from lease and fee revenues generated on 3.5 million acres of state-held school trust and mineral rights lands. The Department of Natural Resources manages the school trust lands that Minnesota has held since statehood.

The 87,000 acres that Congress declared part of the federal wilderness area in 1978 remain a sore point with state legislators who maintain the state has never been compensated for the land.

"The resolution does absolutely nothing," said Rep. Tom Rukavina (DFL-Virginia). "It raises no money. We asked Congress to do the same thing five years ago."

"This is not a big deal," Sykora said. "It is a way to get some federal attention and get them to look at the larger issues."

The resolution urges the state's congressional delegation to initiate a federal land trade with the state, a payment for the school trust acreage, or a combination of the two.

Friends of the Boundary Waters Wilderness, which testified in March before the House Education Policy Committee in support of the bill, estimated that the \$3 increase in the wilderness area's \$12 reservation fee could yield \$93,000 annually for the state's public schools.

However, the group said that neither a "massive exchange" of state land within the wilderness area for federal land outside of it, nor a federal buyout were "good feasible options," according to written testimony.

"The land exchange carries enormous transaction costs, and the lack of federal acquisition funds hinders a timely purchase."



For information on a bill about school bus safety, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ EMPLOYMENT



For information on a new law about workers' compensation and a bill about affirmative action, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ ENERGY

Ridding PCBs from equipment

Signed
by
the
governor
★ ★ ★

A new law signed by Gov. Tim Pawlenty May 10 aims to proactively provide electric utilities with an incentive to voluntarily phase out equipment containing polychlorinated biphenyls (PCBs).

PCBs are a class of man-made compounds that, up until serious health and environmental concerns arose in the 1970s, were commonly used as insulators in electrical equipment.

They are still sometimes found today in the oil that is placed in transformers and other electric utility equipment that has not reached the end of its service life, an average of 30 years according to industry estimates.

Under current law, the industry pays hazardous waste generator fees to the Pollution Control Agency for disposal of equipment that has reached the end of the line.

But some in the industry have said duplicative state and federal standards created a disincentive to get rid of the equipment in advance due to the cost of compliance with those double requirements.

Effective Aug. 1, 2004, the new law will waive state hazardous waste fees on PCB waste associated with oil-filled electronic equipment voluntarily disposed of or retro-filled prior to the end of its service life.

Waste generators and the agency will have to execute voluntary PCB phase-out agreements containing specific goals and a schedule for implementation.

The new law will not waive emergency fees or the fees on equipment being taken out of service at the end of its normal life span.

Rep. Dean Simpson (R-New York Mills) and Sen. John Marty (DFL-Roseville) sponsored the legislation.

HF2500/SF2422*/CH176

★ ENVIRONMENT

First in nuggets

A bill en route to the governor aims to ensure that a new process of producing high-quality iron nuggets from iron ore moves from demonstration to production in Minnesota before another state steals the economic thunder of being first to produce a better quality nugget.

The May 12 House vote was 128-3, and the Senate tally was 62-0 later that afternoon.

HF2986*/SF3022, sponsored by Rep. David Dill (DFL-Crane Lake) and Sen. Thomas Bakk (DFL-Cook), would exempt from certain environmental review the first iron nugget production facility in the state. The bill also would require the Pollution Control Agency and other state agencies with permit granting authority to provide public notice for necessary permits within four months of receiving a complete application.

"There's good news on the Iron Range," Dill said. "I know you don't hear that very often around here."

"This bill is about the possibility that the technology Minnesota has put the future of the Iron Range into, might go to Indiana before it happens here," Dill said. An Indiana company has told investors they could get through the environmental permit process more quickly.

The general belief has been that the Mesabi Nugget production facility would be constructed at the site of the successful demonstration plant in Silver Bay. But the reality of a two- to three-year environmental review process for a facility along the Lake Superior shore has prompted a change in plans and location.

Instead, the first production plant could be built on the site of the former LTV plant in Hoyt Lakes.

There is an existing operating permit for a 10 million-ton taconite plant for the site, and the two furnaces could be fired up again, Dill said. Instead, under the bill, the existing furnaces would be permanently shut down and preliminary estimates show that the nugget process replacing them would be as clean or cleaner than what was emitted under the old taconite process.

"Nothing in this bill will cause the (agency) to do any less oversight than they would under any normal circumstances," he said.

Rep. Rebecca Otto (DFL-Marine on St. Croix) failed to amend the bill with a mandate requiring the new plant to "emit less mercury per-ton of iron ore than the mercury that had been emitted from the permanently shut down furnaces in the year prior to being shut down."

However, the bill directs the agency to "strive in the permitting process to assure the lowest mercury emissions reasonably possible."

Phosphorus fertilizers banned

Signed
by
the
governor
★ ★ ★

A new law signed by Gov. Tim Pawlenty May 10 will enact a statewide ban on the use of phosphorus fertilizers on established residential lawns.

The purpose of the law, sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Dan Sparks (DFL-Austin), is to protect Minnesota's lakes and rivers from an overabundance of phosphorus that can cause algae bloom.

The 2002 Legislature approved a similar ban for the seven-county Twin Cities metropolitan area that took effect Jan. 1, 2004. Some counties outside of the metropolitan area also have adopted their own phosphorus restrictions, and proponents said variations in regulations concerning lawn fertilizers were becoming difficult for homeowners to decipher.

The new law will take effect Jan. 1, 2005, and will apply to fertilizer to be used for turf purchased at retail after Aug. 1, 2004.

The new law provides for exceptions when:

- a tissue, soil, or other test by a laboratory or method approved by the Department of Agriculture and performed within the last three years indicates that the level of available phosphorus in the soil is insufficient to support healthy turf growth;
- the property owner is first establishing turf via seed or sod procedures, and only during the first growing season; or
- the fertilizer containing phosphorus is used on a golf course under the direction of a person licensed, certified, or approved by an organization with an ongoing training program approved by the department.

Under the new law, phosphorus fertilizers applied under these exceptions must not exceed rates recommended by the University of Minnesota and approved by the department.

HF2005*/SF1999/CH179

Ethanol impacts

The Environmental Quality Board writes rules for the environmental review of development projects in Minnesota. Under its most basic definition, the process starts with an environmental assessment worksheet to determine whether the size, scope, and location of the project would change the environment enough to trigger a large-scale environmental impact statement. A full environmental impact statement is mandatory for certain projects.

HF2633, sponsored by Rep. Bob Gunther (R-Fairmont), would exempt from a mandatory environmental impact statement an ethanol plant that produces less than 125 million gallons annually and is located outside of the seven-county Twin Cities metropolitan area.

The House passed the bill 102-25 May 6.

"This bill would allow an ethanol plant of 100 million gallons to be built in Minnesota instead of Iowa," Gunther said. The bill would enhance farmers' profits and create 80 jobs, he said, and it is part of the governor's initiative to streamline business permit processes in the state to accommodate economic development and boost competitiveness.

The bill would maintain an environmental assessment worksheet, as necessary, Gunther said.

"Essentially, you are saying there won't be an environmental impact statement on smaller sized ethanol plants," said Rep. Michael Paymar (DFL-St. Paul) "Is that correct?"

The city of St. Paul found that a lot of emissions from ethanol plants pose serious health risks to those living around the plants, Paymar said.

Because of the discussions in St. Paul, Gunther said, there now are fairly stringent pollution control rules and laws for odor.

There are volatile organic compounds that contain all kinds of carcinogens released from ethanol plants, Paymar said. "I don't see that the plants have addressed those issues."

"We are adhering to the law that was passed about emissions," Gunther said. "We will take care of those concerns."

In the Senate, where Sen. Julie Rosen (R-Fairmont) is the sponsor, the bill passed 53-8 May 12. It now goes to the governor.



For information on bills about land transactions and water table analysis, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

FAMILY



Child support changes

An overhaul of Minnesota's child support system was passed 119-12 by the House May 11, in the form of an amendment to another bill.

The child support amendment would significantly change the way courts calculate child support payments.

The so-called "incomes shares" model at the bill's heart would take both parents' incomes into account when calculating how much money a non-custodial parent pays for child support. The amount would be based on an individual parent's share of both parents' combined gross income rather than on a percentage of a non-custodial parent's net income, as in current law.

To determine exact support amounts

under the proposal, judges would use a child support schedule derived from a U.S. Department of Agriculture annual report listing the average cost of raising children for parents of various incomes in the urban Midwest. The child support amount under the schedule would then be reduced by 20 percent in recognition of the higher cost of maintaining two separate households.

Rep. Michael Paymar (DFL-St. Paul) questioned if the change would lower the amount of child support payments that a person is ordered to pay. Paymar further implied that the answer to his own question was "yes."

Replied Rep. Steve Smith (R-Mound), "The answer is not always. Some would go down, some would go up."

The amendment, offered by Smith, was identical to a bill he introduced in 2003 that was passed by the House. However, HF778 was tabled in the Senate prior to adjournment of the 2003 session.

This year, the House amended Smith's bill onto HF1857/SF1758*, whose House sponsor is Rep. Doug Meslow (R-White Bear Lake) and whose Senate sponsor is Sen. Don Betzold (DFL-Fridley). It would narrow the definition of paternity.

Under current law, a man is presumed to be the biological father if, among other criteria, he openly declares the child to be his biological child and lives with the child while the child is a minor. The bill would change the definition of a biological father to one that must have lived in the same household as the child for at least 12 months during the child's first two years.

The bill now returns to the Senate, where it passed without the child support provisions, 64-0 April 22.

Parenting education

Divorcing couples arguing over child custody and visitation provisions would be required to attend at least eight hours of parenting classes, under a bill passed by the House 83-47 May 10.

Under current practice in Minnesota, divorcing parents contesting child custody matters are required to attend classes for a minimum of four hours and a maximum of eight.

HF2642, sponsored by Rep. Elaine Harder (R-Jackson), would require that such couples begin taking a minimum of eight hours of classes within 30 days after the first filing of any plea in their divorce.

Harder said advocates want to get couples involved in parenting education as soon as possible during divorce proceedings. The classes help couples learn skills that had they known earlier, she said, might have prevented

their divorce. These skills include communication, cooperation, and dispute resolution.

The idea, said Harder, is “not to drag the children into the fray and to spare the children as much anguish and emotional trauma as possible.”

Rep. Len Biernat (DFL-Mpls) said the bill was mostly supported by a number of groups offering parenting classes that aren’t making money. County governments throughout Minnesota objected to the bill, he said, for fear that they will be required to pay the class fees for those who can’t afford to do so.

“This sounds like an unfunded mandate,” added Rep. Ron Latz (DFL-St. Louis Park).

In response to a question from Rep. Michael Paymar (DFL-St. Paul), Harder said that the bill would not change the current practice that allows judges to excuse individuals from taking the classes. Paymar expressed concern about domestic violence victims being forced to take a class with their abusive spouse.

At a March 19 House Civil Law Committee meeting, several groups offering parenting classes explained their services.

Marilyn McKnight, owner of Erickson Mediation Institute, said it often takes parenting class participants several hours of classes to overcome their anger at being ordered to attend. Many, however, subsequently appreciate the chance to learn about the emotional nature of divorce, legal proceedings, and parenting.

The bill now goes to the Senate, where Sen. Steve Dille (R-Dassel) is the sponsor.

★ GAMBLING

Gaming for stadiums

A bill that would fund stadiums through gambling was presented to the House Taxes Committee May 6, but no action was taken.

After a short discussion, Rep. Ron Abrams (R-Minnetonka), the committee chair, told Rep. Tom Hackbarth (R-Cedar), the sponsor of HF1716, that he would remove his recommendation to forward the bill to the House Ways and Means Committee. “That way you won’t have an overwhelming vote against this idea and you can live to fight another day, maybe not this year, but in the future.” No other member made a motion.

Hackbarth said the bill, which has no Senate companion, would propose a constitutional amendment in the 2004 election that would permit the Legislature to authorize a single license for a privately owned casino in the Twin Cities metropolitan area.

Under the plan, the state would sell at least a 30-year license to a private entity to operate a casino. Of the money, Hackbarth said, “not

less than \$450 million would be put into a special account held aside and we would guarantee revenue bonds, not general obligation bonds, to be let out to build the three stadiums.” Anything over the amount would go to the state’s general fund.

Additionally, the state would charge a 15 percent tax to the casino on its gross gaming receipts with 10.5 percent coming back to the state to pay off the bonds. Team owners would be on the hook for a portion of their stadium costs, as would the University of Minnesota for its facility.

“When the stadium bonds are paid off, the \$450 million goes to the general fund in time, as soon as maybe 15 years down the road, and the 10.5 percent tax that was paying off the revenue bonds goes directly to the general fund,” he said. “It’ll be quite a windfall to the state of Minnesota.”

Jim Belisle, a lobbyist for Lakes Entertainment Inc., said this bill does not put stadium construction on the “backs of taxpayers. It does not increase the ticket cost and the concession costs for the fan. This is the only bill that gets the job done, in the easiest way it is to get the job done, without raising taxes or calling taxes user fees.”

MORNING SONG



PHOTO BY ANDREW VONBANK

Members of the Red Lake Nation and White Earth Band of American Indians participate in a morning song May 12. The Red Lake and White Earth communities placed a wigwam on the front lawn of the State Capitol grounds as part of American Indian Month and to create greater awareness of the Minnesota Gaming Equity Act.

State lottery changes

Several changes to the operation of the Minnesota State Lottery would occur under a bill passed 127-1 by the House May 6.

Sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Ann Rest (DFL-New Hope), HF2199/SF2181* would give the governor responsibility for appointing the state lottery director, require the director to submit a budget, and create a Lottery Organization Task Force to study and make recommendations on the future organization and profitability of the lottery.

Additionally, the bill lowers the operating expenses for fiscal years 2004 and 2005 to \$27.4 million from \$43.5 million. The expenses must not come from a direct function of lottery sales, which include the cost of lottery prizes, monies paid to lottery retailers as sales commissions or other compensation, costs to produce and deliver scratch game tickets, and amounts paid to an outside vendor to operate and maintain an online gambling system.

On the floor, Wilkin successfully offered an amendment to substitute the House language into the Senate file.

The bill is in response to a February 2004 legislative auditor’s report on the lottery that found concerns in a number of areas including promotional spending, the amount of leased space, and staffing levels.

Several amendments were unsuccessfully offered by members, including one by Rep. Rebecca Otto (DFL-Marine on St. Croix) that would have required lottery service businesses that purchases lottery tickets on behalf of customers to only accept forms of payment by cash, check, or money order. Currently it is the only form of gambling where credit card payments are accepted.

“Gambling is an addiction, it is an addictive behavior and the use of credit cards makes it that much more simple,” said Rep. Phyllis Kahn (DFL-Mpls).

Wilkin encouraged members to vote against the amendment to keep the bill “clean” and suggested Otto present the amendment as a bill next session. Otto said she did introduce the measure as HF2113, but didn’t get a hearing.

A conference committee report was passed by both bodies May 13. It now goes to the governor.

Casino proposal fails

A bill that was designed to assist two American Indian communities through gambling revenues from a Twin Cities metropolitan area casino failed May 6 in a House committee.

On a 13-9 vote, the House Taxes Committee voted against HF2135, sponsored by Rep. Bill Haas (R-Champlin).

“The bill allows the state lottery to enter into



Dan King, player development manager at Treasure Island Resort & Casino, testifies May 5 before the House Taxes Committee against a proposal that would establish a casino in the Twin Cities metropolitan area.

an agreement with the White Earth and Red Lake bands to operate a casino in the northern part of the metro area," Haas said. "The lottery is involved because they will lease the slot machines to the new casino."

Casino profits could be used for things like upgrading schools, health care facilities, and roads and other infrastructure needs, he said. "These are the two largest tribes in the state and the two poorest."

Both tribes now have casinos, but Haas said they basically just provide employment for reservation members. Profits are low, he said, because they are in low traffic areas.

The tax committee heard the bill because it would exempt from sales tax the adjusted gross revenue from gaming machines operated by the lottery. Instead, state revenue would come from a 20 percent tax of adjusted gross gaming machine revenue.

"We're giving up 6.5 percent to get 20 percent," said Haas. A Department of Revenue analysis indicates that the revenue increase to the state would be \$26.8 million in fiscal year 2005, \$56.6 million in fiscal year 2006, and \$89.8 million in fiscal year 2007.

Rep. Alice Hausman (DFL-St. Paul), who voted against the plan, said she told tribal

representatives that she would try to help them in any way she could, including raising taxes, to address the poverty issue and other community challenges. "I hope we haven't reached a point in this state where the only way we can help people struggling to make their way is to suggest gambling revenues."

"I have my own concerns about the fact that everything, it seems, has to be moved down here to the metropolitan area," said Rep. Tom Rukavina (DFL-Virginia), who also voted no.

Much of the committee time was spent hearing the views of opponents to the overall expansion of gambling in the state, including two casino employees and the executive director of the Minnesota Indian Gaming Association.

In addition, an amendment offered by Rep. Ann Lenczewski (DFL-Bloomington) that would have prohibited Bloomington from consideration as a potential site for a casino was withdrawn. She said it was necessary to prevent a casino, such as one operated by Caesar's Entertainment, from being built on a site across from the Mall of America.

A companion bill (SF2015), sponsored by Sen. Sandra Pappas (DFL-St. Paul), awaits committee action.



For information on a bill about card club tables, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

★ GAME & FISH

Dedicated funds

The newest reincarnation of a plan that would ultimately dedicate a percentage of the existing sales and use taxes to environmental purposes passed another hurdle May 11.

Sponsored by Rep. Tom Hackbarth (R-Cedar), HF1166 was approved 14-11 by the House Taxes Committee, and referred without recommendation to the House Ways and Means Committee.

The bill would propose a constitutional amendment to voters in the November 2004 election that one-eighth of 1 percent of state sales and use tax receipts be dedicated to a heritage enhancement fund that would improve, enhance, or protect game and fish habitat and provide hunter and angler access.

If approved by voters, the fund dedication would begin on July 1, 2007.

Gone from the proposal by an author's amendment is funding dedicated to parks and trails, zoos, and impaired waters. Hackbarth said it was time to scale the bill back to its original



Mark LaBarbera, president of the Minnesota Outdoor Heritage Alliance, testifies May 11 before the House Taxes Committee in support of a proposal that would dedicate a percentage of sales and use taxes to environmental programs.

position, which was intended for game and fish.

A Department of Revenue analysis indicates that in fiscal year 2008, the fund could gain approximately \$87.5 million.

"This is a positive step forward for the hunters and anglers in Minnesota," said Rep. Paul Kohls (R-Victoria).

However, tax committee members from both parties expressed concern about the corresponding loss to the general fund.

"We've got serious budget problems and this doesn't help because it takes from other areas," said Rep. Tom Rukavina (DFL-Virginia).

"Why not raise the sales tax by one-eighth of 1 percent?" asked Rep. Katie Sieben (DFL-Newport). Hackbarth said he was not in favor of raising taxes, and admitted that he took a no-new-taxes pledge.

Rep. Ron Abrams (R-Minnetonka), the tax committee chair, voted against the bill. "I generally don't like dedicated funds. It doesn't make for good budgeting."

Yet, some who fish and hunt see this funding as a long overdue investment.

"We think the economy that we drive and the taxes we provide warrant our return," said John Schroers, vice president of the Minnesota Outdoor Heritage Alliance. "Everyone benefits from clean air and clean water."

A Senate companion bill (SF401), sponsored by Sen. Dallas Sams (DFL-Staples), awaits action by the Senate Rules and

Administration Committee. However, the Senate version differs by the percentage of sales tax dedication and the scope of funding.

Governor gets game and fish bill

After a few extra parliamentary motions, an omnibus game and fish bill that would reinstate a mourning dove hunting season in Minnesota, encourage youth hunting by altering some license fees and regulations, and allow for a three-year license revocation for those who fail to pay court-ordered fines for game and fish violations is headed for the governor's desk.

HF2368*/SF2203, sponsored by Rep. Joe Hoppe (R-Chaska) and Sen. Tom Saxhaug (DFL-Grand Rapids), also would order a Department of Natural Resources report on the impact of the season on the state's mourning dove population.

Under the bill, on the opening day of duck season the shooting hours for migratory game birds, except woodcock and mourning doves, would begin at 9 a.m. rather than noon, as is current practice. The department would be directed to study the impacts of the change in shooting hours, including the harvest success and the affect on local waterfowl populations, and report back to the Legislature by Jan. 15, 2007.

Youth-directed provisions include allowing turkey hunters under the age of 16 to be accompanied by unlicensed, unarmed adults and sanctioning Minnesota residents under the age of 18 to take up to 25 turtles for nonprofit turtle racing, as long as the turtles are greater than 4 inches in length.

The bill returned from the Senate with a number of amendments and the House voted not to concur May 10. The next day brought a change of heart.

"Upon further review and reflection from yesterday, we have decided to concur with the Senate version of the game and fish bill," Hoppe said May 11. The House then re-passed the bill 93-39.

Hoppe said highlights from the added Senate language include provisions that would protect albino deer, allow people with extreme visual impairments to use a muzzleloader with a scope during the deer season, and allow for turkey hunting by archery in the last two weeks of the spring season.

Other new language would call for the department to coordinate lead tackle awareness and public education efforts and promote the availability of fishing tackle that does not contain lead, such as lead-free jigs and sinkers.

The department also would be authorized to establish a quality deer management pilot zone in Kittson, Lake of the Woods, Marshall, Pennington, and Roseau counties in which

hunters age 18 or older may not shoot deer that have antlers less than the width of the ears when the ears are fully extended and fewer than four points on one side. A two-day special firearm deer season for youth residents ages 12 to 15 to take antlerless deer would be designated in the zone. Under the bill, "a violation related to antler size in the quality deer management zone is not a crime and shall not result in a penalty, but is punishable only by a warning."

Agreement costs

The House passed a bill 70-60 May 12 that would direct the legislative auditor to report to the Legislature by Jan. 3, 2005, on "all costs incurred by state and local governments associated with any agreement between the state and a tribe related to the management of game and fish or other natural resources or to the administration of treaties."

Under HF1800, sponsored by Rep. Sondra Erickson (R-Princeton), the auditor would be asked to "itemize the costs incurred by category and year, since the commencement of any agreement or since July 1, 1994, whichever is most recent." The report must include costs for payments to federal agencies for assistance in administering the agreements.

An amendment offered by Erickson to instead direct the Department of Natural Resources to report to the Legislature all costs incurred by the department for the same game and fish tribal agreement matters was ruled out of order.

"This is a bill about accountability," Erickson said. "It seems that over the years the (department) has lost track of the costs."

Erickson said she calculates expenditures may have surpassed \$100 million.

"I'm just interested in information," she said. "I have no agenda."

Rep. Larry Howes (R-Walker) raised a concern about the broader picture of state and tribal relations at a time when the governor has broached the idea of renegotiating other gaming compacts.

"I kind of look at this as more of a poke in the eye at a time when they are trying to renegotiate the compacts," Howes said.

Rep. Keith Ellison (DFL-Mpls) questioned whether some citizens could construe the bill as an attempt to go back on agreements or treaties.

"The consequences of not upholding this state's word are very harmful, very hurtful, very dangerous," Ellison said.

Ultimately, debate segued from a discussion of treaties to questioning the Legislature's authority over the legislative auditor's topic selection process and activities.

"Let's not let the Legislative Audit

Commission decide what this body does or doesn't do," said Rep. Philip Krinkie (R-Shoreview).

The bill now moves to the Senate, where Sen. Betsy Wergin (R-Princeton) is the sponsor.

★ HEALTH

Medical records access

A bill that would allow a minor child's parent or guardian access to the child's health records passed the House 86-47 May 11.

Sponsored by Rep. Tim Wilkin (R-Eagan), HF352 would amend a more than 30-year-old state law that provides minors confidentiality when seeking medical treatment.

"This law places legal barriers between parents and their children," Wilkin said. "Our children have not fared well with this law," which he called, "one of the most liberal in the nation."

The bill now goes to the Senate, where Sen. Sean Nienow (R-Cambridge) is the sponsor.

Bill opponents said the law has helped teens overcome difficult family situations to obtain medical care and advice for chemical dependency, sexually transmitted diseases, and other health needs.

"This law has served Minnesota well," said Rep. Katie Sieben (DFL-Newport), citing the state's low national ranking in its teen pregnancy rate. "If we cut off a minor's access to family planning, it will lead to a rise in teen pregnancies."

The law, in effect since the early 1970s, does not allow parents to view medical records without their child's consent. The bill would amend the law in part by adding: "A parent or guardian is entitled to full access to a minor child's health records except as otherwise explicitly provided in law."

The bill would allow parents to sign a notarized agreement with a health care provider to permit a minor child to consent for future health care services. It would also allow officials of a licensed residential facility providing short-term shelter for homeless or runaway minors to provide consent for medical and mental health care, except "family planning services."

An amendment by Rep. Michael Paymar (DFL-St. Paul) that would have restored existing law and provide a parent "opt in" regarding medical records access was defeated.

"We're not living in a perfect world," Paymar said. "Young people won't seek help if they know that parents have access to the information."

"Every teen is scared to tell their parent what they've done wrong," Wilkin responded. "But if they have to tell their parents to get relief, they're going to tell them."



For information on new laws about adverse event reporting, a moratorium exemption, and assisted living facilities terminology, go to the Session Weekly EXTRA page at: <http://www.house.mn/hinfo/swx.asp>

HUMAN SERVICES

Nursing home enhancement

A bill that the House sponsor described as a way to help improve state nursing homes was passed 126-0 by the House May 6.

It passed the Senate 57-0 one day later. It now goes to the governor.

One part of HF1754/SF1604*, sponsored by Rep. Char Samuelson (R-New Brighton) and Sen. Linda Berglin (DFL-Mpls), would allow for the human services commissioner to negotiate planned closures for nursing facilities beginning July 1, 2004 provided there is no cost to the state. Between Aug. 1, 2001 and June 30, 2003, the Department of Human Services was authorized to approve planned closures of up to 5,140 nursing facility beds and approve planned closure rate adjustments to beds remaining in operation.

An amendment added on the House floor "moves that the state go forward with the development of a new nursing home reimbursement system that also would include quality indicators for the system," Samuelson said. "A recommendation would be brought forward by Jan. 15, 2005 with potential implementation of a new system by Oct. 1, 2006."

"This at least gets us into the data collection, which I think will get us a better system for establishing rates," said Rep. Fran Bradley (R-Rochester).

Third, a request for a medical assistance property related rate adjustment and the documentation of construction cost must currently be submitted to the human services commissioner within 60 days after the construction completion date to be considered eligible. The bill says the commissioner "shall provide a rate notice reflecting the allowable costs within 60 days after receiving all the necessary information to compute the rate adjustment."

"This will be a benefit to nursing facilities to get their rate adjustments in a timely fashion," Lori Meyer, director of government affairs for the Minnesota Health and Housing Alliance, told the House Health and Human Services Policy Committee March 8.

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INSURANCE

Cancellation notice

A clarifying bill that prescribes certain notice requirements for fire insurance and amends provisions regulating township mutual combination policies was passed by the House 122-9 May 10.

Sponsored by Rep. Laura Brod (R-New Prague) and Sen. Dallas Sams (DFL-Staples), HF2777/SF2620* now goes to the governor. The Senate passed the bill 57-0 May 5.

For an insurance policy, the bill clarifies some language in regard to notices if that policy is declined within the first 60 days, Brod said. "The language also clarifies some references to town fire mutual insurances in regards to statutory language. It doesn't change any rights that are for the consumers or insurance companies."

Under the bill, in the event of a midterm cancellation, "notice must be mailed to the insured at least 30 days before the effective cancellation date." Current law indicates the insured must receive a 30-day notice.

"In the event of a nonrenewal, notice must be mailed to the insured at least 60 days before the effective date of renewal," under the bill. Previous law said a 60-day notice must be sent to the insured.

LOCAL GOVERNMENT

Airport closures

Local governments would be prohibited from closing municipal airports unless certain measures are followed, under a bill the House passed 128-4 May 10.

Rep. Michael Beard (R-Shakopee) said he was offering HF2737 to prevent from happening in Minnesota what occurred in Chicago.

According to the *Chicago Tribune*, Mayor Richard Daley sent bulldozers in at 11 p.m. on March 30, 2003 to tear up a runway at Meigs Field, used by private pilots in downtown Chicago. The mayor said his actions, which came without public notice, were meant to protect the city's residents against possible terrorism threats at the airport. Skeptics said the mayor's actions were a "land grab" to facilitate construction of a nature preserve and park.

Beard's bill lays out several steps that must be taken before a Minnesota county, city, town, or joint powers board can close one of its airports.

First, the local government unit would have to notify the state transportation commissioner of its intent to close the airport.

Second, the government unit would not be allowed to abandon, significantly alter, demolish, or convey the airport property for a

180-day period following notice of closure. Violations would bring a fine of \$1,000 a day.

Third, the government unit would be required to conduct a public hearing regarding the airport closure within 90 days of the closure notice. Public testimony would be allowed at the hearing.

And finally, before the public hearing, the state transportation commissioner would be required to evaluate the impact of the airport closure on the state airport system.

"I must reiterate that this does not prevent a municipality from closing an airport," Beard said. It would, however, he said, prevent a municipality from closing an airport without public process.

Rep. Ron Erhardt (R-Edina) defended the actions of Daley.

"We need more initiative, and he's the guy that really displays that," Erhardt said.

Replied Beard, "I think initiative is a kind word to put on it."

The bill now goes to the Senate, where Sen. Michael Jungbauer (R-East Bethel) is the sponsor.

Publishing public notices

A new law signed May 10 by Gov. Tim Pawlenty updates and revises the laws governing publication of political subdivisions' public notices.

Sponsored by Rep. Peter Adolphson (R-Minnetonka) and Sen. Jim Vickerman (DFL-Tracy), the new law will take effect Aug. 1, 2004.

It will update and revise 17 sections in state statute that govern the publication of political subdivisions' public notices. Political subdivisions include counties, municipalities and school districts, as well as local and district commissions, boards, or authorities.

State law requires a political subdivision to contract with a designated qualified newspaper for publication of public notices, meeting minutes, and other legal documents.

The law will require a qualified newspaper that maintains a Web site to post official notices on the site at no additional cost. The Web posting must be maintained for the notice's full publication period. A failure to post a government's official notice on a Web site would not affect the validity of the public notice.

The new law will allow more public notice information to be disseminated electronically or by alternative means in certain circumstances.

Solicitations for bids, requests for information, and requests for proposals can be posted on a political subdivision's Web site, under the new law, or in a recognized industry trade journal, as long as the posting is in the same



format and follows the same length of publication time required in a qualified newspaper.

Financial statements will be added to the list of materials that can be summarized in a published public notice, as long as the full text of the summary is available for public inspection by standard or electronic mail.

When a summary of proceedings is published, the new law will require a notice that a full version of the proceedings is available without cost at the political subdivision's office or by standard or electronic mail.

The new law repeals a grandfathered provision that allows newspapers designated as a local government's official publication prior to May 20, 1965 to retain that status, even if the newspaper no longer meets state qualified requirements.

Additionally, a bi-monthly newspaper is deemed as qualified to publish government public notices.

HF2270*/SF2067/CH182

Developer fees

A new law signed by Gov. Tim Pawlenty May 10 will require a connection between fees a municipality charges a developer and the local government's development-related public costs.

Sponsored by Rep. Carla Nelson (R-Rochester) and Sen. Betsy Wergin (R-Princeton), the law takes effect Aug. 1, 2004.

It will amend state law that allows a municipality to charge development fees and require that land in a proposed commercial or housing development be dedicated for public infrastructure, conservation, or recreation purposes.

Language will be added to existing law that, "there must be an essential nexus between the fees or dedication . . . and the municipal purpose sought to be achieved by the fee or dedication."

Such fees, under the law, could not be used by a municipality for "ongoing operation or maintenance."

In the event of a fee dispute, the law will allow a developer's application with a municipality to proceed pending a decision on an appeal. The developer must pay the fee, which the municipality must put in an escrow account.

HF2103*/SF2273/CH178

Public finance bill

A bill that its sponsor calls "one of the most non-controversial bills ever to be reported out of the tax committee" was passed 125-5 by the House May 10.

Rep. Ron Abrams (R-Minnetonka), chair of the House Taxes Committee, said HF3081 "is a fairly technical bill." However, it also contains a number of policy-related changes for local gov-

ernments, and it would give the Metropolitan Council authority to bond for capital improvements and a public safety radio system.

The council, under the bill, would be permitted to issue \$32 million in bonds for capital expenditures under its regional transit master plan and transit capital improvement plan. This includes things like fleet expansion, bus garages, scheduling systems, and park-and-ride facilities.

In the previous five years, the Legislature has approved \$199.4 million in transit bonding.

Additionally, the bill deals with public safety radio subsystems by allowing the council to issue revenue bonds to "provide money for assistance to a local government unit for up to 50 percent of the cost of building a subsystem in the southeast district or in the counties of Benton, Sherburne, Stearns, or Wright in the central district of the State Patrol." The money would help these areas become part of a system designed to let all officers communicate and be compatible with systems used by local agencies.

Other provisions in the bill include:

- special service districts would be allowed to contract with nonprofit corporations outside the Twin Cities metropolitan area for management and/or provisions of the district's services;
- the sunset for special service and housing improvement districts would be extended from June 30, 2005 to June 30, 2007;
- the Aitkin Drainage and Conservancy District, abolished in 1987, would be reestablished to administer a deteriorating diversion channel on the Mississippi River;
- the city of St. Paul would be allowed to create a nonprofit organization to maintain, manage, and operate all or a portion of the RiverCentre complex, and to manage and operate a convention and visitor's bureau; and
- the Minnesota Housing Finance Agency (HFA) would be authorized to transfer \$50 million of its tax-exempt bonds for calendar year 2004 to the Higher Education Services Office (HESO).

"The HFA is not able to use, because of low interest rates, the entire bond allocation and this is simply an efficient way in which to transfer this bonding authority to HESO," Abrams said.

An amendment offered by Rep. Mark Olson (R-Big Lake) to allow local governments to issue bonds and loan the proceeds to a public or private entity to design, construct, and furnish a personal rapid transit system was defeated.

"I think it's inappropriate for members to be OK with letting a county or city use their bonding authority to go into debt to bring a product to market," said Rep. Ann Lenczewski (DFL-Bloomington).

The bill now goes to the Senate, where Sen. Lawrence Pogemiller (DFL-Mpls) is the sponsor.

Paying attorney fees

Minneapolis police officers would continue to have attorney fees paid if a misconduct complaint filed against an officer is not upheld, under a bill the House passed 132-0 May 10.

HF2275/SF2231*, sponsored by Rep. Len Biernat (DFL-Mpls) and Sen. Lawrence Pogemiller (DFL-Mpls), now heads to the governor's desk. The Senate passed the bill 63-0 May 3.

The bill would amend state law that provides a police officer's attorney fees be paid by the city if a citizen's complaint is not upheld at an evidentiary hearing before a Civilian Review Authority.

Biernat said the "technical change" is needed because the authority no longer conducts evidentiary hearings because of budget cuts and to speed up resolution of citizen complaints.

The bill would provide that an officer's legal costs be paid if there is "a finding that the complaint is sustained by the authority," but subsequently not upheld by a higher legal authority.

In testimony before the House Local Government and Metropolitan Affairs Committee in March, James Moore, a Minneapolis city attorney said the city had no position on the bill. He said the reimbursement of attorney costs and fees are paid to the Minneapolis Police Federation, the union that represents officers in disciplinary and misconduct allegations.

Under state law, a home rule charter or statutory city, town or county can establish a civilian review authority. Minneapolis is the only city with such an authority.

Tort liability immunity

A bill that could reduce costs for community action agency groups offering affordable housing options was passed by the House 126-0 May 6.

HF2987/SF2065* amends the definition of "municipality" under the law providing immunity from tort liability by adding the term: "a limited partnership in which a community action agency is the sole general partner."

"Community action agencies are often involved in offering affordable housing and are insured under Minnesota Counties Insurance Trust," explained Rep. Kathy Tinglestad (R-Andover), sponsor of the House bill. "This legislation will help reduce those costs by allowing municipal liability protection to be extended under that partnership while still maintaining (community action's) ability to receive federal funding for affordable housing."

Tinglestad described the bill as a technical correction.

Signed
by
the
governor

"No individual organization testified in opposition to this," she added.

House passage came without discussion. The Senate bill, sponsored by Sen. Satveer Chaudhary (DFL-Fridley), was approved 64-0 March 15.

The bill now goes to the governor.

MILITARY



Selective service registration

Some Minnesota men would automatically be registered with Selective Service by applying for a driver's license, under a bill passed by the House 122-0 May 6.

HF1216/SF1192*, sponsored by Rep. Jim Rhodes (R-St. Louis Park), states that an application for a new or renewed driver's license, learner's permit, or Minnesota identification card by a male under the age of 26 constitutes consent to register with Selective Service. The Department of Public Safety would be required to electronically transmit pertinent information on such applicants to the federal government.

"This is not about the draft," Rhodes said. "This is about registering for Selective Service, which is a federal law (and) every male has to do this."

Rhodes said the bill would assist men who forget to register, or those who don't have time to do so separately. Under current practice, men must visit a U.S. post office to complete a form.

Information about those between ages 16 and 18 who are applying for a Minnesota driver's license would be forwarded to Selective Service upon the applicant's 18th birthday, under the bill.

Under the federal Military Selective Service Act, men between the ages of 18 and 26 are required to register with the federal government. While Selective Service in itself is not a military draft, it does provide a system for drafting the number of men needed should the president reinstate the draft during a war or national emergency.

Failure to register is punishable by a maximum sentence of five years in prison and a \$250,000 fine.

Those who must register include parolees, refugees, and applicants for asylum. In addition, handicapped men must register, even if assistance must be solicited from a friend or relative to do so. Lastly, members of the National Guard and Reserve Forces who are not on full-time active duty must register.

Those exempt from registration include women, non-immigrant aliens who were lawfully admitted, and active-duty military

personnel. Men unable to register due to hospitalization, institutionalization, or incarceration must do so within 30 days after their release.

The bill passed on the House floor without discussion and now goes to the governor. In the Senate, where Sen. Mee Moua (DFL-St. Paul) is the sponsor, the bill passed 55-9 on May 15, 2003.

RECREATION



Stadium woes

The plan to fund new stadiums for the Minnesota Twins and Minnesota Vikings failed on a 13-13 vote in the House Ways and Means Committee May 7.

Sponsored by Rep. Doug Stang (R-Cold Spring), HF3089 would have local governments picking up the largest portions of the cost and a local referendum required for user tax increases.

Stang told members the bottom line is the teams want new stadiums because they "need to generate additional revenue."

Team officials testified that in order to remain competitive in their leagues, revenue needs to be raised and a new stadium would help do that.

Several amendments were adopted, including one offered by Rep. Tom Rukavina (DFL-Virginia) that would increase revenue by \$48.7 million by extending metrowide liquor and rental car taxes now set to expire in January 2006. The money would replace a plan that would direct some sales and income taxes at the stadium to debt repayment.

Gov. Tim Pawlenty reportedly opposes extending those taxes.

Rep. Margaret Anderson Kelliher (DFL-Mpls) offered a successful amendment that would require the stadiums to be sustainable buildings. "When we're investing public money in terms of these public investments we must make sure that they are done in a way that is smart and that lowers the life cycle cost of the facility which benefits both the public and the business here."

Another successful amendment offered by Kelliher would require host communities of a stadium and those managing the project to be in conversations on several issues including: living wage jobs, first source hiring for those displaced and residents of the host community, and neighborhood livability issues such as parking for directly affected neighborhoods.

It's important for those communities to have the right to sit down and talk with those involved in such a project to insure the investments that are public dollars benefit the community affected, she said.

House Speaker Steve Sviggum (R-Kenyon) said later that day that he would not be putting any effort into reviving the bill, but others could.

A companion bill (SF2536), sponsored by Sen. Steve Kelley (DFL-Hopkins), awaits action in the Senate Finance Committee.

RETIREMENT

Fund investment

Signed
by
the
governor

The State Board of Investment can invest Metropolitan Council post-retirement health funds if requested by the regional agency, under a new law signed by Gov. Tim Pawlenty May 10.

Sponsored by Rep. Mark Buesgens (R-Jordan) and Sen. Chuck Wiger (DFL-North St. Paul), the new law is effective May 11, 2004.

Buesgens said the bill, requested by the Metropolitan Council, will allow the council the option to request investment — through the state agency — of council funds held in reserve for the payment of potential and estimated postretirement health benefits.

A Metropolitan Council representative said the bill would allow a potential higher rate of return over time because the council funds would be part of a larger state investment board funding pool.

The council is a regional planning agency serving the seven-county Twin Cities metropolitan area.

HF1821/SF1815*/CH175

SAFETY



Honoring fallen Minnesotans

Signed
by
the
governor

Minnesota and American flags in the State Capitol area are required to be flown at half-staff upon the death of public safety personnel killed in the line of duty, under a new law signed by Gov. Tim Pawlenty May 10.

The bill also orders the flags be flown at half-staff upon the death of Minnesota military personnel killed in the line of duty.

In each case, the governor will determine the length of time the flags will be flown at half-staff.

"This bill is a way to honor our police, firefighter, and emergency service personnel across the state," Rep. Ray Vandever (R-Forest Lake) said on the House floor.

Said Rep. Rebecca Otto (DFL-Marine on St.

Croix) who added the military personnel language on the House floor: "They are serving our country and working towards our safety, as well."

Vandever and Sen. Mady Reiter (R-Shoreview) sponsored the law, effective Aug. 1, 2004.

HF2930*/SF2733/CH173

Exotic animal registration

A bill that would impose registration requirements on owners of certain exotic animals passed the House 107-24 May 11.

HF1593/SF1530*, sponsored by Rep. Steve Strachan (R-Farmington) and Sen. Don Betzold (DFL-Fridley), would impose registration requirements on owners of bears; large cats, such as lions and tigers; and nonhuman primates, including chimpanzees, and gorillas.

"Some of you would call it an animal bill," Strachan said. "I would call it a public safety bill."

Certain non-domesticated animals are currently controlled by local ordinances, and breeding facilities are required to meet U.S. Department of Agriculture (USDA) animal welfare guidelines for fence specifications, nutrition, and veterinary care.

But, Strachan said, dangerous wild animals are not regulated at all by the state, and the USDA does not regulate ownership as pets.

"Wild animals are not pets," he said. "They revert to their wild state."

Under the bill, all owners of exotic pets would have to comply with USDA standards and register with local animal control authorities. Breeders who are USDA-licensed would be allowed to replace their animals in perpetuity; however, pet owners could replace an animal only once.

Proponents have said that reducing the pool of private ownership would decrease the risk of injuries and diseases that could be transmitted to people.

The bill would provide a significant number of exemptions, Strachan said, including organizations such as accredited zoos, sanctuaries, circuses, rodeos, and county fairs.

"The effect on breeders under this bill is a market change because pets are restricted further than they are now," Strachan said. "I think that's a good thing."

Though some lawmakers said they disagreed with restricting business growth within the industry, an amendment offered by Rep. Greg Blaine (R-Little Falls) that would have placed the regulatory responsibility with the Board of Animal Health, instead of local authorities, as Strachan had proposed, and

allowed exotic species owners to replace their animals in perpetuity failed.

The amendment "assists an industry of responsible animal owners...without an outright prohibition or ban of animals," Blaine said.

Rep. Mary Murphy (DFL-Hermantown) spoke dramatically in favor of the Strachan proposal over the Blaine amendment.

"The communities are waiting for us to act," Murphy said. "So, if a politician comes door-knocking there will be a sign that says 'Tiger on the Premises,' rather than 'knock, knock, knock, ROAR.'"

The Senate did not concur with the House changes, and a conference committee has been assigned to work out the differences.

Provisional license provisions

The House voted down a bill May 10 that would have prohibited first-year drivers from operating vehicles during some nighttime hours and from carrying more than one passenger.

The vote was 92-39.

HF2304, sponsored by Rep. Jim Rhodes (R-St. Louis Park), related to provisional license holders. Provisional licenses are valid for two years and represent the second phase of the graduated driver's license system, applicable to those aged 19 and younger.

In their first year of driving with a provisional driver's license, drivers would not be allowed to drive, under the bill, with more than one passenger under the age of 21, save for immediate family members. These same individuals would also be prohibited from driving between midnight and 5 a.m., unless accompanied by a parent or guardian.

However, the bill allowed both prohibitions to be overridden through a note signed by the driver's parent or guardian.

At a March 24 committee meeting, Rhodes said the issue is the number of injuries caused by teenagers in their first year of driving.

"I'd like to save a child," he said, citing the death of a student in the Hopkins area last year.

Several members spoke against the bill on the House floor.

Rep. Marty Seifert (R-Marshall) said the bill undermined parents' ability to regulate their children's behavior. "The definition of the family is mom and dad, not Uncle Sam and Big Brother," he said.

Rep. Tom Rukavina (DFL-Virginia) said he voted against a proposed curfew provision when the House passed the graduated driver's license system in 1997.

"...I just kind of get tired around here making criminals out of good kids," Rukavina said. "If we put this into law, that's exactly what we're going to be begging for."

But Rep. Nora Slawik (DFL-Maplewood) favored the bill. Sixteen- and 17-year-olds have more accidents than any other group, she said.

"We're talking about a bill that's going to help kids," she said.

The Senate companion bill (SF2144), sponsored by Sen. Steve Murphy (DFL-Red Wing), has been incorporated into an omnibus transportation policy bill approved by the Senate 45-17 May 10.

Permitted to drive

A new law signed May 7 by Gov. Tim Pawlenty limits the ability of most teenagers to gain a driver's license following accidents or drunken driving incidents.

Effective May 8, 2004, a young person whose provisional license is revoked due to a drunken driving crime or a crash-related moving violation cannot regain a license until age 18. Furthermore, that person must complete a formal driving instruction course, document three months' experience in operating a motor vehicle, and pass the driver's license written examination.

Also under the new law, any person under age 18 who is driving without a permit or license and convicted of a DWI-related crime or a crash-related moving violation cannot be given a provisional license or instructional permit. In order to obtain a regular license, this person must pass a written test, obtain a learner's permit and hold it for at least six months, and then pass a behind-the-wheel test.

The new law is referred to as "Vanessa's Law" in memory of Vanessa Weis, who was killed in May 2003 just days before her 16th birthday. She was a passenger in a vehicle being driven by an unlicensed 15-year-old who lost control of the vehicle. Vanessa's mother, Mary Weiss of St. Louis Park, blamed the accident on excessive speed, inattentive driving, and youthful inexperience.

Rep. Greg Blaine (R-Little Falls) and Sen. Betsy Wergin (R-Princeton) sponsored the law. HF2555/SF2851*/CH177

Agency extension

A regional agency with jurisdiction over building the Twin Cities metropolitan area portion of a statewide public safety radio and communication system would be extended, under a bill the House passed 117-15 May 10.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Jane Ranum (DFL-Mpls), HF2136/SF1973* now heads to the governor's desk. The Senate passed the bill 64-0 May 5.

The Metropolitan Radio Board was established by the 1995 Legislature to set standards



for the construction and operation of a high-frequency (800MHz) digital public radio system covering nine metropolitan area counties.

Holberg said the bill addresses “short- and long-term issues on governance of the radio system,” which, she added, will “expand into the St. Cloud corridor and down to Rochester.”

The bill would repeal a June 30, 2004, board expiration date, and would allow more time for a transition to a statewide public safety communications network. Under the bill, the board would be continued to June 30, 2006.

The regional agency’s board would be expanded to 19 members, under the bill, by adding representatives from Chisago and Isanti counties.

The current 17-member board includes representatives of counties and cities in the Twin Cities metropolitan area. It was established to set standards for the construction and operation of a high frequency digital public safety radio system for the area.

The radio system’s first phase started operating in 2002. The system cost of about \$36 million was funded through the Metropolitan Council, state-issued bonds, the trunk highway fund, and a portion of 911-emergency line fees paid by all telephone users. The council provides the radio board with office space and administrative support at no cost.

Holberg said the state Department of Public Safety, which opposed the bill in a February hearing before the House Local Government and Metropolitan Affairs Committee, supported an amended version brought to the House floor.

Railroad clearance

A bill that would prohibit all vehicles when stopped at railroad tracks from crossing the tracks until the roadway ahead is clear of traffic was passed by the House 90-40 May 10.

HF2217, sponsored by Rep. Doug Meslow (R-White Bear Lake), would apply to two classes of vehicles. Vehicles “for hire” that are required by federal law to stop at railroad crossings, such as buses, would not be allowed to cross the tracks until traffic is flowing sufficiently to allow them to clear the other side of the tracks by at least 10 feet.

Secondly, all other vehicles, such as passenger automobiles, could not proceed across the tracks until they are able to clear the other side of the tracks by any distance.

Violators would be subject to misdemeanor penalties.

In the March 18 House Judiciary Policy and Finance Committee, Meslow said the bill was necessary to keep vehicles from stopping atop tracks when traffic is backed up. He cited a case

in White Bear Lake in which a car was hit when it straddled the tracks as traffic was backed up. And John Apitz, a lawyer representing the Minnesota Regional Railroads Association, cited a similar situation in Elk River. In neither case did the driver die.

Several members objected to the bill on the House floor.

“It’s just common sense that you shouldn’t stop on the railroad tracks, Rep. Meslow,” said Rep. Tom Rukavina (DFL-Virginia). “I don’t think we need a law for that.”

Added Rep. Mary Murphy (DFL-Hermantown), “Do you know that under this bill a person can get their car wrecked, they could get hurt, and they could get a ticket?”

Rep. Bernie Lieder (DFL-Crookston) defended the bill on the House floor. “There are a lot of accidents that have happened and I think this bill would clarify that particular problem that we have,” he said.

The fact that many drivers have inadvertently broken traffic laws, such as running a red light, for instance, does not negate the need for such a law, Meslow said in committee. “I think it’s important that there are laws that set out what it is we’re supposed to do.”

In the Senate, where Sen. Mady Reiter (R-Shoreview) is the sponsor, the bill passed 59-3 May 13. It now goes to the governor.

★ TRANSPORTATION

Policy provisions, part II

The House on May 12 passed its second omnibus transportation policy bill in nearly two months, approving provisions that would regulate toll roads, change how the state takes private property, and begin the examination of a proposed second beltway around the Twin Cities metropolitan area.

HF2247, sponsored by Rep. William Kuisle (R-Rochester), was passed 98-31. It now goes to the Senate, where Sen. Steve Murphy (DFL-Red Wing) is the sponsor.

Many of the provisions in HF2247 are identical to those in HF3141, approved by the House 83-50 April 7. Also sponsored by Kuisle, it lacks a Senate companion.

Under the bill, tolls could not be charged of drivers on any toll lane or road once construction and debt costs of the toll facility are recovered.

Additionally, the state could not strike up more than two private toll facility agreements with developers before July 1, 2006.

And, under the bill, at no time could an agreement contain a “non-compete clause.” Private developers have used such clauses in other states to keep the government from

improving or constructing other highways that developers believe take away business from their privately constructed toll roads.

“It’s not so much a red light as much as a flashing yellow,” said Rep. Frank Hornstein (DFL-Mpls) in introducing the concept (HF2539) March 10 at a House Transportation Policy Committee meeting. Portions of his bill regulating toll road facilities were included in the larger omnibus transportation finance bill.

An amendment offered by Rep. Ray Vandever (R-Forest Lake) to prohibit toll roads on all but Interstate 394 failed on a voice vote.

Discussions of toll roads have received more attention recently at the Capitol. In 2003, the Legislature approved HOT lanes, which will allow single-occupant vehicles to use carpool lanes for a fee.

According to the Transportation Department, HOT lanes will begin soon on Interstate 394, west of downtown Minneapolis. Fees, which are yet to be announced, will be collected electronically. Drivers, however, would maintain an ability to use adjacent lanes free of charge.

Plans for a second toll road initiative, so-called FAST lanes, are moving forward. According to John Doan, FAST Lanes program director, lane designation will come sometime in 2005.

The bill also includes a directive to the department to study possible alignment of main highways as a second beltway outside Interstates 494 and 694. A report — including timetables and right-of-way needs — would be due to the Legislature by Jan. 15, 2005.

Also under the bill, government entities would maintain the ability to take private property for public projects, but only when there is overwhelming evidence that the land is needed for a public purpose.

Other provisions in the bill include: rumble strips on rural roads, a pilot taxi project for disabled riders, a plan for a statewide 10-ton county and county state-aid highway system, and a plan to allow private entities to lease state rest areas on major highways in order to prevent their closure.

Light rail operations

The new Hiawatha light-rail line that will eventually run between downtown Minneapolis and the Mall of America is scheduled to begin operating June 26. A bill passed by the House would help it operate more smoothly.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville), HF2078 was approved 128-2 May 10.

The bill does two things. First, it attempts to prevent traffic jams that could be caused at downtown railroad crossings. It provides that

all vehicles required by federal law to stop at all railroad crossings regardless of the presence of a train, such as school and passenger buses, would be allowed to pass through the intersection if a train is not approaching. This applies only to crossings at the intersection of two or more public streets if the intersection is controlled by a traffic signal.

Without this provision, Holberg said, traffic could become backed up at light-rail crossings in downtown Minneapolis. Rear-end accidents could ensue, she added.

Second, the bill allows law enforcement agents and Metropolitan Transit police to ticket passengers who attempt to ride the train without paying for or presenting the proper fare.

The bill now goes to the Senate, where Sen. Charles Wiger (DFL-North St. Paul) is the sponsor. The provision is also in the Senate omnibus transportation policy bill.

Bridge review

A new law signed May 10 by Gov. Tim Pawlenty will streamline the review of bridge replacements and repairs.

Effective Aug. 1, 2004, the new law repeals a statute that requires review by the appropriate regional development commission or the Metropolitan Council of all bridge replacements and repairs that are funded by grants from Minnesota state transportation bonds. The reviews were originally envisioned to ensure consistency with long-term comprehensive development plans.

Organizations representing county governments want the law changed, according to Rep. Peter Adolphson (R-Minnetonka), who sponsored the law with Sen. Ann Rest (DFL-New Hope). The Metropolitan Council is not opposed to it, he added.

Adolphson characterized the new law as "mandate relief." Dennis Berg, an Anoka County commissioner, told a House committee that many regional development commissions haven't been reviewing bridge repairs and replacements. Eliminating the law wouldn't damage the integrity of the process, which still requires local government unit approval, he added.

Current law, according to nonpartisan House Research Department staff, was enacted in 1976 when the state transportation fund was created. At the time, the state had no process for reviewing bridge projects funded by state grants, and lawmakers wanted to ensure adequate local review. Since then, such projects have been reviewed *pro forma* by regional development commissions without substantial impact.

HF1851*/SF1954/CH180

Signed
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SPECIAL THANKS



PHOTO BY TOM OLMSCHIED

House Taxes Committee Chair Rep. Ron Abrams holds a plaque he received May 11 in appreciation of his tenure as chair. Abrams must step down as chair because House rules do not allow members to serve as chair of a standing committee with substantially the same jurisdiction during more than three consecutive regular biennial sessions that the member's caucus is in the majority. Rep. Connie Ruth, committee vice chair, *left*, presented the plaque to Abrams for his "professionalism, perseverance, and patience." Also pictured are Blair Tremere, committee administrator, and Kathy Kieffer, committee legislative assistant.

Preservation designation

Gov. Tim Pawlenty signed a law May 10 that streamlines the designation of natural preservation routes on county state-aid highways.

Effective Aug. 1, 2004, a section of law is removed that requires all requests by counties for the designation of natural preservation routes to be reviewed by an advisory committee. The committee consisted of a representative from the Department of Natural Resources, a county commissioner, a representative of an environmental organization, and three members of the public.

According to the nonpartisan House Research

Department, natural preservation routes are highways within the county state-aid highway system that may be built to different standards because they are located in scenic or historically or environmentally sensitive areas.

The repeal leaves intact the remaining portion of the statute that regulates the designation of natural preservation routes. It requires that in order for the state to designate the route, the county board with jurisdiction over the road must receive a petition requesting the road's designation. The county board must act on the petition request within 60 days.

Rep. Ron Erhardt (R-Edina) and Sen. Ann Rest (DFL-New Hope) sponsored the law.

HF1898*/SF1953/CH181

Signed
by
the
governor
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ROOF REPAIR



PHOTO BY TOM OLMSCHIED

A layer of rolled roofing is applied to half of the Judicial Center roof May 10, following a storm that hit the Capitol Complex May 9. In addition to the damaged roof, several trees were uprooted or otherwise damaged.

STATEHOOD

PHOTOS BY TOM OLMSCHIED



State Capitol site guides dress in costume as part of Statehood Week. Elizabeth Karel, *left*, portrays a territorial schoolteacher and Michael Salzberg, *right*, portrays Dr. John Murphy, a delegate to the 1857 Minnesota Constitutional Convention. The portrayals are done for school groups during their tours of the State Capitol. The groups hear how Minnesota's boundaries were drawn before it became a state on May 11, 1858.



Portraying a delegate to the 1857 Minnesota Constitutional Convention, Dick Klein tells a sixth-grade class from John Adams Middle School in Rochester May 12 how Minnesota's boundaries were drawn.

Birthday bash

As State Capitol centennial approaches, planners work on party plans and structural preservation

By MIRANDA BRYANT

One of the most significant birthday celebrations in the state is fast approaching, and planners are working diligently to secure party plans and new “party clothes.”

The Minnesota State Capitol will turn 100 years old on Jan. 2, 2005. As such, the building’s keepers hope to give the building a new wardrobe in the form of fresh interior paint and replastering, and to formalize a roster of centennial events.

The goal is to involve as many Minnesotans as possible in the yearlong centennial celebration.

“It is their house,” said Nancy Stark, executive secretary of the Capitol Area Architectural Planning Board. “Everybody owns the Capitol — you, me, and everybody.”

Stark said centennial events are being kept secret until this summer or fall. However, a story in the Jan. 1, 2004 *St. Paul Pioneer Press* stated that a large kickoff party on Jan. 5, 2005, and a June 14 Flag Day celebration are under consideration, as are a poster design contest for schoolchildren, the planting of a ceremonial garden on the Capitol grounds, and the tying of a yellow ribbon around the building.

A traveling history display of Capitol memorabilia, complete with interactive video screens, will visit each of the state’s 87 counties during the summer of 2005, Stark said.

In addition, the state’s sizable Civil War flag collection could be incorporated into the celebration, should money be raised to properly preserve and better display the 48 aging textiles. Carolyn Kompelien, manager of the State Capitol historic site for the Minnesota Historical Society, said about \$1.4 million is needed.

“The hope is...that some of the flags could be on display during the centennial year,” Kompelien said.

Leading the centennial planning efforts is the all-volunteer State Capitol 2005 Commission. The group was appointed by former Gov. Jesse Ventura in 2001, and re-appointed in 2003 by Gov. Tim Pawlenty. Eleven members are named by the governor, and four by the Legislature.

Stark said the group is working with the

Minnesota Historical Society, the state Department of Administration, and the Capitol Area Architectural and Planning Board. The latter is a state agency charged with preserving the architectural integrity of the Capitol, as well as the surrounding buildings and grounds.

While the commission was handed a sizable task, it was not given a budget to match. Save for \$57,000 donated by the governor’s inaugural committee, no money has been allocated for the centennial. The commission therefore formed the nonprofit group Friends of the Minnesota State Capitol and is aiming to gain sponsorships for the party events.

Simultaneously, the group’s fund-raising

Yet, no one is denying the building’s needs. Areas worthy of attention include mechanical, electrical, heating and ventilation, and humidity and temperature control systems.


“The Capitol was set up to be an office building and not a museum, and it wants to function that way, but with modern technology it’s having to improvise with a lot of things that the building structure doesn’t want to accommodate,” Stark explained.

The planning board requested \$4.9 million in bonding money. Of that, \$3.2 million is needed for plastering and repainting of public spaces on three floors of the Capitol, restoration of public spaces on a fourth floor, and restoration of the dome’s interior. The remaining \$1.7 million is necessary to complete a schematic design for the phased renovation and restoration of the building’s interior, and to pre-design space in a new or existing building to accommodate large public hearings and meetings.

The House included \$1.9 million in its omnibus bonding bill (HF2991), approved 102-30 April 29. The Senate earmarked \$3.1 million in its bonding bill (SF3057) that was amended to the House file before failing by two votes May 6.

Minnesota’s Capitol is one of several statehouses needing serious restoration. Stark said Utah recently vacated its Capitol for a four-year, \$200 million res-

toration project, and Texas, Wisconsin, Nebraska, Kansas, and Ohio have recently spent millions on their capitol.

Minnesota’s premier building is the third such building. The first Capitol burned to the ground in an 1881 accidental fire and its replacement became too small. Cass Gilbert, who later designed what was the tallest building in the world at its 1913 completion, the Woolworth Building in New York City, designed the present day Capitol. It took nine years and \$4.5 million to construct. 



The State Capitol under construction in 1904.

Photo courtesy of the Minnesota Historical Society

subcommittee has a larger goal — securing endowments to preserve and maintain the building. According to Stark, \$55 million to \$60 million is needed to restore the aging four-story structure.

The State Capitol is visited by 131,000 people annually. It is the headquarters for the governor, the Minnesota Senate, and the Minnesota House of Representatives. And it is a museum, showcasing 11 statues, 17 busts, and 49 paintings.

“We are very, very fortunate that we have had a building of 100 years that has worked as well as it has,” Stark said.

Honorable and noble

World War II Veterans Memorial planned for State Capitol grounds

By NICOLE WOOD

Minnesota veterans unable to attend the May 29 dedication of the National World War II Memorial in Washington, D.C., might be heartened to learn that the bonding bill passed by the House April 29 includes construction funding for a monument a bit closer to home.

HF2991, sponsored by Rep. Philip Krinkie (R-Shoreview), would dedicate \$500,000 for the final construction phase of the Minnesota World War II Veterans Memorial on the State Capitol Mall.

The mall features a number of war-related monuments, including ones dedicated to the Korean and Vietnam wars, and the first American naval gun to fire a shot in World War II, but there is no monument specifically dedicated to the men and women who served in the Second World War.

State funding for the monument has had a bumpy ride in recent legislative sessions. Design dollars were vetoed by Gov. Jesse Ventura in 1999, restored in 2000, and then construction funding was dropped in a 2002 House-Senate conference committee.

This session, funding for the memorial was put forth in HF156, sponsored by Rep. Irv Anderson (DFL-Int'l Falls), before it was selected for inclusion in the bonding bill.

Anderson, a World War II veteran, and Michael Pugliese, Department of Veterans Affairs deputy commissioner, presented the final design concept to the House State Government Finance Committee Feb. 27.

The estimated cost for the project is \$1.15 million, Pugliese said, and the \$500,000 legislative appropriation combined with private contributions — some \$470,000 to date — would keep the project on target. Private funding sources include individual

donations, the American Legion and other veterans service organizations, and revenue from special veterans license plates. By comparison, the cost of the Vietnam Memorial was about \$900,000 and the Korean Memorial about \$600,000. Pugliese said he is hopeful that a groundbreaking ceremony will be held this year, on or around Veterans Day.

Proponents have said time is of the essence. In announcing his support for the project, Gov. Tim Pawlenty noted there are only 80,000 living veterans of the 326,000 Minnesotans who served in the armed forces in the war. Of those who served, 6,284 lost their lives.

"It is a fitting time to build this memorial because between 1,200 and 1,500 World War II veterans are dying per day (across the country)," Anderson said.

He also commented on the changing public opinion surrounding military service, what he described as "a great difference in philosophy" between the World War II-era and now.

"Today, if a soldier has to stay overseas for 18 months, public opinion sends him home. But it was nothing for a soldier to spend four long years overseas in World War II," Anderson said.

With respect to those years away from family and children, "It's unconscionable what they went through," he said.

"It's a very honorable and noble project," said Rep. Bill Haas (R-Champlin). "It's long overdue."

Design elements include a dozen vertical glass panels, anchored on granite bases and etched with images and narratives of Minnesotans' wartime experiences.

The memorial would stretch across the plaza between the Veterans Affairs Building and Rev. Dr. Martin Luther King Jr. Boulevard, just below the Capitol building.

Under the plan, the rose garden currently in that space would be relocated to surround the memorial area. The primary paving material would be comprised of colored concrete, accented by Minnesota granite.

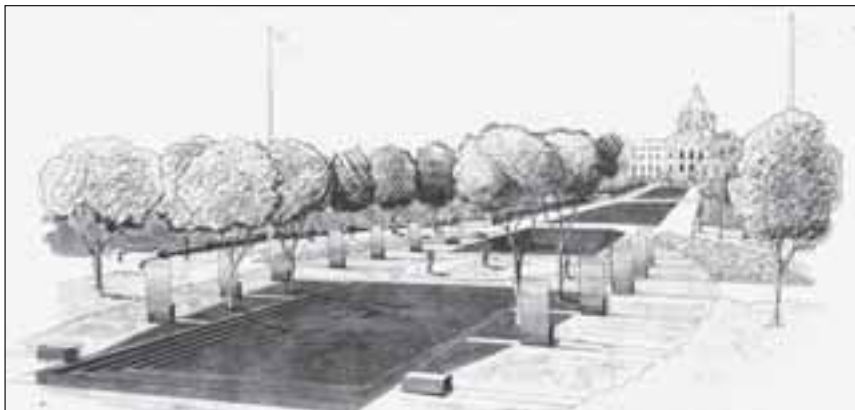
A map of Minnesota surrounded by bronze stars honoring Minnesota heroes at home and abroad would occupy the center of the memorial.

"The Minnesota World War II Veterans Memorial brings the voices of Minnesota Veterans to the heart of the state Capitol," according to the department's Web site. "The design encompasses various elements to tell the story of Minnesota's veterans and civilians during the greatest struggle in human history."

The firm of Myklebust-Sears, part of the winning design team, hosts a public art discussion forum on the Internet, and that site currently contains some insightful comments into the final design phase of the memorial project. Andrea Myklebust, one of the project designers, writes of the glass panels, "The intention is that they will carry narrative content which tells the story of WWII through the eyes of Minnesotans — 'windows' into those stories, if you will."

She also mentions that there have been lively discussions regarding the content for the panels, "with some people wanting no war imagery, and others feeling it should be a part of the space."

Finally, one of her postings reveals the rationale for various design elements that go into such an undertaking as the memorial: "Telling a story in a compelling way; Creating a beautiful, humane, inviting space; and Making something strong, so it will last." 



An illustration of the proposed Minnesota World War II Memorial.

Illustration courtesy of the Minnesota Department of Veterans Affairs

Back to Baxter

Walz decides not to seek re-election in light of demanding law enforcement career

By MIRANDA BRYANT

Growth is most often good for one's career. But in the case of Rep. Dale Walz, growth is stymieing his job — or at least one of them.

The Republican representative from Brainerd has decided not to seek re-election to District 12A. The population growth in his district is placing additional demands on his "day" job — that of captain at the Baxter Police Department. It is no longer possible, he said, to take an annual five-month leave of absence to serve as a legislator.

"There's problems there with the growth that weren't there before," he said, citing an increase in drug crimes and methamphetamine labs. "It's just not working anymore. I need to be there full time."

Acting on this realization wasn't easy for the 39-year-old who was initially elected in 2000. "When I first got elected, in the back of my mind I thought I'd like three terms," Walz explained.

Though his leave comes sooner than he anticipated, it doesn't come without a sense of accomplishment.

Walz co-authored the "concealed-carry" bill, signed into law in 2003. It created statewide standards that county sheriffs must use in deciding whether to issue handgun permits to individuals. The law is intended to open the permit process to more people.

Walz also put his name behind the so-called woman's right-to-know law, approved in 2003. It requires abortion providers to inform patients who are seeking abortions about the risks of the procedures 24 hours before the surgery.

"My district's very pro-life," Walz said. The father of three said that he respects the opinions of others, but can't vote in favor of abortion matters.

"It's in my heart," he said, of his pro-life stance.

Walz also co-authored a controversial and unsuccessful bill in 2003 that would have put into law a set of Department of Public Safety rules mandating that the visa expiration date for temporary foreign visitors be printed on that person's driver's license or identification card.

"This bill gives law enforcement personnel



PHOTO BY TOM OLMSCHIED

Rep. Dale Walz will leave the House after two terms to devote more time to his job as a police captain in Baxter.

the tools they need to enforce the laws of our country," Walz said last year. "It closes some of the gaps in the system and makes it easier to find those who live here illegally."

And he supported bills this year to impose tougher sentences on high-risk sex offenders and on methamphetamine makers.

"I would say overall Minnesota is getting very serious about how we handle crimes and criminals," Walz said.

But there is one item on his "to do" list that he won't be able to accomplish — that of "getting us totally out of the deficit in the next couple years."

"It will happen, I just won't be here to see it," said the self-described optimist. "All indications are we've rounded the corner."

During the 2003-2004 biennium, Walz served on the committees of judiciary policy

and finance; jobs and economic development finance; and commerce, jobs, and economic development policy.

By his own admission, Walz has been quiet in committee meetings and on the House floor. If he doesn't have something to add or question, and if his mind is decided on an issue, there's no point in talking, he explained. But he's been happy to field questions posed to him as a law enforcement official.

And unless someone from Walz's profession is elected in the fall, the House will be without a police officer in its ranks. At the start of the 2003 session, Walz was one of three police officers in the 134-member body. One other cop resigned and another has decided not to seek re-election in the fall.

But Rep. Sheldon Johnson (DFL-St. Paul), a probation officer, said the House wouldn't necessarily be at a disadvantage without a police officer. Law enforcement officials and their lobbyists can continue reporting to the capitol to testify and answer questions, he explained.

What may be missed, however, is the perspective of someone like Walz who knows intimately the issues affecting the men and women in the field, Johnson said.

"I was impressed especially with his concern for the line staff that are actually doing the work in the community," Johnson said. "He's aware and dedicated to those doing the work of public safety."

There are a few things Walz won't miss — the long hours and the commute between his home and St. Paul. But he will miss the people he's met while serving in the Legislature.

Said Walz, "I can hold my head up high and say 'I served in the House of Representatives.' Not many people can say that." 🐼

STEPPING DOWN

Rep. Dale Walz
Republican
District 12A — Brainerd
Terms: 2

Career Notes: In addition to addressing law enforcement issues in the House, Walz has been an advocate for balanced budgets and tax cuts. In 2003 he proposed a property tax freeze for qualified senior citizens. And in light of last year's multi-billion dollar budget deficit, he proposed a 4 percent salary cut for state legislators and constitutional officers.

Tracking new laws, vetoes

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

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill;
- or do nothing, which can have two different effects. The timing of these actions is as important as the actions themselves.

In the second year of the biennium (even-numbered years), as this year is, a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

(Sundays are not counted in the three-day limit, but holidays are.)

But if a bill is passed during the last three days of session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "*sine die*" (Latin for adjournment "without a date certain"). If the governor does not sign a bill within this time frame, it will not become law, an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes) the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed

during the final three days of the session, or within three days after the governor receives the bill at any other time.

Policy items contained in appropriations bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

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

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

This information is also available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:

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

CH	HF	SF	Description	Signed	Vetoed
Res. 1	2242	2222*	Resolution for BWCAW reservation fee increase.	5/13/2004	
134	921	906*	Sex offender treatment co-payments authorized.	2/17/2004	
135	973	1015*	Veterans Affairs Dept. authorized to access taxpayer ID information to notify veterans of health hazards.	2/26/2004	
136	1794*	1615	Airport federally funded projects minimum required local contribution decreased.	3/10/2004	
137	480*	837	Job reference information, school violence data, and employee personnel records disclosure regulated.	3/22/2004	
138	1743	2182*	Public utility performance-based regulation plan purpose modified.	3/19/2004	
139	1980	1799*	Watershed and soil and water conservation district officers conflicts of interest clarified.	3/19/2004	
140	1822	1814*	Metropolitan Council government electronic funds transfer use authorized.	3/19/2004	
141	1935	1626*	Storm and sanitary sewer financing provisions modifications.	3/26/2004	
142	307*	497	Noncommercial sign ordinance exemption provided during state general election years.	3/26/2004	
143	1064*	1197	State employee technical and housekeeping changes provided.	3/26/2004	
144	1702	1748*	Emergency medical services provisions modifications.	3/26/2004	
145	2491	2498*	Domestic abuse <i>ex parte</i> protection or temporary restraining orders effectiveness.	3/26/2004	
146	1803	1745*	Trust law provisions modified and guardianship and conservatorship law changes provided.	3/26/2004	
147	1855	1903*	Counties hazardous buildings and property removal authority.	4/2/2004	
148	2878*	2537	Dr. Norman E. Borlaug World Food Prize Day designated.	4/2/2004	
149	339	40*	Graffiti damages recovery action provided.	4/2/2004	
150	2105*	2632	Iron Range Resources and Rehabilitation Commissioner's Office established.	4/2/2004	
151	2118	2063*	Local government units financial institution deposits collateralization requirements clarification.	4/2/2004	
152	2033	1958*	Towns electronic or wire transfer payments and credit card or electronic payments acceptance authority.	4/6/2004	
153	1805	1621*	Mortgage satisfaction certificates and assignments or releases.	4/6/2004	
154	2107	1653*	Real property survey and monument requirements modified.	4/8/2004	
155	2651*	2347	Interstate Compact for Adult Offender Supervision amended and interstate compact repeal delayed.	4/14/2004	
156	2455*	2499	Five-level correctional facility classification system authorized.	4/14/2004	
157	1836*	1693	Mineral tailing deposition into mine pits permitting clarified.	4/14/2004	
158	3005*	2840	County seat voting times modified.	4/14/2004	
159	1817	1614*	Service animal injuries criminal penalty and restitution requirement.	4/19/2004	
160	2688	2626*	Hastings veterans home property leasing authority.	4/22/2004	
161	1843	2903*	Towns annual audits subjection expansion.	4/22/2004	
162	1983*	1805	Uniform Commercial Code revisions enacted.	4/26/2004	
163	995*	1268	Notice and plan requirements modified for excavating around utility facilities.	4/26/2004	

CH	HF	SF	Description	Signed	Vetoed
164	1944*	1797	Domestic abuse orders for protection grounds expanded.	4/26/2004	
165	2906*	2871	Payroll processing efficiency increased for local governments.	4/26/2004	
166	2502	2609*	Mental health community representative included on a community transition team.	4/26/2004	
167	1978*	1910	Truck driver hours law technical corrections provided.	4/29/2004	
168	1861*	1645	Recreational purpose definition modified relating to liability on land used for recreational purposes.		4/29/2004
169	2365	2299*	Petroleum storage tank violations enforcement procedures expansion.	4/29/2004	
170	2482	2300*	House districts 41A and 41B boundary adjustment.	4/30/2004	
171	2044	2009*	Tourism functions transfer.	4/30/2004	
172	2521*	2435	Lawful gambling provisions modified.	4/30/2004	
173	2930*	2733	Capitol flags at half-staff following the death of public safety officer or Minnesota military personnel.	5/10/2004	
174	2551*	2418	Safe deposit companies regulated.	5/10/2004	
175	1821	1815*	State Board of Investment authorized to invest Metropolitan Council postretirement reserves upon request.	5/10/2004	
176	2500	2422*	Polychlorinated biphenyl (PCB) wastes regulated.	5/10/2004	
177	2555	2851*	Instruction permit and provisional driver's license issuance after certain conditions limited.	5/7/2004	
178	2103*	2273	Municipalities authorized to require the dedication of land for public purposes.	5/10/2004	
179	2005*	1999	Phosphorus use in fertilizers restriction extended.	5/10/2004	
180	1851*	1953	State transportation fund project approval by Regional Dev. Comm. or Met Council requirement repealed.	5/10/2004	
181	1898*	1953	Natural preservation routes on county state-aid highways review by advisory committee requirement repealed.	5/10/2004	
182	2270*	2067	Newspaper public notice publication provisions modified.	5/10/2004	
183	2235*	2243	Unemployment insurance definitions and penalty provisions modified.	5/10/2004	
184	2352	2387*	Peace officers and correctional employees assault crimes expansion.	5/10/2004	
185	1936	1671*	Assisted living facilities under housing with services establishments law.	5/10/2004	
186	2537	2365*	Adverse health care events reporting requirements modified.	5/10/2004	
187	1896	1716*	Itasca and Hennepin counties hospital construction moratorium exceptions.	5/10/2004	
188	2035	1946*	Extended employment pilot project; vocational rehabilitation program additional funding.	5/13/2004	
189	2098	2453*	Oxygenated gasoline requirements modified.	5/12/2004	
190	1425*	1414	Money judgment stays of execution regulated and bond amounts limited.	5/13/2004	
191	2442	2437*	Farm product liens and financing statements regulations modified.	5/13/2004	
192	1216	1192*	Driver's license and ID card applicants info. transmission for selective service registration.	5/13/2004	
193	2987	2065*	Local government unit tort liability immunity for limited partnerships.	5/13/2004	
194	1754	1604*	Planned nursing facility closures required to be budget neutral.	5/13/2004	

BILL INTRODUCTIONS

MAY 7 - MAY 13, 2004

HOUSE FILES 3193 - 3207

Friday, May 7

HF3193—Abeler (R)

Health & Human Services Finance

Minnesota Family Investment Program consolidated fund modified.

HF3194—Westrom (R)

Judiciary Policy & Finance

Supreme Court forms required to be available in electronic format, court submissions in civil and criminal cases required in electronic format, public database storage required, and money appropriated.

HF3195—Latz (DFL)

Taxes

Tax preparers required to notify clients of the non-game wildlife checkoff.

HF3196—Borrell (R)

Education Finance

Independent School District No. 728, Elk River, divided into two separate school districts.

Tuesday, May 11

HF3197—Kahn (DFL)

Environment & Natural Resources Policy

Great Lakes; governor requested by resolution to include the Great Lakes and Lake Superior in providing comments on federal ocean policy report.

HF3198—Mariani (DFL)

Education Policy

No Child Left Behind Act waiver from ineffective provisions requested, report required on policies and programs to supplement the positive effects of the act relating to achievement and accountability, and money appropriated.

Wednesday, May 12

HF3199—Larson (DFL)

Governmental Operations & Veterans Affairs Policy

State gaming board established and authorized to operate a casino in the metropolitan area, and constitutional amendment proposed.

HF3200—Buesgens (R)

Governmental Operations & Veterans Affairs Policy

Legislative sessions limited to odd-numbered years.

Thursday, May 13

HF3201—Clark (DFL)

Health & Human Services Finance

Women, infants, and children (WIC) coupons use allowed to purchase organic food.

HF3202—Seifert (R)

Health & Human Services Finance

Board on Aging required to obtain legislative approval before changing intrastate funding formulas.

HF3203—Seagren (R)

Taxes

Local government aid accounts established, funding allocated, and funding mechanisms modified for existing transit aid funds and the city local government aid program.

HF3204—Vandever (R)

Transportation Finance

Motor fuel taxes; Congress memorialized by resolution to dedicate certain revenue from motor fuel taxes to highway purposes.

HF3205—Vandever (R)

Transportation Finance

Highway funding; Congress memorialized by resolution to provide for distribution of federal assistance to the states for highways and transit as block grants rather than through categorical assistance programs.

HF3206—Stang (R)

Judiciary Policy & Finance

Carbon monoxide alarms required in all dwellings, and criminal penalties imposed.

HF3207—Mullery (DFL)

Judiciary Policy & Finance

Safety; Legislature required to expend all funds and provide by law for the equal safety of all persons, and constitutional amendment proposed.

SPEAKER OF THE HOUSE: STEVE SVIGGUM
MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Caps and gowns

Minnesota public high school graduates in 2003	59,432
Number of Hispanic graduates	2,699
African American	2,495
Asian Pacific Islander	1,139
American Indian	736
Estimated public high school graduation rate in 2003, as a percent	84.4
State rank	3
Percentage of top ranked state (New Jersey)	89.3
National rate in 2003	67.2
Percent of Minnesotans age 25 and older in 2002 with a high school diploma	92.2
National rank (tie with Alaska)	1
National average in 2002	84.1
Percent in lowest ranked state (Texas)	78.1
Minnesota public high school graduates in 2001	56,581
Percent increase in number of graduates from 1997 to 2001	17.4
National increase, as percent, from 1997 to 2001	8.9
Projected Minnesota public high school graduates in 2012	55,830
Projected decrease, as percent, in number of state high school graduates from 2000 to 2012	2.7
Projected increase nationally, as percent	9.2
Students in grades 7-12 who dropped out of Minnesota public schools in 2003	11,007
As percentage of students enrolled	2.6
Number of dropouts that were white	6,150
Number of dropouts that were minorities	4,857
Minnesota high school dropout rank nationally in 2000	19
Percent of 2002 Minnesota high school graduates enrolled in a post-secondary institution	64
Of those, percentage who attended a Minnesota post-secondary institution	49
Students, as percent, who started in 1996 at a Minnesota private college or university and graduated with a bachelor's degree or less within six years	69
Percent at University of Minnesota	51
Percent at a Minnesota State Colleges and Universities institution	45
Percent of athletes entering the University of Minnesota from 1994-97 that earned a degree within six years	63
Big Ten rank	8

Sources: Minnesota Department of Education; Minnesota Higher Education Services Office; Education State Rankings, 2003-2004, Morgan Quitno Press; National Education Association; National Collegiate Athletic Association; *Lansing State Journal*.

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A NONPARTISAN PUBLICATION

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

MAY 21, 2004

VOLUME 21, NUMBER 16

LEGISLATURE ADJOURNS

HIGHLIGHTS AND NEW LAWS

FINAL 2004 ISSUE, RENEWAL & SURVEY ATTACHED

HF3208-HF3212

Session Weekly

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On the cover: One of the eagles at the base of the dome stands watch over the Capitol.

—Photo by Tom Olmscheid



Done for now

Legislators pass a number of smaller bills in 2004, but fail to agree on most larger issues

By MIKE COOK

Lawmakers came to St. Paul in February, many with stated goals of balancing the state budget, passing a bonding bill, toughening sentences for sexual predators, establishing new education standards, and maybe resolving the seemingly never-ending stadium debate.

More than three months later, they resolved just one of those.

The House adjourned *sine die* at 7:38 a.m. May 16; approximately 40 minutes after the Senate. The constitutional date for adjournment was May 17; however, the Legislature is prohibited from passing bills or overriding vetoes on that final day.

The top priority for both bodies this session was finding a way to resolve the state's projected \$160 million budget deficit. Both sides exchanged final offers in the waning hours, but no consensus could be reached.

Instead, Gov. Tim Pawlenty announced May 17 that he would not immediately call legislators back for a special session, and that he eliminated the potential shortfall through executive action.

That plan, effective immediately, consists of transferring \$110 million in federal receipts from the Health Care Access Fund to the general fund, delaying or freezing the sale of bonds for previously authorized capital improvement projects (\$18 million), reducing state agency budgets by another 3 percent (\$17 million), using money saved from no bonding bill (\$8 million), and diverting Department of Revenue agency cuts to increased tax compliance (\$7 million).

"If legislative leaders can come together with a better alternative, I'll consider a special session," he said. "But, I'm willing to carry the load alone."

For there to be a special session on the budget or any other issues, Pawlenty said leaders would need to agree on the scope and length of session beforehand. "I'm not going to call one because of their inability to be productive."

Shortly after adjournment, House Speaker Steve Sviggum (R-Kenyon) expressed disappointment with the session, but wouldn't call it a total loss. "I don't think you should say that to people that had bills passed that were very important pieces of legislation in their own right."

However, he lamented that lawmakers couldn't reach agreement to balance the budget, pass a capital investment bill, and enact tougher standards for sexual predators. "Those bills were on everybody's agenda but we just couldn't get together. Obviously, there will try to be blame all over the place, but it just wasn't to happen."

Sviggum said, "Senate Democrats started the session with a confrontational idea that they maybe were going to make their mark and it was about them, not about the good of Minnesota, the cooperation, and the needs of citizens around the state."

Across the aisle, House Minority Leader Matt Entenza (DFL-St. Paul) wasn't upbeat either.

"The only tangible change I can see is that mourning doves can be shot now. Other than that, the session is the most miserable failure in 20 years," he said.

He also expressed no doubts that his caucus will gain seats in the November election. "Republicans are the majority in the House



PHOTO BY TOM OLMSCHIED

During a May 17 news conference, Gov. Tim Pawlenty announces that he is taking executive action to solve the state's projected \$160 million deficit. The action came after legislative leaders failed to reach agreement and adjourned *sine die*.

and they and a Republican governor dominate the state politically and they couldn't get the job done."

Legislators did complete work on new educational standards after a flurry of activity in the final few minutes. House members passed the standards at about 6:50 a.m. May 16, and the Senate less than 10 minutes later — moments before adjourning for the year.

The social studies standards are a cross between fact-based and analytical versions offered by the respective bodies, as well as the less-controversial science standards.

Two other contentious issues were also resolved in the early morning hours.

At about 3:15 a.m. the House concurred with the Senate on lowering the blood-alcohol content level for drunken driving from 0.10 to 0.08. Approximately 25 minutes later, the Senate refused to confirm Cheri Pierson Yecke as education commissioner on a 35-31 vote, a move that angered the governor.

"In the dark of night, the Democrats in the Minnesota Senate have done a great disservice to our state," Pawlenty said in a statement. "By rejecting Commissioner Yecke on a party line vote, they have rejected innovation and accountability for our education system."

The agreed upon 0.08 legislation has an implementation date of Aug. 1, 2005. The Senate wanted to enact the legislation on Aug. 1, 2004, and the House Sept. 1, 2007.

The lower level will put Minnesota in compliance with federal regulations, and allow the

state to receive an estimated \$100 million in federal transportation funds that were at risk by not making the change.

An additional provision provides that if a person is convicted of drunken driving with a blood-alcohol content level of 0.08 or 0.09 and has no other impaired driving offenses in the next 10 years, their record will be expunged.

Members say goodbye

In following with tradition, lawmakers took time after adjournment to hear from, and honor, those not seeking re-election: Rep. Len Biernat (DFL-Mpls), Rep. Dick Borrell (R-Waverly), Rep. Elaine Harder (R-Jackson), Rep. Carl Jacobson (R-Vadnais Heights), Rep. Eric Lipman (R-Lake Elmo), Rep. Doug Stang (R-Cold Spring), Rep. Steve Strachan (R-Farmington), and Rep. Dale Walz (R-Brainerd).

Departing members thanked their constituents, colleagues, and House staff, while expressing how serving in the House was such an important part of their life.

"When I first came to the Capitol as a sixth-grader, I never imagined that I'd be here today, looking back on a career of 10 years," Harder said. "As sixth-grade students come to the Capitol and are wide-eyed and excited and enthusiastic, I share that experience with them. It was the experience of a lifetime to serve here in the Legislature."

For Stang, a stadium bill sponsor, it was an emotional time, as he indicated that he would rather have seven more days of stadium hearings before the House Taxes Committee than have to say goodbye.

"I have two beautiful little kids and they mean everything. Sometimes you know when you have to do the right thing, and the right thing isn't always easy," he said. "I remember the last several years listening to speeches of members who are retiring and the comments they've made about watching the little kids in the window as they drove away. I just can't do that anymore."

"The other night after my son left (the Capitol), he called me from home and said to come home. I'm going home."

For others, the Legislature is scheduled to reconvene Jan. 4, 2005.

SESSION WEEKLY WRITERS PATTY JANOVEC, TOM LONERGAN, AND NICOLE WOOD CONTRIBUTED TO THIS STORY.

In the event of a special session, check the House Web site at www.house.mn for updates from the House Public Information Services Office.

Attention Session Weekly subscribers!

Attached to the back two pages of this issue is the annual *Session Weekly* renewal and readership survey. Please take the time to review and return the information. We are pleased to offer several convenient formats you can choose from to renew your subscription for next year and submit your comments about the magazine. You can reach us through mail, via fax, or online. Your continued interest and feedback is important to us.

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New Laws 2004

We will be offering a Web-based version of our annual New Laws publication this year. The House has decided not to print a paper version for distribution due to budget constraints. New Laws 2004 will be available on the House Web site by August 2004.

If you would like to receive an e-mail notifying you when new House Information publications — including New Laws 2004, news releases, and other information — are available, please sign up for the House Information news mailing list. Select the House Mailing List link under the Information heading on **http://www.house.mn**.

THANK YOU!

Editor's note: This section contains bills that were passed by the House and Senate within the final three days before adjournment, and had not been acted upon by the governor as of early May 20. Under law, the governor has 14 days to act upon such bills. Inaction by the governor results in a "pocket veto," and the governor is not required to provide a reason for the veto. A comprehensive summary of all bills signed into law or vetoed will be published by August 2004. A web-based version of New Laws 2004 will be available on the House Web site at **http://www.house.mn**.

★ AGRICULTURE

Farm ownership

A multi-issue agriculture policy bill that includes a proposed easing of state restrictions on foreign ownership of farmland awaits action by Gov. Tim Pawlenty.

Sponsored by Rep. Howard Swenson (R-Nicollet) and Sen. Jim Vickerman (DFL-Tracy), HF2461/SF2428* was passed 53-9 by the Senate May 15 and 88-41 by the House later that day.

The bill would expand farmers' access to a number of Rural Finance Authority loan programs, lift some requirements in ethanol plant ownership disclosure reports, make it harder to bring a "nuisance" lawsuit against a farm owner, increase trespassing penalties on farms that raise domestic animals for commercial production and exempt small scale sellers of homemade pickles and other home-processed food products from state licensure requirements.

The bill contains the non-budget related parts of HF2755, the omnibus agriculture and rural development finance bill, sponsored by Rep. Elaine Harder (R-Jackson), that the House passed April 5, but was not acted upon by the Senate.

Disagreements from the 2003 session over an Agriculture Department proposal to lure farmers from the Netherlands to Minnesota by amending state law banning foreign ownership of farms were renewed for another debate.

Rep. Mary Ellen Otremba (DFL-Long Prairie) unsuccessfully offered an amendment to keep current state restrictions. She objected to allowing holders of an E-2 treaty investment visa to own dairy farms of up to 1,500 acres. The bill would amend state law to include such visa holders in the definition of "a permanent

resident alien of the United States." The immigrant person would have to live on the farm at least 10 months in a 12-month period, and eligibility would be limited to three years if the investment visa holder didn't actively pursue federal citizenship.

"We don't have any jurisdiction over them becoming legal," Otremba said. "Since 9/11, the (Immigration and Naturalization Service) has become extremely strict on this."

"We're not attempting to rewrite federal immigration law," said Rep. Greg Blaine (R-Little Falls), whose bill (HF447) on the issue passed the House in 2003 but was dropped in conference committee.

"If we do not change, (immigrant) farm families will not be able to consider Minnesota."

Supporters say the measure is needed to bolster the state's declining dairy industry and that Minnesota is losing potential farmers from Belgium and the Netherlands to neighboring states that don't have the same farm ownership restrictions.

"Are we saying: 'Immigrants need not apply'?" asked Rep. Jim Rhodes (R-St. Louis Park). "This sounds so un-Minnesotan."

Rep. Al Juhnke (DFL-Willmar) said the Legislature was "moving too fast on this." Laotian Hmong immigrants rent farmland and buy it after achieving legal status, Juhnke said. "Let the Dutch get a green card like everyone else."

The bill also makes trespassers on land posted as a "bio-security area" subject to a gross misdemeanor. Posted signs would include wording like, "Bio-security measures are in force."

Rep. Bruce Anderson (R-Buffalo Township) asked why the signs were necessary. "We're getting carried away with the language. Ninety-nine percent of the people wouldn't understand this."

Swenson said the warning signs were to keep "anti-livestock people" from entering a commercial livestock farm or approaching a livestock facility that's susceptible to the spread of disease.

"This is to protect against people that have malicious intent and want to cause damage."

★ BANKING

Thrifty lending

A bill awaiting action by Gov. Tim Pawlenty would conform state banking statutes to federal regulations for certain financial services.

Industrial loan and thrift companies make loans, and some accept deposits in various

ways, but their powers, structure, and forms of regulatory oversight differ.

In Minnesota, the Department of Commerce oversees loan and thrift institutions.

The bill would alter a requirement for an industrial loan and thrift company to obtain deposit-taking powers from the department.

"It requires that owners of loan and thrift companies must qualify to own a federal savings association in order to be authorized to accept deposits," said Rep. Doug Stang (R-Cold Spring), who sponsored HF2216*/SF2265 with Sen. Dan Sparks (DFL-Austin).

Stang indicated that Minnesota is one of only three states that have yet to conform.

Both the House and the Senate passed the measure May 15. The vote tallies were 130-0 and 61-0, respectively.

★ CONSUMERS

Local liquor laws

A bill that would clarify local liquor laws when they bump up near state prisons and approve the expansion of a few local liquor licenses awaits the governor's signature.

Under current law, liquor licenses are restricted from establishments within 1,000 feet of a state hospital, training school, reformatory, prison, or other institutions supervised by the Corrections and Human Services departments. Some municipal officials said the language was confusing as to exactly which institutions are included under state liquor control purview.

HF2816/SF2696*, sponsored by Rep. Andrew Westerberg (R-Blaine) and Sen. Sandra Pappas (DFL-St. Paul), would specify that the restrictions apply to establishments near state training schools, state reformatories, or state prisons. The House passed the measure 124-8 May 13, and the Senate did so 57-3 May 14.

Also under the bill, the city of St. Paul would be authorized to issue an on-sale beer and wine license for special events held on the State Capitol grounds to commemorate the Capitol centennial.

The city of Duluth, would be allowed to expand the existing liquor license at Wade Municipal Stadium by extending the serving area from enclosed beer stands to the entire stadium.

And the city of Elko would be authorized to issue a license to Elko Speedway to serve liquor seven days per week.

Another provision would modify brewpub license fees in accordance with the following production levels:

- \$2,500 for brewers who manufacture more than 3,500 barrels of malt liquor in a year;
- \$500 for brewers who manufacture 2,000 to

IMPROMPTU MEETING



PHOTO BY ANDREW VONBANK

House and Senate leaders share a lighter moment during impromptu negotiations on the House floor May 13. Legislative leaders met a number of times over the final week, but could not reach an agreement on many issues.

- 3,500 barrels of malt liquor in a year; and
- \$150 will continue to be the fee for brewers who manufacture fewer than 2,000 barrels of malt liquor in a year.

Telecom reforms

A telecommunications bill that is a compilation of consumer protection initiatives and industry regulatory reforms awaits the governor's signature.

HF2151*/SF2774, sponsored by Rep. Torrey Westrom (R-Elbow Lake) and Sen. Steve Kelley (DFL-Hopkins), gained House and Senate approval May 15 on 130-1 and 51-5 votes, respectively.

Under the bill, local telephone and telecommunications carriers who provide directory assistance for a fee would be required to immediately credit a customer who was given the wrong information.

The bill also modifies the interest rate on utility deposits to fluctuate with the United States Treasury, rather than remain set in statute at a flat percent.

Another provision would require wireless telecommunications service providers to notify consumers under contract 30 days in advance of any substantive changes to the contract that would increase charges. This provision would have a sunset date of Aug. 1, 2007, in order to give regulators and the industry an opportunity to examine whether the requirements are effective or cumbersome.

The bill also would set some guidelines for small telephone companies to expand local calling areas, and it would declare that the Public Utilities Commission must apply the same criteria and standards to all eligible telecommunications carriers seeking continued federal universal service funding to support maintenance or upgrades to facilities used to help keep local phone service affordable for all residents.

The bill also includes a number of technical changes designed to modernize the section of statutes governing cable communications systems.

★ CRIME

Drunken driving limit

Minnesotans choosing to drink and drive would face a lower blood-alcohol content threshold to be considered too drunk to be behind the wheel beginning next summer.

HF97/SF58* would change the level from 0.10 to 0.08 beginning Aug. 1, 2005. Both bodies of the Legislature passed the measure May 15. The vote tallies were 105-26 in the House and 74-13 in the Senate. At a May 17 press conference, Gov. Tim Pawlenty indicated he would sign the bill.

The date is a compromise between bills passed by the House and Senate. Senators wanted to enact the legislation on Aug. 1, 2004, and the House proposed Sept. 1, 2007. Rep. Steve

Strachan (R-Farmington) and Sen. Leo Foley (DFL-Coon Rapids) are the sponsors.

The lower level will put Minnesota in compliance with federal regulations. In addition, the state will not risk losing an estimated \$100 million in federal transportation funds by not making the change. Minnesota and Delaware had been the only states yet to enact the lower blood-alcohol limit.

A Department of Public Safety report estimates that 14 lives will be saved annually in the state with a lower limit. It is estimated that drunken driving incidents cost Minnesotans \$1.8 billion annually, \$1.1 billion of which is paid by someone other than the drunk driver.

An additional provision provides that if a person is convicted of drunken driving with a blood-alcohol content level of 0.08 or 0.09 and has no other impaired driving offenses in the next 10 years, their record will be expunged. Under current law, all DWI convictions must be kept on a driving record for at least 15 years.

Rep. Tom Rukavina (DFL-Virginia) and Rep. Torrey Westrom (R-Elbow Lake) spoke against concurrence of the conference committee report. They said that House conferees gave in on the implementation date, and they objected to the removal of language that would have permitted breath-testing instruments in bars. Such devices could be used to test customers' blood-alcohol level so they would have some awareness as to what level they are at, while also providing liability protections to manufacturers and liquor licensees.

Vehicle forfeitures

A bill that awaits gubernatorial action would make several changes to the state's driving while intoxicated (DWI) vehicle forfeiture law.

HF392/SF388* would make it easier for the state to take away vehicles from repeat drunken drivers by no longer requiring that the driver themselves own the vehicle subject to forfeiture.

The measure passed the Senate 62-0 May 14, after having passed the House 87-40 May 15, 2003.

"It solves some of the problems that have occurred as a result of current law," said Sen. Leo Foley (DFL-Coon Rapids), who sponsored the bill with Rep. Doug Fuller (R-Bemidji).

Supporters said that the bill would keep drunken drivers from dodging the law by driving a vehicle registered to a friend or family member. Under the bill, family and friends would lose their vehicle unless they could prove that they did not know the person to whom they lent the vehicle was going to break the law. "We're trying to get at offenders who purposely put a vehicle in someone else's name," Fuller said.

Opponents said it casts too wide of a net and risks taking valuable property from people not involved in a crime.

"The bill also provides for vehicle forfeiture if the driver fails to appear for any of the scheduled court appearances related to DWI and doesn't turn himself in within 48 hours after having missed the court appearance," Foley said.

Minnesota's vehicle forfeiture law applies to people who have committed a drunken driving offense with two or more aggravating factors, such as having a prior drunken driving conviction, having a blood-alcohol content level of 0.20 or greater, or having a child under age 16 in the vehicle.

Foley said a DWI task force, the county attorneys association, and a number of others brought the proposal forward.

ELECTIONS

Editor's Note: This is an updated version of a story that appears in the May 21, 2004, printed edition of Session Weekly.

HAVA conformance

The House and Senate passed a bill May 15 that would make changes to Minnesota's election laws in response to the federal Help America Vote Act (HAVA).

Following 130-0 and 64-2 votes, the bill awaits action by the governor.

Signed into law by President Bush in 2002, the act provides funds to states to replace punch card voting systems, establishes a commission to assist in the administration of federal elections and programs, and establishes elections standards for states and local units of government with responsibility for the administration of federal elections.

A 2003 law created an account to receive federal funds given to the state for election purposes. The account also contains \$6.5 million allocated by the 2003 Legislature to match some federal dollars. The money can be used for a number of purposes, including the development and administration of a complaint process, improving polling place accessibility, modifying the statewide voter registration system, and training local election officials.

Much of the 2004 bill focuses on policy issues and putting into state law what is required under HAVA so that two standards do not exist, thereby eliminating a potential situation where a voter could meet requirements to vote in state and local races, but not federal contests.

"There is detailed information about voter registration in the bill," said Rep. Lynda Boudreau (R-Faribault), who sponsored HF1006*/SF986 with Sen. Linda Higgins (DFL-Mpls). She added that it encompasses many different systems,

permanent registration, and the verification of registration.

For example, to comply with HAVA a small number of persons would be required to provide identification in order to vote. This would only be the case if a first-time voter in a federal election mails in a voter registration card and a county auditor cannot verify the information. The auditor is to notify the person, and offer four ways to complete the registration. If this is not done prior to Election Day the normal proof of residency used for Election Day registration must be provided to an election administration official at the polling place. Election Day registration is not changed.

ENVIRONMENT

From exotic to invasive

A bill that would revise statutory terminology relating to aquatic invasive species and put a little more teeth behind criminal penalties for those who disregard laws designed to keep Minnesota waters free from infestations awaits the governor's pen.

HF2363*/SF2211, sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Wesley Skoglund (DFL-Mpls), would define invasive species as nonnative species that can naturalize and either "causes or may cause economic and environmental harm or harm to human health; or threatens or may threaten natural resources or the use of natural resources in the state."

The bill addresses the issue of transferring nets and other implements between infested and non-infested waters, as designated by the Department of Natural Resources. In most cases, resetting between the two is prohibited.

One provision of the bill would set tagging requirements for nets used in non-infested waters by commercial anglers who fish both infested and non-infested waters. However, under the bill, there is an exception for waters infested solely with Eurasian water milfoil. Nets used for commercial fishing and turtle, frog, or crayfish harvesting in milfoil-infested waters could be



Legislators and people interested in an exotic animals bill work in a hallway outside the House Chamber toward an agreement. The bill was passed in the early-morning hours of May 16 and awaits the governor's signature.

transferred but would have to be dried for a minimum of 10 days or frozen for a minimum of two days to kill any invasive organisms before use in non-infested waters. Commercial anglers would also be required to notify the department before making such a transfer.

Another provision would change the penalty from a misdemeanor to a gross misdemeanor for anyone who refuses to obey an order to remove invasive species from watercraft.

Among other civil penalty provisions, the bill would set in statute a \$50 penalty for failing to drain water from watercraft and equipment before leaving designated zebra mussel, spiny water flea, or other invasive plankton-infested waters.

The Senate passed the bill 61-0 May 12, and the House followed suit 119-8 two days later.

Selling state timber

A measure that would modify state timber sales in order to fulfill some recommendations from the governor's task force on Minnesota's forestry industry competitiveness awaits his signature.

HF2383*/SF2583, sponsored by Rep. Doug Lindgren (R-Bagley) and Sen. Tom Saxhaug (DFL-Grand Rapids), would create a forest management investment fund in the state treasury. Timber sale receipts from certain lands administered by the Department of Natural Resources Division of Forestry would be earmarked for the fund and rededicated to forestry efforts.

Proponents said the fund could provide a minimal level of stability for funding basic forest management. It would allow the department to carry balances between legislative funding cycles, which would be helpful due to the seasonal nature of the activities.

The bill would add the College of Natural Resources and the Natural Resources Research Institute, both at the University of Minnesota, to the membership list of an existing Forest Interagency Information Cooperative.

It would remove a 6,000-cord limit that is currently in place for timber sales on state lands at regular auction sales. The legal definition of a cord, according to the department, is a standard measure of a stack of wood that is 8 feet long, 4 feet wide, and 4 feet high.

Another provision would allow the department to enter into agreements with weight scale owners or operators to guarantee that state timber is properly measured.

And the bill would modify the authority of county administrators to allow them to accept a bank letter of credit in place of a down payment from purchasers for certain sales.

The Senate passed the measure 63-0 May 12, and the House 122-4 two days later.

Soil science

Legislation awaiting the governor's action could give the Pollution Control Agency some direction on the interpretation of soil features as the agency adopts new rules for water table analysis.

The committee process through which the legislation passed gave lawmakers new familiarity with the term "redoximorphic."

Redoximorphic features are formed in saturated soil by iron and manganese oxidation and other chemical processes. The features, often identified by gray mottled soil, indicate the level of the water table or presence of water at one time.

Under current agency rules for individual sewage treatment system design, the presence of such features could eliminate for homeowners the possibility of installing a trench system and require a more expensive mound system.

But there has been some confusion in the field about redoximorphic features that may have been from centuries ago, proponents argued.

HF2000*/SF1900 would require the agency rulemaking process to address the following:

- a definition of redoximorphic features and other criteria that can be used by system designers and inspectors,
- direction on the interpretation of observed soil features that may be redoximorphic and their relation to zones of seasonal saturation, and
- procedures on how to resolve professional disagreements on seasonally saturated soils.

Under the bill, passed 132-0 by the House May 12 and 56-0 by the Senate May 15, new rules must be in place by March 31, 2006.

Rep. Kathy Tingelstad (R-Andover) and Sen. Michael Jungbauer (R-East Bethel) sponsored the legislation.

Diluting pollution

A bill that aims to give residential septic system owners some options beyond the typical mound or trench filtration configurations when soil conditions call for a different approach awaits the governor's signature.

HF2040*/SF2090, sponsored by Rep. Mark Olson (R-Big Lake) and Sen. Dallas Sams (DFL-Staples), would create a 10-year pilot program for state certification and approval of new septic system technologies that could be a better fit for some.

The Senate passed the bill 64-0 May 13, and the House passed it 127-2 May 14.

One new type of residential system, known as a biodigester and water reclamation system, collects and separates blackwater — sewage from toilets and garbage disposals — from

other wastewater, known as greywater, and then allows the water to be mechanically or biologically recycled or returned to surface and groundwater supplies.

The bill would establish a pilot process with the Department of Health and Pollution Control Agency to get approval for these new technologies; the goal is to make those technologies more easily accepted and used by consumers to protect the environment.

Proponents hold out great hope for the technology to be used successfully along lakeshores.

Under the bill, the alternative systems would be required to meet state and federal wastewater treatment standards. Manufacturers would be obligated to achieve certification by the Pollution Control Agency, a process for which the agency could charge them up to \$4,000.

Manufacturers also would be required to provide appropriate training to install, maintain, operate, and monitor the systems. The agency, together with the Health Department and local regulatory authority, would require independently verified annual monitoring and maintenance reports from system owners.

★ GOVERNMENT

State contracts

The ratification of union contracts for state employees awaits the governor's signature.

This after the House passed the bill 129-0 May 16; four days after the Senate gave its approval 63-0.

Rep. Bill Haas (R-Champlin), the House sponsor of HF2034/SF1866*, said groups covered under the contract include: Minnesota Association of Professional Employees, American Federation of State, County, and Municipal Employees, and Minnesota State Colleges and Universities administration and faculty.

"I've talked to the unions and they are very anxious to get this bill ratified," Haas said.

Negotiated provisions entail no increase in salary for union employees, an average of 2 percent to 3.5 percent increase in steps within the contracts, and health insurance benefits were changed. The changes were "all agreed on by both sides," Haas said.

Most of the agreements and plans were approved by the Legislative Coordinating Commission's Subcommittee on Employee Relations, and have been implemented on an interim basis. The 2004 Legislature was required to approve the agreements and plans if they are to remain in effect.

Rep. Karen Clark (DFL-Mpls) unsuccessfully tried to amend the bill on the House floor

to restore a provision that would allow an employee to take sick leave with pay to care for an ill or dying member of their immediate household or go to a funeral if the immediate household member passes away.

"This is language that was originally in the contracts, but was removed," she said. "I want to put it back in to make sure that this right is extended to household members who have already earned this sick leave to be used for this purpose."

Haas said changes to the proposal could only be made in the negotiation process. The unions already signed the agreements, and requested that no amendments be added on the House or Senate floor.

Sen. Linda Scheid (DFL-Brooklyn Park) is the Senate sponsor.

Buying for less

A bill that would allow state agencies to enter into volume contracts with national purchasing alliances in order to purchase goods at a lower cost awaits action by Gov. Tim Pawlenty.

Rep. Laura Brod (R-New Prague), who sponsored HF2905/SF1859* with Sen. Dallas Sams (DFL-Staples), said it is a way for the state to save money. Although agencies are already permitted to combine purchases to achieve volume discounts, the bill expands the choices available to agencies by recognizing contracts bid by national purchasing alliances and cooperative municipalities in Minnesota.

The language is intended to elevate the use of contracts with alliances as another choice for state agencies and give alliances preferential treatment. To be eligible for such contracts, alliances must also comply with the rules and requirements for state contracts.

A Department of Administration official told a House committee that the department now has 200 contracts with multiple vendors and alliances are permitted to bid on those contracts.

Historically the department has not entered into contracts with such alliances, because they have failed to meet state contract requirements.

Both bodies passed the measure May 15; the House 120-7, and the Senate 63-0.

Claims bill

A bill awaiting action by Gov. Tim Pawlenty would authorize payment of \$134,297 to settle 11 claims against the state.

Each year, a joint House-Senate Subcommittee on Claims meets to determine which

petitions will be funded. All state agencies are eligible to receive funding to cover the claims.

Sponsored by Rep. Bruce Anderson (R-Buffalo Township) and Sen. Wesley Skoglund (DFL-Mpls), HF2255*/SF2038 would appropriate \$67,825 to the corrections commissioner for the payment or reimbursement for eight claims of injuries occurred while performing community service or sentencing-to-service work.

Another \$66,472 would be paid by the Department of Natural Resources for three claims relating to the destruction of tiling, revenue loss from a moratorium on raising sunken logs from lake bottoms, and reimbursement of fines paid during the settlement of a land dispute.

Much of the discussion in committee revolved around a farm owned by the Bode family in Nicollet.

The family and the Natural Resources Department have been at odds for more than 20 years. The department has twice removed a drain tiling system in a dispute over a wetlands designation on the family farm.

The family installed the tile to drain the wetland after a local panel heard the case and ruled that land did not qualify as a wetland. The department contested that the owners didn't have the right to tile, and the disagreement thus went through the court system. Ultimately, the Minnesota Supreme Court ruled in favor of the department that the area of the farm in dispute is a wetland. The bill would

give the Bode family \$27,000 for costs incurred from the appealing of court decisions.

Pawlenty cited the decision by the court in his reasoning for vetoing the Bode claim in a 2003 claims bill. He said the section of the bill, "reverses the decision made by the courts, setting a terrible precedent for wetland protection."

Anderson said the landowners were not being treated fairly in the area because the neighboring farm was allowed to tile around the wetland area.

The bill adds that if the family accepts the payment, an administrative law judge will determine if the land in question is a wetland. That judgment would be final.

Both bodies passed the bill May 15; the House 126-4, and the Senate 58-0.

★ HEALTH

Transfer rules

The Legislature passed a law in 2003 that denies medical assistance eligibility for people who transfer assets for less than their fair market value within 72 months of application for assistance.

A bill awaiting action by Gov. Tim Pawlenty amends sections of the law as it relates to charitable contributions.

Rep. Fran Bradley (R-Rochester), who sponsored HF2581/SF2112* with Sen. Linda

FINAL HOURS BLUR



PHOTO BY ANDREW VONBANK

Lobbyists stay in motion as they attempt to get their bills heard during the final hours of the legislative session. (The photo was taken using a three-second exposure.)

Higgins (DFL-Mpls), said the idea for the change came to him from people at the United Way who began to find donors who were becoming more reluctant to provide donations.

"They were fearful of the look-back period that may grow as much as five or six years for transfers that could be counted as medical assistance," he said.

The intent of the 2003 Legislature was to close loopholes that allowed people to transfer assets, which resulted in taxpayers footing the bill for their nursing home care. Asset transfer can be a common practice where individuals reduce their assets so they may qualify for publicly funded health care to help cover costs, particularly in long-term care situations.

Transfers made for charitable causes that meet certain criteria would be exempted, and the bill would clarify how to prove a contribution was indeed charitable.

The bill identifies criteria that could establish that a gift is a charitable contribution made for a purpose other than maintaining medical assistance eligibility unless at the time of the gift the donor or the donor's spouse was receiving long-term care services, was advised by a medical professional of the need for long-term care services, or was a medical assistance applicant or recipient.

Convincing evidence could include:

- the donor made one or more gifts to the same organization more than 180 days prior to the date of the gift in question; or
- the gift was made to an organization for which the donor had provided volunteer services, acknowledged in writing, prior to the date of the gift.

The Senate passed the measure 58-0 May 12, and the House 131-0 May 15.

Survey changes

A bill that would make changes to the federally required nursing facility survey process, including training requirements and the requirement of an annual quality improvement report, awaits action by Gov. Tim Pawlenty.

Every nursing home in Minnesota must have a state license from the Department of Health to operate. Department staff, known as surveyors, regularly inspect homes for compliance.

Rep. Char Samuelson (R-New Brighton), who sponsored HF2246*/SF2103 with Sen. Dallas Sams (DFL-Staples), said the bill attempts to look at the survey processes in the nursing homes and includes some areas where these can be improved to alleviate processes that some deemed "out of control" and

"demoralizing for all concerned."

Among the changes are additional requirements for provider and surveyor training. Under the bill, training would be done jointly so that providers and surveyors learn together on new regulations.

The bill would require the health commissioner to establish a quality improvement program for the facility survey and complaint process. According to the bill, "The commissioner must regularly consult with consumers, consumer advocates, and representatives of the nursing home industry and representatives of nursing home employees in implementing the program." An annual quality improvement report must be submitted to the Legislature beginning Dec. 15, 2004.

Among things the report must include are: the number and outcomes of independent dispute resolutions, the number and outcomes of appeals, and the techniques of surveyors in the investigations. It also must identify and explain inconsistencies and patterns across state regions, including analyses and recommendations for identified quality improvement areas, and provide an action plan to address those areas.

The commissioner would be required to provide facilities with draft statements of deficiencies at the time of the survey exit process. Furthermore, under the bill, when citations are posted on the agency Web site, the facility's response must also be posted.

Provider contracting

A bill that would set requirements for contracting between health plan companies and health care providers, modify prior authorization procedures, and expand the provision regulating shadow contracting awaits the signature of Gov. Tim Pawlenty.

"The bill establishes a mechanism whereby healthcare providers will be able to input prior authorization requests to health plan companies on a 24-hour-a-day, seven-days-a-week basis," said Rep. Steve Smith (R-Mound), who sponsored HF606*/SF394 with Sen. Dallas Sams (DFL-Staples).

Additionally, Smith said, "There's a section that allows the provider to know what the provider will be paid under the contract before signing the document, and provides that amendments to the contract made during the term of the contract will have to be provided to the provider before they become effective, and give the provider the opportunity to get out or withdraw from the contract if the proposed amendments are not acceptable."

Another provision completes the process of

getting rid of so-called network shadow contracts. "Under this provision if a provider that is under a contract to a health plan is assigned to a different health plan product with a different reimbursement rate, that provider will have the opportunity to either agree to the assignment or decline," Smith said.

Smith said when the bill was introduced it was very contentious between health plans and Minnesota's medical service providers. All stakeholders subsequently worked out their differences and all medical provider service groups involved, health plans, and the Department of Employee Relations support the final product.

The bill has been worked on for three years, Smith said, and it has a zero fiscal note, meaning it should not have any fiscal implications for state coffers.

The House passed the measure 125-3 May 14 after it had received Senate approval 66-0 a day earlier.

★ LOCAL GOVERNMENT

Closing public meetings

A bill to allow public bodies to negotiate property sales and acquisitions in private awaits action by the governor.

Sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Steve Kelley (DFL-Hopkins), HF2093/SF2114* passed the Senate 62-0 May 14 and the House 116-14 one day later.

The bill would amend the state's Open Meeting Law to allow a public body in a closed meeting to determine the asking price and strategy for the sale of real or personal property, to review confidential or nonpublic appraisal data, and to develop or consider property offers or counteroffers.

"To close meetings is a very serious issue," said Rep. Philip Krinkie (R-Shoreview). "What's the problem? Why do we need this now?"

Holberg said negotiating property purchases in public has been a problem for the Lakeville School District. "When (the district) starts to identify property they want to buy the price seems to go up."

Before holding a closed meeting for this purpose, the public body must identify on the record the particular real or personal property it will consider in the closed meeting.

An agreement on the actual purchase or sale, based on an offer considered at a closed meeting, must be approved by the public body at an open meeting with a required notice period and public disclosure of the purchase or sale price.

The bill would require that the proceedings of the closed meeting be tape recorded, with the recording to be released to the public after the property discussed in the closed meeting has been purchased or sold or the governing body decides to drop the matter. The tape must be preserved for eight years from the date of the closed meeting.

A list of members and all other persons present at the closed meeting must be made available to the public after the closed meeting.

The Minnesota School Boards Association expressed support for the bill, while the Minnesota Newspaper Association opposes it.

Under current law, a public body may only close a meeting to discuss labor negotiations or to evaluate the performance of an individual subject to its authority.

Using reverse auction

Municipalities could use the Internet to seek vendor bids, and purchase supplies, materials, and equipment using reverse auction, an electronic purchasing process, under a bill presented to the governor May 18.

Sponsored by Rep. Morrie Lanning (R-Moorhead) and Sen. D. Scott Dibble (DFL-Mpls), HF1717/SF1790* passed the House 94-35 and the Senate 57-5, both on May 15.

Lanning said the bill would assist local governments in reducing purchasing costs and increasing efficiency. "There's no reverse auction authority to local units of government" for purchasing professional services like engineering, he said.

The bill would give municipalities the option to buy supplies, materials, and equipment using an electronic purchasing process in which vendors compete in an interactive environment to provide the lowest selling price.

Conversely, municipalities could also use the process to sell unused supplies, materials, or obsolete equipment at the highest purchase price.

The Department of Administration has used reverse auctions on some state contracts since 2000 and the Minnesota Department of Transportation offers two-way electronic bidding for construction contracts.

The bill would also allow city managers in council-manager local governments to make purchases or let contracts unilaterally if the amount is \$25,000 or less. State law now sets the threshold amount at purchases not exceeding \$15,000.

The threshold amount requiring purchasing bids let by local governments of less than 2,500 population would be increased by \$15,000 to \$50,000.

The bill was amended in conference committee to allow the Ramsey County Board of Commissioners to add a \$1 surcharge to

district court fines for felonies, and gross and petty misdemeanors. The resulting revenue would be used to fund a petty misdemeanor diversion program.

Interim zoning ordinances

The length of a municipal interim ordinance — which local governing bodies can adopt while considering proposed commercial or residential developments — would be restricted to 18 months in most cases, under a bill presented to the governor May 18.

As amended by conference committee, HF2021/SF2274*, sponsored by Rep. Mark Buesgens (R-Jordan) and Sen. Jim Vickerman (DFL-Tracy), passed the House 94-37 and the Senate 62-0, both May 15.

The bill would change state law that allows up to 30 months for an interim ordinance, which can be adopted by a municipality's governing body for "protecting the planning process and the health, safety and welfare of its citizens." Current law allows an interim ordinance to regulate, restrict or prohibit any use, development or subdivision for a year, with an 18-month extension option.

The bill would allow an extended interim ordinance as provided in current law to allow a city to amend its master plan for a municipal airport expansion.

It would also allow municipalities to extend

interim ordinances by up to 120 days for metropolitan agency or federal approvals, court orders, or other processes required by state or federal law, and provide a one year extension if a municipality had not adopted a comprehensive plan at the time it enacted an interim ordinance.

A municipality's ability to regulate nonconforming business use or land occupancy would be changed by the bill.

Improvement, restoration, and replacement — but not expansion — of a nonconformity would be allowed to continue, under the bill, provided the improvement began within a year from the time the nonconforming use was discontinued.

Rep. Michael Paymar (DFL-St.Paul) opposed the bill because he said it would harm the city of St. Paul's ability to regulate billboards. "It strips local control from communities trying to control nonconforming uses," Paymar said.

METRO AFFAIRS



Affordable housing

A decade of escalating new home prices has created a barrier for some Twin Cities suburban communities to participate in a state regulated affordable housing program that has a funding formula tied to market values.

A bill (HF2448/SF2177*) presented to the

IN MEMORY



PHOTO BY LISA M. SANDERS

Rep. Karen Clark, left, and Rep. Barb Sykora hold a tree straight as Rep. Denny McNamara begins to pack dirt around its base May 15 during a tree planting ceremony outside the State Office Building. The tree is to remember William Gregory Klinzing, son of Rep. Karen Klinzing, and Lauren Faith Zellers, daughter of Rep. Kurt Zellers.

governor May 18, would change the formula to allow more communities to participate.

The House adopted the conference committee report 118-13, as did the Senate 62-0, both on May 15.

"This is essential to keep the Livable Communities Act going," said Rep. Ron Abrams (R-Minnetonka), the bill's House sponsor. Its Senate sponsor is Sen. Linda Higgins (DFL-Mpls).

The bill would "reduce the current amount local governments spend" on affordable housing, Abrams said, which is a qualifying factor for grant programs that support newly constructed and rehabilitated housing under the act.

The funding formula — based on new residential market values — is used to determine the affordable life-cycle housing opportunities amount for municipalities participating in the program administered by the Metropolitan Council. The formula determines the minimum expenditure a local government must annually spend on affordable housing to qualify for grants.

According to the council, the minimum affordable housing spending amount for metropolitan area communities was \$16 million in 2003.

In 1996, the program's first year, the amount required of a local government was \$531,000.

The bill would change the affordable housing amount calculation to not exceed the property tax levy for the Livable Communities Demonstration Account, which is currently \$9.2 million.

Since 1996, according to the council, the program has assisted participating communities in building or rehabilitating 1,300 homes, as well as nearly 1,000 new or rehabilitated rental housing units.

★ RECREATION

Snowmobiling both ways

A bill awaiting the governor's signature would allow two-way snowmobiling along major state highways.

TUNED IN



PHOTO BY TOM OLMSCHIED

Televisions throughout the State Capitol were a busy meeting place during the waning days of session as lobbyists watch the Senate proceeding during the final hours.

Current law restricts snowmobile travel along highways and roads to the same direction as road traffic.

HF532*/SF522, sponsored by Rep. Larry Howes (R-Walker) and Sen. Tom Saxhaug (DFL-Grand Rapids), would not allow the practice without approval from the Department of Transportation commissioner. The safety of motorists and snowmobilers would have to be considered.

Though there are some safety concerns over broadly allowing the two-way riding, proponents testified that the practice could actually improve safety under certain conditions, particularly poorly lit roads and in areas that contain steep ditches on one side.

The House passed the bill 130-0 May 14, one day after Senate did the same 65-0.

★ SAFETY

Dangerous but regulated

A bill that would impose registration requirements on owners of certain exotic animals awaits the governor's signature.

HF1593/SF1530*, sponsored by Rep. Steve Strachan (R-Farmington) and Sen. Don Betzold (DFL-Fridley), would impose registration requirements on owners of bears; large cats, such as lions and tigers; and nonhuman primates, including chimpanzees, and gorillas. The bill met House and Senate approval May 15 after being hashed out in a conference committee. The vote totals were 128-1 and 44-10, respectively.

"To anyone who is potentially thinking of seeking election to the Legislature, do not carry any animal bills," Strachan said jokingly. "I'm a slow learner."

Currently in the state, certain non-domesticated animals are controlled by local ordinances, and breeding facilities are required to meet U.S. Department of Agriculture (USDA) animal welfare guidelines for fence specifications, nutrition, and veterinary care.

But, Strachan said, dangerous wild animals are not regulated at all by the state, and the USDA does not

regulate ownership of them as pets.

The bill would require owners of dangerous animals to register with the local animal control authority. Under the bill, microchip implantation is required if a regulated animal is sedated and it does not already have one. Failing to meet these requirements could result in a misdemeanor charge.

Under the bill, if an animal dies, breeders who run USDA-licensed facilities could replace it in perpetuity, but pet owners could replace the animal only once.

The bill would provide a significant number of exemptions, including accredited zoos, sanctuaries, circuses, rodeos, and county fairs.

Proponents said that reducing or regulating the pool of private ownership would decrease the risk of injuries and diseases that could be transmitted to people. But the bill was met with significant opposition from breeders who said the restrictions could put them out of business.

Throughout the committee process, Strachan described the bill as a matter of public safety. He said the conference committee deliberations resulted in a bill that made increased inventory a possibility and placed looser restrictions on operators.

If the bill meets the governor's approval, the effective date will be Jan. 1, 2005.

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

Pinpointing 911 callers

A bill that would improve 911 emergency services by requiring new multi-line phone systems to pinpoint the exact location of callers awaits the governor's signature.

HF622/SF653*, sponsored by Rep. Steve Strachan (R-Farmington) and Sen. Dallas Sams (DFL-Staples), would address the various requirements for residential, hotel, school, and business telephone systems. The measure received House (129-2) and Senate (62-0) approval May 15.

Strachan said the bill may resolve a problem 911 systems have had locating addresses. Multi-line phone systems that require the user to dial "9" for an outside line will often show the emergency operator the address of a business headquarters or a phone line switching location, rather than the location of where the call originated.

Police chiefs, fire chiefs, and ambulance operators support the measure, Strachan said. He also noted that he worked extensively with the chamber of commerce to resolve their concerns.

"It is not an expensive mandate on businesses," he said.

Under the bill, operators of a multi-line telephone system purchased after Dec. 31, 2004, would be required to design and maintain the system to provide a call back number and emergency response location.

The bill lays out the procedures for multi-line system operators to seek exemptions.

A separate provision would remove the option of license confiscation from the statutory list of actions that peace officers go through with regard to driver's license handling after stopping someone for suspicion of operating a motor vehicle under the influence of alcohol or drugs.

A third provision would authorize the transfer of nearly \$3.5 million from the state government special revenue fund to the Department of Public Safety to be used for 911 emergency telecommunications activities.

★ TRANSPORTATION

Light rail operations

A bill that would improve safety and impede fare swindlers along the new Hiawatha light-rail line awaits action by the governor.

HF2078*/SF1904 does two things. First, it attempts to prevent traffic jams that could be caused at downtown light rail vehicle track crossings by providing that all vehicles required by federal law to stop at railroad crossings regardless of the presence of a train, such

as school and passenger buses, would be allowed to pass through the intersection if a train is not approaching. This applies only to crossings at the intersection of two or more public streets if the intersection is controlled by a traffic signal and the intersection is marked with signs indicating the requirements to drivers.

Without this provision, traffic could become backed up at light-rail crossings in downtown Minneapolis, and rear-end accidents could ensue, said Rep. Mary Liz Holberg (R-Lakeville), who sponsored the bill with Sen. Chuck Wiger (DFL-North St. Paul).

Second, the bill would allow law enforcement agents and Metropolitan Transit police to ticket passengers who attempt to ride the train without paying for or presenting the proper fare.

The Senate passed the measure 66-0 May 13; the House did so 124-4 the next day. A portion of rail line that will eventually run between downtown Minneapolis and the Mall of America is scheduled to open June 26.

Larger bus, equestrian trailers

An Amboy resident who was pulled over for driving a bus that exceeded the state motor carrier length limit would be helped with a bill

awaiting the governor's signature.

HF1838*/SF1948, sponsored by Rep. Tony Cornish (R-Good Thunder) and Sen. Julie Rosen (R-Fairmont), would allow a passenger motor carrier operator to drive an articulated bus — an accordion-style motor vehicle — up to 61 feet in length without a permit. Current law requires a permit for any bus more than 45 feet in length. However, Cornish said, a variance exists for the Twin Cities metropolitan area.

The House passed the measure 124-1 May 14 after the Senate had forwarded it 60-1 May 13.

Cornish said the resident, who operates a bus company, bought an articulated bus in another state and drove it to Minnesota, only to later find out that the bus would violate state law.

The House initially approved an amendment, offered by Rep. Doug Fuller (R-Bemidji), which would allow a pickup/fifth wheel/equestrian equipment combination to be driven on highways. Fuller said the language would help people in northern Minnesota who haul buggies behind their fifth wheels while traveling to equestrian events.

The amendment would have required the three-vehicle combination to remain under 60 feet, the maximum allowed under current recreational vehicle combination laws.

The Senate removed the Fuller amendment, and the House concurred with the deletion.

HALL OF FAME WELCOME



PHOTO BY TOM OLMSCHIED

Former Minnesota Vikings defensive end Carl Eller, left, receives applause from House members after being honored at the beginning of the May 15 floor session for his outstanding career and August induction into the Pro Football Hall of Fame. Molly Heisenfelt, right, accompanied Eller to the House chamber. From 1975 to 1977, Eller recorded 44 sacks, according to unofficial statistics (sacks did not become an official National Football League statistic until 1982). Eller was a 1963 All-American at the University of Minnesota.

Editor's Note: The following section includes stories explaining many of the new laws that were passed by the 2004 Legislature. As a public service, we are reprinting most of the previous new laws stories run in *Session Weekly* this year. For a full listing of all bills passed this year, see the Governor's Desk section, beginning on page 33. For more detailed information and additional new laws stories, please refer to the *New Laws 2004* publication that will be published on the House Web site in August. Look for the link on the main House page (<http://www.house.mn>).

★ AGRICULTURE

Updating kosher codes

A new law will update the way kosher dietary laws are referenced in Minnesota statutes.

Effective Aug. 1, 2004, sections of Minnesota food law related to foods labeled as kosher will state that the item must be prepared "as prescribed by a rabbinic authority, with the name and institutional affiliation and denominational affiliation, if any, of the rabbinic authority identified." Current law indicates it must be prepared "in accordance with orthodox Hebrew religious requirements."

Proponents of the new law said the orthodox Hebrew reference designated one movement out of the orthodox, conservative, and reform movements within the Jewish religion to make kosher process decisions for all.

Opponents said that changing the law would take away from easily identified and respected standards set by the Orthodox Union kosher certification.

Further support for the legislation came from some kosher consumers who worried the designation might not hold up under court scrutiny. Similar laws have been challenged as violating the establishment clause in states such as New York, New Jersey, and Maryland.

Rep. Frank Hornstein (DFL-Mpls) and Sen. Richard Cohen (DFL-St. Paul) sponsored the legislation.

HF2864*/SF2756/CH232

★ BANKING

Business practices

A new law will include credit unions under state law liability exemptions for safe deposit companies.

Credit unions are authorized to offer safe deposit boxes to members. The new law adds credit unions to a list of financial institutions that can choose to have their safe deposit box activities regulated by the state.

State statute is also amended to allow the National Credit Union Administration to insure time deposits.

Furthermore, the new law allows a law enforcement agency to recover its expenses if it successfully collects on a dishonored check. The law enforcement agency can recover up to a \$30 service charge per each dishonored check it collects.

Sponsors of the new law, which takes effect Aug. 1, 2004, are Rep. Doug Stang (R-Cold Spring) and Sen. Dan Sparks (DFL-Austin).

HF2551*/SF2418/CH174

★ BUSINESS

Towing, selling vehicles

Effective Aug. 1, 2004, auto repair shops will be allowed to tow privately owned vehicles that have been abandoned on their property.

Under the new law, a vehicle repair or service business can impound a vehicle five business days after notifying the vehicle owner by certified mail that the vehicle will be removed. The owner, or agent of the owner, of a service or repair facility is exempted from civil liability to the unauthorized vehicle owner resulting from removal of the vehicle by a towing service.

The law is needed, proponents say, because some owners never bother to retrieve their vehicle after receiving an estimate, but the repair shop cannot have the vehicle towed.

Under current law, the sheriff's office in the given county can sell the abandoned vehicle at an auction on the business grounds, but the repair shop must pay for the public notice, and in some cases no one bids on the vehicle.

Current law also allows for the towing and disposal of vehicles that have been abandoned on public roadways, in parking lots, and on private nonresidential property that has been properly posted. However, it does not allow for auto repair shops to have vehicles towed.

The new law provides that vehicles towed from repair shop grounds can be sold at auc-

tion by the sheriff's office, as are cars abandoned in public roadways and parking lots.

Rep. Thomas Pugh (DFL-South St. Paul) and Sen. Linda Scheid (DFL-Brooklyn Park) are the sponsors.

HF1972/SF1639*/CH224

Code revisions

A new law makes changes to the Uniform Commercial Code, effective Aug. 1, 2004.

The code is a set of laws regulating commercial transactions, in particular those involving the sale of goods and secured transactions. It encourages uniformity of commercial laws in every state and is enacted on a state-by-state basis.

The permanent editorial board for the Uniform Commercial Code, which consists of 12 members nationwide, was established to consider changes to the code and respond to changes in commercial practice.

Major changes are contained in two articles. The change in Article 1 broadens the definition of "good faith."

The changes in Article 7 allow for electronic documentation of title for goods that are in the custody of a commercial warehousing or transportation business. The adjustments reflect changes in the industry.

Rep. Thomas Pugh (DFL-South St. Paul) and Sen. Don Betzold (DFL-Fridley) sponsored the law.

HF1983*/SF1805/CH162

★ CONSUMERS

Phone company billing, regulation

A new law aims to promote accurate telephone company billing statements and also will extend some alternative regulatory requirements phone companies operate under in the state.

Telephone companies may elect to operate in Minnesota under an agreement known as an alternative form of regulation that provides for setting minimum consumer protection standards such as price controls, service standards, and infrastructure investment, in exchange for certain other operating flexibility.

A provision of the new law, effective May 20, 2004, will change the way such plans may be extended or renewed.

Under the consumer protection reach of the new law, local carriers will be required to obtain express prior authorization from

Examples of third-party billing include charges for Internet service, pagers, voicemail, or even club memberships.

Rep. Michael Beard (R-Shakopee) and Sen. Dallas Sams (DFL-Staples) sponsored the legislation.

Utility subsidies, wind generators

The new law specifies that utility affordability programs “must be designed to target participating customers with the lowest incomes and highest energy costs in order to lower the percentage of income they devote to energy bills, increase their payments, and lower costs associated with collection activities on their accounts.”

Under this provision, effective July 1, 2004, the program must include a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period for low-income customers who are age 62 or older or disabled.

Another provision, effective Aug. 1, 2004, modifies the timeline under which the Department of Commerce requires certain municipal gas and electric utilities and rural electric cooperatives to file Conservation Improvement Plan reports documenting energy savings or improved efficiency.

A third section, effective May 20, 2004, will allow school districts to own, operate, and manage wind energy conversion systems. The new law will cap the school district share of the installed capacity of the wind energy conversion system at 3.3 megawatts of nameplate capacity, in other words what the equipment is capable of producing. School boards operating such systems will be required to integrate wind energy conversion system lessons into the district curriculum.

Rep. Torrey Westrom (R-Elbow Lake) and Sen. Ellen Anderson (DFL-St. Paul) sponsored the legislation.

FAMILY MAN



Rep. Eric Lipman receives a hug from Rep. Greg Blaine after giving his farewell speech May 16. Lipman, a two-term member, chose not to seek re-election, in part because of his growing family.

CRIME

A new law aims to reduce the amount of graffiti on Minnesota walls, fences, and train cars.

Effective Aug. 1, 2004, the law will allow individuals whose properties are vandalized by graffiti to collect up to three times the actual property damages from the offender in civil court. Courts may order offenders to clean up the graffiti as an alternative to paying damages. If the offender is a minor, the law holds parents liable for up to \$1,000 in damages. The court is further permitted to award attorney fees and costs to a prevailing plaintiff.

Supporters say the law will bring more offenders to justice because of the lower standards of evidence required in civil courtrooms. Graffiti vandalism is punishable in criminal courts, but police must obtain an eyewitness or a confession.

The Minnesota Defense Lawyers Association opposed the provision that makes parents liable for their children's graffiti. The group said attorney's fees and the \$1,000 fine punish parents for activities beyond their knowledge or control. And, the association said, criminal courts should maintain jurisdiction in ordering clean-up duties.

Sponsors of the new law are Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls).

Individuals whose dogs harm service animals, commonly used by people with disabilities, can, under a new law, be charged with a misdemeanor and ordered to pay restitution.

Effective Aug. 1, 2004, the law will protect service animals trained to work or perform tasks for an individual with a disability. Dog owners can be charged with a crime for intentionally or negligently permitting a dog to run uncontrolled off personal property, or failing to keep the dog properly confined and controlled, if that dog injures a service animal.

Supporters of the new law said training a service animal could cost tens of thousands of dollars, and that owners should be compensated when their animal is injured and can no longer perform its duties.

Groups supporting the new law include the Minnesota Guide Dog Users, the American Council for the Blind of Minnesota, and the Minnesota Council on Disability.

Twenty-seven states, including Minnesota, have laws providing service animal dogs with protection against harm by humans. But until now, no law addressed injuries to a service animal imposed by another canine.

Sponsors of the new law are Rep. Paul Kohls (R-Victoria) and Sen. Chuck Wiger (DFL-North St. Paul).

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Employee safety

A new law treats crimes against probation officers as seriously as crimes against jail and prison employees.

The new law will subject anyone who assaults or inflicts demonstrable bodily harm against a corrections employee or probation officer to a felony charge, and a possible maximum penalty of two years in prison and a \$4,000 fine.

Effective Aug. 1, 2004, the new law also declares as a crime the throwing of bodily fluids or feces at a law enforcement officer or probation officer.

A person convicted of throwing bodily fluids or feces at a law enforcement officer faces a maximum penalty of three years in prison and a \$6,000 fine. The same crime against a probation officer or jail or prison employee carries a maximum penalty of two years in prison and a \$4,000 fine.

Rep. Sheldon Johnson (DFL-St. Paul), the House sponsor, said the legislation recognizes the increasing public safety concerns that law enforcement agents encounter in the course of their work. Johnson works in the corrections field.

The Senate sponsor is Sen. Mee Moua (DFL-St. Paul).

HF2352/SF2387*/CH184

Orders for protection

A new law allows orders for protection for domestic violence victims when their abusers are about to be released from jail or prison.

Previously, protection orders could only be extended for three reasons: violation of a past order, fear of physical harm, or actual acts of harassment or stalking. Orders are valid for a set period of time, which is often one year, and on occasion two years.

However courts cannot extend orders indefinitely. Previously they were limited in extending or granting orders when the abuser was released from jail or prison because the victim couldn't establish that there had been contact necessitating protection.

The new law is effective April 27, 2004.

Supporters of the law are the Minnesota Coalition for Battered Women, the Domestic Abuse Project in Minneapolis, the St. Paul Domestic Abuse Intervention Project, and the Watch Project in Minneapolis.

Sponsors of the new law are Rep. Steve Smith (R-Mound) and Sen. Don Betzold (DFL-Fridley).

HF1944*/SF1797/CH164

Paying for help, no porn

Sex offenders imprisoned in Minnesota will be charged a co-payment for their treatment and they will no longer have access to pornography, under a new law.

Effective Aug. 1, 2004, the sex offender treatment fee will be based on a schedule approved by the Department of Corrections commissioner. Revenues are to be provided to the treatment provider to pay for the cost of treatment. The fee will be based on an offender's ability to pay.

The law also prohibits those civilly committed as sexual psychopathic personalities or sexually dangerous persons from receiving or possessing pornographic material while receiving treatment in a state-operated facility. Pornography is prohibited in state prisons.

Rep. Judy Soderstrom (R-Mora) and Sen. Wesley Skoglund (DFL-Mpls) are the sponsors.

HF921/SF906*/CH134

EDUCATION



Trust land money

Congress will again be asked to consider federal compensation for school trust lands that became part of the federal Boundary Waters Canoe Area Wilderness more than 25 years ago.

A resolution, signed by Gov. Tim Pawlenty,

will be sent to the state's congressional delegation in Washington, D.C., and the supervisor of the Superior National Forest, which includes the wilderness area.

The resolution urges the state's congressional delegation to initiate a federal land trade with the state, a payment for the school trust acreage — declared part of the federal wilderness area in 1978 — or a combination of the two.

The Legislature also asks Congress to increase a \$12 user reservation fee in the wilderness area by \$3, which could mean potential revenue of about \$90,000 annually for the state's Permanent School Fund.

The fund provides about \$20 million a year for public school districts from lease and fee revenues generated on 3.5 million acres of state-held school trust and mineral rights lands. The Department of Natural Resources manages the school trust lands that Minnesota has held since statehood.

The uncompensated 87,000 acres of school trust land in the federally protected area remains a sore point with state legislators.

An environmental group that supported an increase in the wilderness area's reservation fee said a \$10 million federal payment for the trust lands was discussed between federal and state officials in 1997, but no agreement was reached.

Rep. Barb Sykora (R-Excelsior) and Sen. Steve Kelley (DFL-Hopkins) sponsored the resolution.

HF2242/SF2222*/R1

FOND FAREWELL



PHOTO BY LISA M. SANDERS

After 10 years in the House of Representatives, Rep. Elaine Harder says goodbye to her colleagues May 16. Harder said that when she first came to the Capitol in sixth grade she could not imagine that she would one day be a legislator.

Transition committee membership

A mental health representative must be placed on transition committees that help secondary and postsecondary aged youth with disabilities adjust to adult life, under a new law.

Effective April 27, 2004, the law amends state statute requiring a school district or special education cooperative to form community transition teams for special needs students in grade nine or an equivalent age, and their families.

Community transition interagency committees identify services and programs for secondary and postsecondary special education students, and develop an implementation plan to meet the transition needs of individuals with disabilities.

The committees also include representatives of special education, other education and training agencies, adults with disabilities who have received transition services, parents, business or industry, as well as county social service and health agencies.

Districts or special education cooperatives must follow transition committee procedures determined by the state Education

Department and annually report to the department on transition services provided to individuals with disabilities.

Sponsors of the new law are Rep. Alice Seagren (R-Bloomington) and Sen. Jane Ranum (DFL-Mpls).

HF2502/SF2609*/CH166

ELECTIONS

Campaign sign size, numbers

A new law will allow noncommercial signs of any size and in any number to be posted from Aug. 1 of a state general election year until 10 days after Election Day.

During the 2002 campaign, Rep. Peter Adolphson (R-Minnetonka) was informed that several Eden Prairie residents had complained that he had more than one sign on a resident's property. He and Sen. David Hann (R-Eden Prairie) sponsored the new law.

Existing law states that municipalities can enact an ordinance regulating the size of noncommercial signs, but statutes say nothing about the number of signs. At the time Adolphson said the cities of Eden Prairie and Minnetonka interpreted the law to also mean one sign per candidate.

Effective Aug. 1, 2004, the new law designates that in any municipality, regardless of whether the municipality has an ordinance that regulates the size or number of commercial signs, noncommercial signs of any size and in any number can be posted during the designated time period.

HF307*/SF497/CH142

District boundary adjustment

Residents in two Edina apartment buildings will no longer find their neighbors across the hall voting in a different House district, under a new law.

Census lines drawn in 2002 went through the middle of two large apartment buildings. Effective April 30, 2004, the law adjusts the boundary between House districts 41A and 41B to follow a census block line.

Problems arose during the 2002 election when some building residents, most of whom are elderly, felt disenfranchised when they went to the wrong place to vote after talking with neighbors about where their polling place was located.

Rep. Ron Erhardt (R-Edina) and Sen. Geoff Michel (R-Edina) are the sponsors.

HF2482/SF2300*/CH170

EMPLOYMENT

Reference information disclosure

A new law will provide disclosure protection to employers that share certain reference information with prospective employers about current and former employees.

Effective Aug. 1, 2004, the law will allow companies, without the employee's consent, to pass along basic employment information such as wages and job description, as well as written disclosures of any instances of theft, harassment, violence, or other illegal conduct documented in the employee's record.

The law will establish a higher burden of proof for employees who legally challenge a current or former employer's information disclosure. Employees bringing suit must show clear and convincing evidence that the information was both knowingly wrong and harmful to them.

Business representatives expressed support for the new law, sponsored by Rep. Jim Knoblach (R-St. Cloud) and Sen. David Knutson (R-Burnsville), while labor union representatives opposed it.

The law will also require school districts to share documented information about employee sexual misconduct or violence toward a student.

Such information is already public if an employee was fired based on the misconduct. Under the new law, the information must be shared even if the school district employee resigned.

Similar legislation passed both houses of the Legislature in 2001, but did not make it past a conference committee.

HF480*/SF837/CH137

Regulating debt collectors

A new law changes the regulation of individual debt collectors from licensing to registration.

Rep. Doug Stang (R-Cold Spring), the House sponsor, said the law would streamline the process, while maintaining current consumer protections. He said the licensing process is supposed to take several weeks but has been backlogged two months or longer. Changing from licensing to registration would allow debt collectors to go to work immediately.

According to the Department of Commerce, a collection agency is "a business that collects, for others, bills or other indebtedness from debtors who have not paid an account to a creditor." Collection agencies hire individuals to work as debt collectors.

Agencies and those they hire must now be licensed by the department. Under the new

law, the department will still provide oversight; only the type of regulation changes. Collection agencies will continue to be licensed, but individual collectors will be registered. Those who violate state law will face the same sanctions they do now.

Under the law, effective Jan. 1, 2005, collection agencies will still be responsible for the actions of debt collectors who work for them.

The Senate sponsor is Sen. Dan Sparks (DFL-Austin).

HF2187*/SF2650/CH208

Disabled worker study

A one-year project to study extended employment of people with severe disabilities will be conducted in Thief River Falls, under a new law.

Running from July 1, 2004, to June 30, 2005, the study will provide for an on-site industrial employment model for individuals with severe disabilities.

It will be monitored by the Department of Employment and Economic Development and implemented by the Occupational Development Center, a nonprofit company. The project will provide the state with information to clarify the distinction between center-based and community employment subprograms.

The center's Custom Products division will provide employment. The company must pay minimum wage or better to all employees with severe disabilities and provide benefits equal to those provided to non-disabled employees. All work teams will be integrated and the project must maintain a minimum 60 percent ratio of disabled persons.

The Employment and Economic Development Department must complete a program evaluation by Oct. 1, 2005.

The law will also provide \$2.4 million in federal matching vocational rehabilitation funds to the Centers for Independent Living, whose funding was cut 30 percent by the 2003 Legislature. The centers provide job training to moderately disabled people. The funding would be effective for fiscal year 2005.

Effective May 14, 2004, the law is sponsored by Rep. Tony Sertich (DFL-Chisholm) and Sen. LeRoy Stumpf (DFL-Thief River Falls).

HF2035/SF1946*/CH188

DEED changes

An initiative from the Department of Employment and Economic Development, dealing with housekeeping and technical changes to workers' compensation, is now law.

One section of the law defines what qualifies as a "good reason" for quitting a job for the

purpose of receiving workers' compensation.

The only good reason for quitting specifically defined by the law would be sexual harassment. Any other reason would be evaluated based on the facts of a case and on whether a "reasonable person" would quit in that situation. This section takes effect Aug. 1, 2004.

Other provisions in the law include:

- permitting the department to send notices, determinations, and decisions to applicants and employers by electronic mail if a person requests (effective July 1, 2005);
- adding services performed by a member of a limited liability company member to the definition of employment, regardless of how much the company member owns (effective Jan. 1, 2005); and
- a requirement that new employers and those going out of business register and notify the department electronically (effective July 1, 2005).

Rep. Tony Sertich (DFL-Chisholm) and Sen. Ellen Anderson (DFL-St. Paul) sponsored the legislation.

HF2235*/SF2243/CH183

★ ENERGY

Ridding PCBs from equipment

A new law aims to proactively provide electric utilities with an incentive to voluntarily phase out equipment containing polychlorinated biphenyls (PCBs).

PCBs are a class of man-made compounds that, up until serious health and environmental concerns arose in the 1970s, were commonly used as insulators in electrical equipment.

They are still sometimes found today in the oil that is placed in transformers and other electric utility equipment that has not reached the end of its service life, an average of 30 years according to industry estimates.

Under current law, the industry pays hazardous waste generator fees to the Pollution Control Agency for disposal of equipment that has reached the end of the line.

But some in the industry have said duplicative state and federal standards created a disincentive to get rid of the equipment in advance due to the cost of compliance with those double requirements.

Effective Aug. 1, 2004, the new law will waive state hazardous waste fees on PCB waste associated with oil-filled electronic equipment voluntarily disposed of or retro-filled prior to the end of its service life.

Waste generators and the agency will have to execute voluntary PCB phase-out agreements containing specific goals and a schedule for implementation.

The new law will not waive emergency fees or the fees on equipment being taken out of service at the end of its normal life span.

Rep. Dean Simpson (R-New York Mills) and Sen. John Marty (DFL-Roseville) sponsored the legislation.

HF2500/SF2422*/CH176

★ ENVIRONMENT

Nugget race

A new law aims to ensure that the process of producing high-quality iron nuggets from iron ore moves from demonstration to production in Minnesota before another state steals the economic thunder of being the first to produce a better quality nugget.

Effective May 20, 2004, the new law will exempt from certain environmental review the first iron nugget production facility in the state and require the Pollution Control Agency and other state agencies with permit granting authority to provide public notice for necessary permits within four months of receiving a complete application.

The goal is to get the Mesabi Nugget production plant up and running on the site of the former LTV plant in Hoyt Lakes. A full-scale production facility was proposed at the site of the successful demonstration plant in Silver Bay, but the reality of a two- to three-year environmental review process for a facility along the Lake Superior shore prompted a change in plans.

The legislation was impelled by concerns that Indiana would entice the facility operators to leave Minnesota with the promise of quicker, cheaper environmental permits.

There is a bit of an environmental tradeoff to the new law, proponents said. Two furnaces under an existing operating permit for a 10 million-ton taconite plant at the Hoyt Lakes site could have been fired up again. Instead the existing furnaces will be permanently shut down. Preliminary estimates show that the nugget process replacing them would be as clean or cleaner than what was emitted under the old taconite process.

The new law also directs the agency to "strive in the permitting process to assure the lowest mercury emissions reasonably possible."

Rep. David Dill (DFL-Crane Lake) and Sen. Thomas Bakk (DFL-Cook) sponsored the legislation.

HF2986*/SF3022/CH220

Phosphorus fertilizers banned

A statewide ban on the use of phosphorus fertilizers on established residential lawns will be enacted, under a new law.

The purpose of the law, sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Dan Sparks (DFL-Austin), is to protect Minnesota's lakes and rivers from an overabundance of phosphorus that can cause algae bloom.

The 2002 Legislature approved a similar ban for the seven-county Twin Cities metropolitan area that took effect Jan. 1, 2004. Some counties

MOVING ON



PHOTO BY LISA M. SANDERS

Rep. Carl Jacobson receives a round of applause after giving his farewell speech May 16. Jacobson, who was first elected in 2000, said some of the other goals in his life have become a bigger priority.

outside of the metropolitan area also have adopted their own phosphorus restrictions, and proponents said variations in regulations concerning lawn fertilizers were becoming difficult for homeowners to decipher.

The new law will take effect Jan. 1, 2005, and will apply to fertilizer to be used for turf purchased at retail after Aug. 1, 2004.

The new law provides for exceptions when:

- a tissue, soil, or other test by a laboratory or method approved by the Department of Agriculture and performed within the last three years indicates that the level of available phosphorus in the soil is insufficient to support healthy turf growth;
- the property owner is first establishing turf via seed or sod procedures, and only during the first growing season; or
- the fertilizer containing phosphorus is used on a golf course under the direction of a person licensed, certified, or approved by an organization with an ongoing training program approved by the department.

Under the new law, phosphorus fertilizers applied under these exceptions must not exceed rates recommended by the University of Minnesota and approved by the department.

HF2005*/SF1999/CH179

Encouraging ethanol

Effective May 20, 2004, a new law will exempt from a mandatory environmental impact statement an ethanol plant that produces less than 125 million gallons annually and is located outside of the seven-county Twin Cities metropolitan area.

The Environmental Quality Board writes rules for the environmental review of development projects in Minnesota. Under its most basic definition, the process starts with an environmental assessment worksheet to determine whether the size, scope, and location of the project would change the environment enough to trigger a large-scale environmental impact statement. A full environmental impact statement is mandatory for certain projects.

Some lawmakers have criticized the environmental permit process in Minnesota, saying it is costlier and more time-consuming than in competing states.

Proponents were concerned an ethanol plant proposed for the southern part of the state would instead be built in Iowa.

Rep. Bob Gunther (R-Fairmont) and Sen. Julie Rosen (R-Fairmont) sponsored the legislation.

HF2633*/SF2621/CH217

MAJOR - MINOR MEETING



PHOTO BY TOM OLMSCHIED

House Minority Leader Matt Entenza and House Majority Leader Erik Paulsen meet at one side of the Speaker's Rostrum as Paulsen presides over the House.

Regulating petroleum tanks

A new law will modify the Pollution Control Agency's field citation practices to make aboveground storage tanks subject to the same regulations as underground storage tanks with respect to environmental considerations such as spill, overfill, and corrosion protections and leak detection methods.

Effective Aug. 1, 2004, the new law also will shorten the compliance grace period facility operators have to meet the regulations and raise the penalties for certain violations.

The agency has the regulatory authority to issue red tags to facility operators for failure to comply with state and federal requirements. The tag is attached to the top of the tank's fill pipe, and it signifies that petroleum product deliveries are prohibited until the violation is corrected.

Under the new law, which was forwarded at the behest of the Minnesota Petroleum Marketers Association, facility owners will have 60 days to correct a violation before a citation is issued, unless there is a discharge associated with the violation or it is a repeat violation from a previous inspection. Currently, the grace period is 90 days.

Another provision will raise from \$250 to \$500 the penalty for violating rules relating to upgrading existing underground storage tank systems, up to a maximum of \$2,000 per tank system, and raise from \$100 to \$250 the penalty for violating underground storage tank system general operating requirements.

Rep. Joe Hoppe (R-Chaska) and Sen. Thomas Bakk (DFL-Cook) sponsored the law.

HF2365/SF2299*/CH169

GAMBLING

State lottery changes

A new law makes several changes to the operation of the Minnesota State Lottery.

Sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Ann Rest (DFL-New Hope), the law gives the governor responsibility for appointing the state lottery director; requires the lottery director to submit a budget in compliance with the rules, format, and instructions established by the commissioner of finance; and creates a Lottery Organization Task Force to study and make recommendations on the future organization and profitability of the lottery.

The law is in response to a February 2004 legislative auditor's evaluation of the lottery. The report found concerns in a number of areas, including promotional spending, the amount of leased space, and staffing levels.

The nine-member task force will be comprised of the commissioners of finance and natural resources, two House members, two Senate members, the lottery director, and two gubernatorial appointees by Feb. 1, 2005.

The law, effective May 20, 2004, also lowers the operating expenses for fiscal years 2004 and 2005 to \$27.4 million from \$43.5 million. The expenses must not come from a direct function of lottery sales, which include the cost of lottery prizes, monies paid to lottery retailers as sales commissions or other compensation, costs to produce and deliver scratch game tickets, and amounts paid to an outside vendor to operate and maintain an online gambling system.

HF2199/SF2181*/CH233

Charitable provisions

A new law makes several changes to charitable gambling, including raising the total winnings of a bingo prize from \$2,500 to \$2,800, unless a cover-all game is played, in which case the limit increases from \$3,500 to \$3,800.

Rep. Carl Jacobson (R-Vadnais Heights) and Sen. Jim Vickerman (DFL-Tracy) sponsored the law.

It also makes changes to the Minnesota Gambling Control Board. Added to oversight responsibilities include adopting rules for tipboard games with multiple seals and cumulative or carryover tipboard prizes.

Other provisions include:

- Veterans' posts can spend up to \$1,500 per person to send as many as two veterans to Washington, D.C., for the May 29 dedication of the National World War II Memorial. The measure places a cap on the total amount from each organization at \$6,000. Originally the provision was HF1835 sponsored by Rep. Marty Seifert (R-Marshall).
- A person under age 18 may play bingo on one occasion at an event sponsored by a licensed organization as part of an annual community event, if a parent or guardian accompanies the person.
- The number of days in a calendar year on which an organization may conduct lawful gambling on premises other than those for which the organization has a premises permit is increased to four and one event up to 12 consecutive days in connection with a county fair, state fair, church festival or civic celebration. Previous law was one day or one event.
- A gambling organization may not report cash shortages in any fiscal year that exceed three-tenths of 1 percent of the gross receipts from lawful gambling. Previous law allowed for four-tenths of 1 percent.

Most of the law is effective May 1, 2004, except for the cash shortages section, which takes effect July 1, 2004.

HF2521*/SF2435/CH172

★ GAME & FISH

Doves, ducks, and deer

A new law will reinstate a mourning dove hunting season in Minnesota and get tougher on scofflaws who disregard game and fish regulations.

Effective Aug. 1, 2004, the law will allow for a three-year license revocation for those who fail to pay court-ordered fines for game and fish violations.

Under the new law, on the opening day of duck season the shooting hours for migratory

FISHING FOR VOTES



PHOTO BY TOM OLMSCHIED

Rep. Bill Haas untangles the line on his antique fishing rod prior to the start of the May 15 legislative session. Haas wore a fishing vest and brought equipment to commemorate the fishing opener.

game birds, except woodcock and mourning doves, will begin at 9 a.m. rather than noon, as is current practice.

Youth-directed provisions include allowing turkey hunters under the age of 16 to be accompanied by unlicensed, unarmed adults and sanctioning Minnesota residents under the age of 18 to take up to 25 turtles for nonprofit turtle racing, as long as the turtles are greater than four inches in length. The Department of Natural Resources discontinued issuing new turtle seller's licenses in 2002, and the new law allows a turtle seller's license to be transferred to the child of the licensee.

Other provisions will protect albino deer, allow people with extreme visual impairments to use a muzzleloader with a scope during the deer season, and allow for turkey hunting by archery in the last two weeks of the spring season.

The department also is authorized to establish a quality deer management pilot zone in Kittson, Lake of the Woods, Marshall, Pennington, and Roseau counties in which the antler size of deer is further considered.

The new law amends a restriction put in place last year to prohibit the spread of chronic wasting disease by disallowing the importation of intact hunter-harvested carcasses. Hunters from outside Minnesota now will be allowed to transport the carcasses on a straight shot through the state. The provision also further clarifies that the importation restrictions are on carcasses from known chronic wasting disease endemic areas identified by the Board of Animal Health.

The department is prescribed to report on the effect of the new season on the state's mourning dove population; the impacts of the change in shooting hours, including the harvest success, on local waterfowl populations; and ways to improve wildlife habitat within the right-of-ways of public roads.

And the law calls for the department to coordinate lead tackle awareness and public education efforts and promote the availability of fishing tackle that does not contain lead, such as lead free jigs and sinkers.

Rep. Joe Hoppe (R-Chaska) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsored the legislation.

HF2368*/SF2203/CH215

★ GOVERNMENT

Pension funds

A new law addresses a myriad of pension-related topics, including salary contributions for state employees and compliance with federal issues.

Sponsored by Rep. Steve Smith (R-Mound) and Sen. Don Betzold (DFL-Fridley), it changes laws related to the military service credit purchase program, tightens requirements for disability benefits in the Public Employees Retirement Association police and fire plans, ratifies salary contributions for state, judicial, and Minnesota State Colleges and Universities employees that are in excess of the pension cap, and protects

workers pensions when their government employer is privatizing.

Additionally, it orders the chief administrative officers of a number of public pension plans to jointly contract with an actuarial consulting firm to conduct annual actuarial valuations and related services for a number of the major Minnesota public pension plans.

It requires the contract to require completion of specified actuarial valuations, experience data collection, and cost analyses for certain proposed legislation. An annual report to the Legislature summarizing the annual actuarial valuations is required.

Much of the discussion revolved around the financial status of the Minneapolis Police Relief Association and the Minneapolis Teachers Retirement Fund Association funds. While the funds continue to struggle, several legislators said the law doesn't go far enough to address the problems.

The law, effective May 20, 2004, extends the amortization date to 2020 for the police association, but a conference committee removed language that would have addressed issues with the teacher's fund.

HF890/SF806*/CH223

Promoting propane safety

A new law, effective Aug. 1, 2004, will allow the Propane Education and Research Council to plan for the future by removing an Aug. 1, 2009, sunset date from statute.

The Legislature approved the formation of the council in 2001. According to state law, the purpose of the group, including propane producers and propane retail marketers, is to establish, support, or conduct research, training, and education programs concerning the safe and efficient use of propane.

Rep. Larry Howes (R-Walker) and Sen. Steve Murphy (DFL-Red Wing) sponsored the legislation.

Proponents of the legislation argued for the program's validity. The program has produced a certified employee training program, Minnesota propane consumer guide, and safety tips for fish house heating and propane use at construction sites, Howes said.

HF2653/SF2455*/CH222

Department changes

A new law makes comprehensive housekeeping and technical changes to the Department of Employment and Economic Development.

Rep. Lynne Osterman (R-New Hope), the House sponsor, said the change eliminates duplications such as the name of the agency,

moves archaic functions outside of new agency scope, updates the statutes that related to previous departmental reorganizations, updates statutes to current federal law, and repeals outdated law and rules.

The Legislature abolished the Department of Economic Security effective July 1, 2003, and transferred its duties to the new Department of Employment and Economic Development, which was previously called the Department of Trade and Economic Development.

Part of the law includes cost measures for the trade area of the department to relocate. Osterman said the cost is expected to run between \$50,000 and \$70,000, with the buyout of the lease at its current St. Paul site running \$347,000.

A department merger update said the consolidation of offices provides a single, cohesive agency to provide workforce and economic development services. In addition, it allows them to consolidate the offices in the same physical space, thereby eliminating millions in future lease payments.

The law is effective May 19, 2004.

Sen. Julie Rosen (R-Fairmont) is the Senate sponsor.

HF2386*/SF2350/CH206

Making DNR rules

A new law will modify the Department of Natural Resources rulemaking process for a number of duties.

State law recognizes an agency rule as "every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by that agency or to govern its organization or procedure."

The Legislature grants authority to agencies to adopt rules, and agencies must follow certain procedures before formally proposing the rules and forwarding them for possible public notice or administrative law judge review.

The new law addresses department rulemaking exemptions in the following select areas: name designations for lakes and other geographic features; designations of recreational areas, scientific and natural areas, and wildlife management areas; and declarations of certain areas as infested with forest pests.

Effective May 20, 2004, the new law will clarify that the department's current practice of making determinations in areas such as those mentioned above under the commissioner's written order is acceptable. The new law provides that the written orders must be published in the State Register.

Other provisions allow for the department

to set certain fees by rule rather than running them past the Legislature to be placed in law. The new law does not, however, change hunting or fishing fees or other major categories set by the Legislature.

The legislation, sponsored by Rep. Tom Hackbarth (R-Cedar) and Sen. Dennis Frederickson (R-New Ulm), was brought forward at the behest of the department.

HF2433/SF2472*/CH221

★ HEALTH

Adverse event reporting

The duties of the Department of Health and health facilities in the reporting of adverse health care events is clarified, under a new law.

Effective Aug. 1, 2004, the law makes some technical changes to an act passed in 2003 that requires the reporting of 27 events that should never happen in hospitals, such as surgery on the wrong body part or person, patient death or disability related to medical devices or drugs, or patient protection errors such as discharging an infant to the wrong person.

Under the law, medical errors that now involve children will be reported; the boards of practice for physicians, nurses, physicians assistants, pharmacists, and podiatrists will be mandated reporters of adverse events; members and employees of the boards of medical practice, chiropractic examiners, pharmacy, and podiatric medicine are exempted from liability for making certain reports or for maintaining certain records; and the protection of the confidentiality of investigative documents held by the Department of Health is addressed.

Rep. Lynda Boudreau (R-Faribault) and Sen. Steve Kelley (DFL-Hopkins) sponsored the law.

HF2537/SF2365*/CH186

Provider regulations

A new law aims to improve how diagnostic imaging facilities and outpatient surgery centers are regulated.

Among the highlights of the law, effective Aug. 1, 2004, are:

- additional licensure requirements for diagnostic imaging facilities and outpatient surgery centers;
- facilities are required to comply with adverse reporting requirements;
- disclosure to patients regarding the financial interest of health care providers in these facilities; and
- the health commissioner is given the right to inspect the books, audits, and records of a hospital or outpatient surgical center if there is reason to believe a report is

incomplete or false. Current law gives inspection authority "as reasonably necessary."

Supporters say benefits of the law include giving policymakers better data on trends and facility ownership, allowing the state to determine if low-income Minnesotans have access to needed services, and creating equal accountability across the health care system.

The law represents a compromise among Minnesota's health care providers. After some initial concerns with the original proposal, the Minnesota Nurses Association, Minnesota Medical Association, and Minnesota Hospitals Association worked together and support the law.

Rep. Lynda Boudreau (R-Faribault) and Sen. Linda Higgins (DFL-Mpls) sponsored the legislation.

HF2127/SF2080*/CH198

Moratorium exception methods

A new law will lay the framework for the process through which hospitals seeking exceptions to the state hospital moratorium submit the request to lawmakers and agency officials.

Under current law, hospitals are prohibited from increasing or redistributing bed capacity. The 1984 Legislature placed this moratorium on the construction of new hospitals in the state, and most exceptions must currently obtain legislative approval.

Effective Aug. 1, 2004, the new law will establish a process by which the health commissioner must issue findings and recommendations to the Legislature when hospitals seek an exception.

Under the new law, hospitals will be required to pay for the cost of the review and answer a number of questions designed to establish whether the exception is in the public's best interest.

Proponents said the legislation is intended to take moratorium exception approval out of the political process and give the department the third-party ability to review applications.

Opponents questioned whether the new process could ultimately stymie competition in the health care arena.

Rep. Dan Severson (R-Sauk Rapids) and Sen. Michelle Fischbach (R-Paynesville) sponsored the legislation.

HF2085*/SF1835/CH231

Hospital construction

A new law adds to the list of hospital construction moratorium exceptions.

Rep. Loren Solberg (DFL-Grand Rapids), who sponsored the law with Sen. Tom Saxhaug (DFL-Grand Rapids), said the Itasca County

Hospital requested an exception to the moratorium to add 14 beds that would be used for rehabilitation services.

A construction moratorium was imposed by the state several years ago to help control health care costs, but 16 other exemptions had previously been enacted in law.

According to state statute: "The following construction or modification may not be commenced: (1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and (2) the establishment of a new hospital."

The law takes effect Aug. 1, 2004.

HF1896/SF1716*/CH187

Terminology change

A new law provides a state statute clarification for the way some assisted living facilities are termed.

Rep. Brad Finstad (R-New Ulm), who sponsored the law with Sen. Mee Moua (DFL-St. Paul), said the law is a technical fix.

He said the state addresses assisted living facilities as "housing with services," which is causing some problems with terminology commonly used for long-term care insurance.

Effective Aug. 1, 2004, a registered housing with services establishment "that holds, or contracts with an individual or entity that holds, a home care license and all other licenses, permits, registrations, or other governmental approvals legally required for delivery of the services the establishment offers or provides to its residents, constitutes an 'assisted living facility' or 'assisted living residence.'"

HF1936/SF1671*/CH185

HOUSING

Proof of a paid mortgage

A new law will ensure that homeowners who are paying off mortgages receive certificates of satisfaction — despite any multiple refinancing efforts.

The law addresses a problem stemming from today's climate in which finance companies frequently change names and homeowners refinance mortgages multiple times in search of lower interest rates. As frequently happens, transferring documents are not filed with the county records office. This makes it difficult to clear the mortgage.

Effective Aug. 1, 2004, the law will require that the satisfaction certificate list the name of the broker, the mortgage provider and the property owner, as well as the date of the mortgage, the date of the recording of the document, and the volume and page number or document number of the mortgage in the real property records where the mortgage is recorded.

Sponsors of the new law are Rep. Thomas Pugh (DFL-South St. Paul) and Sen. Thomas Neuville (R-Northfield).

HF1805/SF1621*/CH153

HUMAN SERVICES

Nursing home enhancement

Facility closures, medical assistance property-related rate adjustment requests, and the creation of a new nursing facility reimbursement system are three components of a new law.

Effective May 14, 2004, the human services commissioner is allowed to negotiate planned closures for nursing facilities beginning July 1, 2004, provided there is no cost to the state. Between Aug. 1, 2001, and June 30, 2003, the Department of Human Services was authorized to approve planned closures of up to 5,140 nursing facility beds and approve planned closure rate adjustments to beds remaining in operation.

Additionally, the state is permitted to go forward with the development of a new nursing facility reimbursement system that will include quality indicators for the system. A recommendation is to be brought forward by Jan. 15, 2005, with potential implementation of a new system by Oct. 1, 2006.

Furthermore, a request for a medical assistance property-related rate adjustment and the documentation of construction costs must currently be submitted to the commissioner within 60 days after the construction completion date to be considered eligible. The new law says the commissioner "shall provide a rate notice reflecting the allowable costs within 60 days after receiving all the necessary information to compute the rate adjustment."

Rep. Char Samuelson (R-New Brighton) and Sen. Linda Berglin (DFL-Mpls) sponsored the law.

HF1754/SF1604*/CH194

HUMANITIES



Acquiring abandoned property

The Minnesota Museum Property Act will be added to state statutes, effective Aug. 1, 2004.

Sponsored by Rep. Dean Urdahl (R-Grove City) and Sen. Linda Higgins (DFL-Mpls), the law establishes procedures for museums to acquire ownership of loaned items that have been abandoned, whether the owner is known or unknown.

Museums accumulate unclaimed and undocumented objects when people do not claim them after loaning them for exhibits, identification, or evaluation.

The law will regulate the acquisition of title to undocumented property, as well as loans of property made to museums and historical societies.

It will also allow the organizations to apply conservation measures to loaned property for health and safety reasons, or to protect other museum property, if there is no written loan agreement to the contrary.

The law requires museums to keep accurate records of all property on loan, including the name and address of the owner, and the beginning and ending dates of the loan period.

Property loaned to a museum with an expiration date will be deemed abandoned, under the law, when there has been no written contact between the owner and the museum for seven years after the expiration date.

If no expiration date was established, the law will deem the property abandoned when there has not been written contact between the museum and the owner for seven years after the museum took possession of the property.

The law requires a museum to provide notice to the owner if it wishes to acquire title to abandoned property, including further notice of abandoned property by publication and on the organization's Web site.

If the museum receives a timely written claim for the property from the owner, it must return it. If the notice produces no timely written claim to the property, the museum becomes the owner.

HF1645*/SF1559/CH213

State observance

A new law declares October 16 as Dr. Norman E. Borlaug World Food Prize Day in honor of his contributions to humanity through work in agriculture.

Borlaug, one of only four living Nobel Peace Prize winners in the United States, is credited with saving millions of lives by averting famine and alleviating hunger and malnutrition through his invention of a high yielding, disease resistant variety of wheat available in more

than 20 nations. He won the prize in 1970.

A University of Minnesota graduate, Borlaug continues to fight hunger at age 90 by helping farmers in several countries increase their production.

Sponsored by Rep. Alice Hausman (DFL-St. Paul) and Sen. Ellen Anderson (DFL-St. Paul), the new law says that public schools may offer instruction and programs in observance of his contributions. It takes effect Aug. 1, 2004.

The celebratory date was chosen because it coincides with the United Nations World Food Day, said Hausman.

HF2878*/SF2537/CH148

Meeting electronically

A new law permits the Minnesota State Council on Disability to meet by telephone or other electronic means under specific conditions.

Rep. Fran Bradley (R-Rochester), who sponsored the law with Sen. Linda Higgins (DFL-Mpls), said it is in response to a logistics issue. He said there have been times where it has been hard for the sufficient number of members to attend the meeting in order to achieve a quorum. There are still many rules that must be followed to ensure public access but the change would help facilitate the business of the council, he said.

The conditions required for the electronic means to be used include:

- members of the council participating in the meeting and regular meeting location can hear one another and can hear all discussion and testimony;
- at least one member of the council is physically present at the regular meeting location;
- all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded; and
- the council must give notice of the regular meeting and if members may be participating by electronic means.

The law takes effect July 1, 2004.

HF2691*/SF2639/CH195

INSURANCE



Care provider coverage

A new law raises the limits for nursing homes and long-term care facilities in the Minnesota Joint Underwriting Association.

Effective May 19, 2004, the law allows the association to issue malpractice insurance policies to long-term care providers who are members of an activated class with limits up to \$2 million per claimant under one policy

and \$4 million for all claimants under one policy in a single year. The latter can only occur if the association finds the higher limits are needed for the applicant to conduct its business. Previous levels were \$1 million and \$3 million. Nursing home providers, who brought the proposal forward, expressed a desire to set the limits higher based on needs.

"Prudent business practice or mere desire to have higher limits is not a sufficient standard for the association to issue such policies," under the new law.

Regulated by the Department of Commerce, the association provides liability insurance coverage for persons unable to attain it through ordinary means where coverage is required by law or is necessary for the conduct of business and serves a public purpose. All property and casualty insurance companies in the state are required by state law to be members.

Rep. Laura Brod (R-New Prague) and Sen. Dan Sparks (DFL-Austin) sponsored the law.

HF2017*/SF1944/CH212

Cancellation notice

A new law refines certain notice requirements for fire insurance and amends provisions regulating township mutual combination policies.

For an insurance policy, the law clarifies language in regard to notices if the policy is declined within the first 60 days. Additionally, the law clarifies some statutory language in reference to town fire mutual insurances. Consumer or insurance company rights are not changed, under the law.

In the event of a midterm cancellation, "notice must be mailed to the insured at least 30 days before the effective cancellation date." Current law indicates the insured must receive a 30-day notice.

"In the event of a nonrenewal, notice must be mailed to the insured at least 60 days before the effective date of renewal," according to the law. Under current law, a 60-day notice must be sent to the insured.

Rep. Laura Brod (R-New Prague) and Sen. Dallas Sams (DFL-Staples) sponsored the new law, which takes effect Aug. 1, 2004.

HF2777/SF2620*/CH202

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LAW

Conflicts of laws among states

A new law designates rules to be considered in Minnesota court cases in which more than one state's statute of limitations would apply, and if the case involves applying the law from one or more other states.

Under the law, if a claim in Minnesota is based on the law and limitation period of another state or more than one state, the Minnesota conflicts of law rules would decide which state's limitation period to follow.

Also, if another state's limitation period is substantially different from Minnesota's making it hard for either a plaintiff to sue, or a defendant to defend, the Minnesota limitation period would apply.

The law applies to claims after the Aug. 1, 2004 effective date, or brought up in a civil matter more than one year after the effective date.

Rep. Paul Kohls (R-Victoria) and Sen. Ann Rest (DFL-New Hope) sponsored the law.
HF2444*/SF1976/CH211

LOCAL GOVERNMENT

Publishing public notices

A new law updates and revises the laws governing publication of political subdivisions' public notices.

Sponsored by Rep. Peter Adolphson (R-Minnetonka) and Sen. Jim Vickerman (DFL-Tracy), the new law will take effect Aug. 1, 2004.

It updates and revises 17 sections in state statute that govern the publication of political subdivisions' public notices. Political subdivisions include counties, municipalities, and school districts, as well as local and district commissions, boards, or authorities.

State law requires a political subdivision to contract with a designated qualified newspaper for publication of public notices, meeting minutes, and other legal documents.

The law will require a qualified newspaper that maintains a Web site to post official notices on the site at no additional cost. The Web posting must be maintained for the notice's full publication period. A failure to post a government's official notice on a Web site would not affect the validity of the public notice.

The new law will allow more public notice information to be disseminated electronically or by alternative means in certain circumstances.

Solicitations for bids, requests for information, and requests for proposals can be posted

on a political subdivision's Web site, under the new law, or in a recognized industry trade journal, as long as the posting is in the same format and follows the same length of publication time required in a qualified newspaper.

Financial statements will be added to the list of materials that can be summarized in a published public notice, as long as the full text of the summary is available for public inspection by standard or electronic mail.

When a summary of proceedings is published, the new law will require a notice that a full version of the proceedings is available without cost at the political subdivision's office or by standard or electronic mail.

The new law repeals a grandfathered provision that allows newspapers designated as a local government's official publication prior to May 20, 1965, to retain that status, even if the newspaper no longer meets state qualified requirements.

Additionally, a bi-monthly newspaper is deemed as qualified to publish government public notices.

HF2270*/SF2067/CH182

Developer fees

A new law will require a connection between fees a municipality charges a developer and the local government's development-related public costs.

Sponsored by Rep. Carla Nelson (R-Rochester) and Sen. Betsy Wergin (R-Princeton), the law takes effect Aug. 1, 2004.

It will amend state law that allows a municipality to charge development fees and require that land in a proposed commercial or housing development be dedicated for public infrastructure, conservation, or recreation purposes.

Language will be added to existing law that, "there must be an essential nexus between the fees or dedication ... and the municipal purpose sought to be achieved by the fee or dedication."

Such fees, under the law, could not be used by a municipality for "ongoing operation or maintenance."

In the event of a fee dispute, the law will allow a developer's application with a municipality to proceed pending a decision on an appeal. The developer must pay the fee, which the municipality must put in an escrow account.

HF2103*/SF2273/CH178

Changing charter rules

Members of a city council could be prohibited from serving on the city's charter commission, under a new law effective Aug. 1, 2004.

Sponsored by Rep. Ray Vandevier (R-Forrest Lake) and Sen. Michele Bachmann

(R-Stillwater), the new law will change state statute governing charter commissions to allow a commission-drafted charter or charter amendments – subject to approval by voter referendum – to propose that members of a city's governing body cannot serve on the charter commission. Only a person holding a judicial office is disqualified from serving on a charter commission, under existing law.

The new law also removes from statute a restriction that a person cannot be appointed to more than two successive terms on a charter commission.

State law allows voters in cities governed by charters to petition a district court to appoint a charter commission to amend a city's charter or draft a new one. A charter is a governing foundation document for a city, similar to a state constitution.

A city council can also request a district court to appoint a charter commission, or the court can appoint a commission on its own if it determines it is in a city's best interest.

HF1392*/SF1334/CH197

Seeking water source

A new law will give the cities of Crystal, Golden Valley, and New Hope the go-ahead to explore making a long-term investment in a reliable water source.

The three municipalities have been operating under a joint water commission since the 1960s that currently purchases treated water from the city of Minneapolis.

The commission is seeking other options after experiencing rate increases of 179 percent since 1997, according to city managers.

Effective May 20, 2004, the new law will give the commission authority to proceed with a plan that could include drilling an independent groundwater supply from the Prairie du Chien/Jordan aquifer and building a treatment system.

Legislative approval is necessary before any permit requests to draw more than 2 million gallons per day average in a 30-day period are processed by the Department of Natural Resources.

Proponents noted that the three could drill individually without coming to the Legislature, even though the combined daily use would hit that threshold.

Opponents questioned the regional consequences to the aquifer and whether the additional draw would be sustainable.

Ultimately, the decision to grant the permit rests with the department.

Rep. Lynne Osterman (R-New Hope) and Sen. Steve Kelley (DFL-Hopkins) sponsored the legislation.

HF1897*/SF1740/CH230

Storm sewer charges

A new law gives the city of Minneapolis a different way to calculate storm sewer charges for multiple unit apartment buildings.

Effective dates of the law vary. A provision that will include Minneapolis and other cities "of the first class" in a state statute covering storm and sanitary sewer authorizations takes effect Aug. 1, 2004. The remainder of the new law will be effective Jan. 1, 2006.

Sponsors of the new law are Rep. Frank Hornstein (DFL-Mpls) and Sen. Chuck Wiger (DFL-North St. Paul).

Hornstein said the law will allow Minneapolis to correct a problem with the way it charges large multiple family buildings for sewer and water services. Basing the charges on water consumed, as required by existing law, is not equitable for owners of multiple-unit buildings, he said. A representative of the Minnesota Multi-family Housing Association said that apartment building owners were paying more than their proportional share for storm sewer service.

The new law will allow Minneapolis four options to calculate storm sewer charges "adjusted for reasonable calculation of storm water runoff."

A city official said the change would not mean a new fee for property owners.

HF1935/SF1626*/CH141

Conflict of interest

A new law provides conflict of interest exceptions for officers of watershed districts and soil and water conservation districts.

Effective March 20, 2004, a state statute that clarifies conflict of interest issues is amended to include the two political subdivisions.

The law now provides that a governing body of any port authority, seaway port authority, economic development authority, watershed district, soil and water conservation district, town, school district, hospital district, county or city "may contract for goods and services with an interested officer of the governmental unit." The vote must be unanimous.

Rep. Michael Beard (R-Shakopee) and Sen. Claire Robling (R-Jordan) sponsored the new law.

Beard said the change was needed so a watershed district manager in his district could be reappointed to the watershed board. The manager had resigned due to a personal conflict of interest. The manager's spouse was a partner in a law firm that had a contract with the watershed district.

HF1980/SF1799*/CH139

Annual town audits

A new law will affect annual financial audit requirements for 2004 for cities or towns with populations of more than 2,500.

Effective April 23, 2004, the law increases the minimum annual gross revenue amount that triggers a state required audit for a small city or town from \$500,000 to \$670,500. Threshold amounts tied to the audit requirement will be annually adjusted for inflation after 2004.

Since towns were added in 1992 to the financial reporting law, the threshold amount has been \$500,000.

Rep. William Kuisle (R-Rochester), who sponsored the law with Sen. David Senjem (R-Rochester), said the law would help small local governments cut paperwork and potentially save money. An annual audit, which is often contracted for, costs the affected local government an estimated \$2,000, Kuisle said.

HF1843/SF2903*/CH161

Tort protection

Community action groups that offer affordable housing will be provided tort liability immunity as a cost saving measure, under a new law.

Community action agencies are insured under the Minnesota Counties Insurance Trust. The law will help reduce the agencies' insurance costs by allowing municipal liability protection be extended to them.

Effective May 14, 2004, the law amends the definition of "municipality" in the existing statute providing immunity from tort liability by adding the language: "a limited partnership in which a community action agency is the sole general partner."

Inclusion in the law will not affect the community action agency's ability to receive federal funding for affordable housing.

Rep. Kathy Tingelstad (R-Andover) and Sen. Satveer Chaudhary (DFL-Fridley) sponsored the new law.

HF2987/SF2065*/CH193

Payroll processing

Cities in Minnesota are authorized to use an electronic time recording system for payrolls, under a new law.

Effective April 27, 2004, the new law amends a statute that governs the process by which statutory cities pay wages for city employees, as well as claims for goods and services.

The law allows a city to use electronic time recording systems "if the governing body of the city adopts policies to ensure that the time-keeping and payroll methods used are accurate and reliable."

Rep. Mark Buesgens (R-Jordan), who sponsored the law with Sen. Sharon Marko (DFL-Cottage Grove), said the measure will allow cities better "efficiency in payroll processing."

HF2906*/SF2871/CH165

SAYING GOODBYE



PHOTO BY LISA M. SANDERS

Rep. Dick Borrell says goodbye to fellow House members May 16. He is not seeking re-election after one term to enjoy more things outside the State Capitol.

Electronic payments, receipts

A new law permits township governments to pay bills and accept payments via electronic funds transfer.

Effective April 7, 2004, the new law provides townships the same authority cities and counties were granted by the 2001 Legislature to process business transactions electronically.

Township governments can make payments by electronic or wire funds transfer, and accept payments by credit or debit card, and other forms of electronic or wire funds transfer.

The law is expected to help town governments reduce service costs.

Sponsors of the new law are Rep. Loren Solberg (DFL-Grand Rapids) and Sen. David Tomassoni (DFL-Chisholm).

HF2033/SF1958*/CH152

Attorney fees

Minneapolis police officers will continue to have attorney fees paid if a misconduct complaint filed against an officer is not upheld, under a new law effective Aug. 1, 2004.

The law changes an existing statute that provides a police officer's attorney fees be paid by the city if a citizen's complaint is not upheld at an evidentiary hearing before a Civilian Review Authority.

Under state law, a home rule charter or statutory city, town, or county can establish a Civilian Review Authority. Minneapolis is the only such city with an authority.

The Minneapolis authority no longer conducts evidentiary hearings due to budget cuts and the city's desire to more quickly resolve citizen complaints.

The new law changes statutory language to provide that an officer's legal costs be paid if there is "a finding that the complaint is sustained by the authority," but subsequently not upheld by a higher legal authority.

Attorney costs and fees are paid to the Minneapolis Police Federation, the union that represents officers in disciplinary and misconduct allegations. The union requested the technical change in state law to comply with a city ordinance change.

Sponsors of the new law are Rep. Len Biernat (DFL-Mpls) and Sen. Lawrence Pogemiller (DFL-Mpls).

HF2275/SF2231*/CH200

If you will be visiting the Capitol in the near future, call the Capitol Historic Site Program at (651) 296-2881 to schedule a tour.

METRO AFFAIRS



Paying electronically

The Metropolitan Council can now make payments by electronic funds transfer.

Effective March 20, 2004, state law is amended to allow disbursement of council money by electronic funds transfer in addition to checks.

"This will provide (the council) a cost savings which each state agency has," said Rep. Mark Buesgens (R-Jordan), who sponsored the law with Sen. Chuck Wiger (DFL-North St. Paul).

The council, a regional planning and service agency, covers the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

HF1822/SF1814*/CH140

MILITARY



Selective service registration

Some Minnesota men will automatically be registered with Selective Service by applying for a driver's license, under a new law.

Effective Aug. 1, 2004, an application for a new or renewed driver's license, learner's permit, or Minnesota identification card by a male under the age of 26 constitutes consent to register with Selective Service. The Department of Public Safety will be required to electronically transmit pertinent information on such applicants to the federal government.

The law will assist men who forget to register, or those who don't have time to do so separately.

Information about those between ages 16 and 18 who are applying for a Minnesota driver's license would be forwarded to Selective Service upon the applicant's 18th birthday, under the law.

Under the federal Military Selective Service Act, men between the ages of 18 and 25 are required to register with the federal government. While Selective Service in itself is not a military draft, it does provide a system for drafting the number of men needed should the president reinstate the draft during a war or national emergency.

Failure to register is punishable by a maximum sentence of five years in prison and a \$250,000 fine.

Those who must register include parolees, refugees, and applicants for asylum. In addition, men with disabilities that would disqualify them from military service must register, even if assistance must be solicited from a friend or relative to do so. Lastly, mem-

bers of the National Guard or Reserves not on full-time active duty must register.

Those exempt from registration include women, non-immigrant aliens who were lawfully admitted, and active-duty military personnel. Men unable to register due to hospitalization, institutionalization, or incarceration must do so within 30 days after their release.

Rep. Jim Rhodes (R-St. Louis Park) and Sen. Mee Moua (DFL-St. Paul) sponsored the law. HF1216/SF1192*/CH192

RETIREMENT



Fund investment

A new law permits the State Board of Investment to invest Metropolitan Council postretirement health funds if requested by the regional agency.

Sponsored by Rep. Mark Buesgens (R-Jordan) and Sen. Chuck Wiger (DFL-North St. Paul), the new law is effective May 11, 2004.

Buesgens said the law, requested by the Metropolitan Council, will allow the council the option to request investment — through the state agency — of council funds held in reserve for the payment of potential and estimated postretirement health benefits.

A Metropolitan Council representative said the law will allow a potential higher rate of return over time because the council funds would be part of a larger state investment board funding pool.

The council is a regional planning agency serving the seven-county Twin Cities metropolitan area.

HF1821/SF1815*/CH175

SAFETY



Honoring fallen Minnesotans

Minnesota and American flags in the State Capitol area will be required to be flown at half-staff upon the death of public safety personnel killed in the line of duty, under a new law.

The new law also orders the flags be flown at half-staff upon the death of Minnesota military personnel killed in the line of duty.

In each case, the governor will determine the length of time the flags will be flown at half-staff.

Rep. Ray Vandever (R-Forest Lake) and Sen. Mady Reiter (R-Shoreview) sponsored the law, which takes effect Aug. 1, 2004.

HF2930*/SF2733/CH173

Statewide Radio Board

A new law will create the Statewide Radio Board with authority over the backbone infrastructure of a developing statewide public safety radio communications system.

Effective May 18, 2004, the law will also continue for two years the Metropolitan Radio Board, which has built and operated the Twin Cities regional piece of the system.

The Public Safety Radio System Planning Committee will become the 21-member Statewide Radio Board, under the new law, to be chaired by the public safety commissioner.

The board — to include five state agency commissioners, the State Patrol chief, and local and county elected and public safety officials — will have overall responsibility for the statewide communications system to be known as the Allied Radio Matrix for Emergency Response.

As the system continues to develop, the law will allow the Metropolitan Radio Board — which represents nine counties in the Twin Cities metropolitan area — to add local and regional enhancements to the system's first phase and continue the planning and operation of the system's second phase into such regions as St. Cloud and Rochester.

The law allows two counties, or a city and one or more counties in a region, to establish a regional radio board to operate and maintain regional and local improvements to the statewide radio system.

If requested, the state board, by a two-thirds vote, can direct the Metropolitan Council to issue revenue bonds to finance phase development of the radio system.

The Metropolitan Radio Board was established by the 1995 Legislature to set standards for the construction and operation of a high-frequency (800MHz) digital public radio system covering Twin Cities metropolitan area counties.

By July 1, 2006, the board will transfer its responsibilities to the state board. The law repeals a June 30, 2004, metropolitan board expiration date to allow more time for the transition.

The radio system's first phase started operating in 2002. The system cost of about \$36 million was funded through the Metropolitan Council, state-issued bonds, the trunk highway fund, and a portion of 911-emergency line fees paid by all telephone users.

Rep. Mary Liz Holberg (R-Lakeville) and Sen. Jane Ranum (DFL-Mpls) sponsored the law.

HF2136/SF1973*/CH201

Railroad track clearance

A new law will enhance vehicle safety around railroad crossings, particularly where there may be a tendency for traffic to back up.

Effective Aug. 1, 2004, the law prohibits all

vehicles when stopped at railroad tracks from crossing the tracks "until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least 10 feet past the farthest railroad track."

Violators would be subject to misdemeanor penalties.

State law already requires vehicles to stop 10 feet from the nearest track, except in the case of motor vehicles carrying passengers for hire, school buses, Head Start buses, or any other vehicle required to stop at railroad crossings, when the stopping distance is between 15 feet and 50 feet.

Rep. Doug Meslow (R-White Bear Lake), who sponsored the law with Sen. Mady Reiter (R-Shoreview), said the law is necessary to keep vehicles from stopping atop tracks when traffic is backed up.

Some opponents said the law is unnecessary because it's common sense not to stop on railroad tracks.

The fact that many drivers have inadvertently broken traffic laws, such as running a red light, for instance, does not negate the need for such a law, Meslow said.

HF2217*/SF1852/CH229

Permitted to drive

A new law limits the ability of most teenagers to gain a driver's license following accidents or drunken driving incidents.

Effective May 8, 2004, a young person whose provisional license is revoked due to a drunken driving crime or a crash-related moving violation cannot regain a license until age 18. Furthermore, that person must complete a formal driving instruction course, document three months' experience in operating a motor vehicle, and pass the driver's license written examination.

Also under the new law, any person under age 18 who is driving without a permit or license and convicted of a DWI-related crime or a crash-related moving violation cannot be given a provisional license or instructional permit. In order to obtain a regular license, this person must pass a written test, obtain a learner's permit and hold it for at least six months, and then pass a behind-the-wheel test.

The new law is referred to as "Vanessa's Law" in memory of Vanessa Weis, who was killed in May 2003 just days before her 16th birthday. She was a passenger in a vehicle being driven by an unlicensed 15-year-old who lost control of the vehicle. Vanessa's mother, Mary Weiss of St. Louis Park, blamed the accident on excessive speed, inattentive driving, and youthful inexperience.

Rep. Greg Blaine (R-Little Falls) and Sen. Betsy Wergin (R-Princeton) sponsored the law.

HF2555/SF2851*/CH177

Personal protection orders

A new law will allow victims of domestic violence to receive orders for protection and restraining orders more quickly in some cases.

Effective Aug. 1, 2004, the law will make *ex parte* orders for protection and temporary restraining orders effective upon the signature of a court referee. Currently, the process is delayed in some counties where orders must be forwarded for a judge's counter signature following the referee's signature.

The law received support, according to House sponsor Rep. Michael Paymar (DFL-St. Paul), from the chief judges of Hennepin and Ramsey counties and from domestic violence programs.

Sen. Wesley Skoglund (DFL-Mpls) is the Senate sponsor.

HF2491/SF2498*/CH145

One call says it all

A new law aims to ensure that excavating around public utilities is done in a safe manner by making some changes to the responsibilities excavators and utilities have under the Gopher State One Call system.

Gopher State One Call is a notification center designed to protect personal safety and pocketbooks in the excavation process.

The 1987 Legislature mandated the formation of a centralized statewide information center on the advice of a pipeline safety commission formed after a serious 1986 pipeline accident in the Twin Cities metropolitan area.

Under current law, homeowners and contractors are required to notify the nonprofit statewide call center of any intended excavations within 48 hours. An excavation means "an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically powered tool, or machine-powered equipment of any kind, or by explosives."

Operators collect certain data from callers, including when, where, and how long the dig will be, and inform utilities with buried lines of the intentions to dig. The utilities are notified of excavation plans and mark with paint or flags the approximate location of their lines. Participating utilities include gas, electric, cable television, sewer, telephone, and water line operators. The utilities pay for the service, and participation is mandatory under state law.

According to the organization's Web site, its operators handle more than 5 million communications per year.

Effective Aug. 1, 2004, the new law will make some technical changes to the blueprint requirements excavators follow during the bid process and modify the timeline for call center notification in both emergency and non-emergency situations.

Rep. Ray Cox (R-Northfield) and Sen. Dan Sparks (DFL-Austin) sponsored the legislation. HF995*/SF1268/CH163

★ TOURISM

Promoting Minnesota

A new office within the executive branch called Explore Minnesota Tourism is created, under a new law.

Tourism functions are currently administered within the Department of Employment and Economic Development, but the transfer of duties to a new agency will help “increase the awareness of tourism in Minnesota,” according to John Edman, deputy commissioner of the Minnesota Office of Tourism.

The move is projected to have no net fiscal impact to the state.

Rep. Gregory Davids (R-Preston), who sponsored the law with Sen. Thomas Bakk (DFL-Cook), said the current configuration no longer meets the needs of the industry.

Edman said Minnesota is being outspent on tourism marketing by neighboring states. With more people leaving the state to travel than people coming here from elsewhere, it is time to look at other funding mechanisms for promoting Minnesota travel. He said for every dollar the state spends, it gets \$4.60 back in taxes. By giving Explore Minnesota Tourism the flexibility to pursue public-private partnerships, the law will make the office more effective at generating marketing dollars.

Under the law, the governor will continue to appoint the director, as well as a 28-member council to oversee the tourism office.

Effective July 1, 2004, the law also permits the director to sell reports, publications, or related publicity or promotional material of the office.

HF2044/SF2009*/CH171

★ TRANSPORTATION

Bridge review

The review of bridge replacements and repairs will be streamlined, under a new law.

Effective Aug. 1, 2004, the law repeals a statute that requires review by the appropriate regional development commission or the Metropolitan Council of all bridge replacements and repairs that are funded by grants from Minnesota state transportation bonds. The reviews were originally envisioned to ensure consistency with long-term comprehensive development plans.

Organizations representing county

CAPPING OFF THE SESSION



PHOTO BY ANDREW VONBANK

Rep. Ray Vandever dons a Krispy Kreme hat on the last night of session after 16-dozen of the popular doughnuts were delivered to the retiring room.

governments want the law changed, according to Rep. Peter Adolphson (R-Minnetonka), who sponsored the law with Sen. Ann Rest (DFL-New Hope). The Metropolitan Council is not opposed to it, he added.

Adolphson characterized the new law as “mandate relief.” Dennis Berg, an Anoka County commissioner, said that many regional development commissions haven’t been reviewing bridge repairs and replacements. Eliminating the law wouldn’t damage the integrity of the process, which still requires local government unit approval, he added.

Current law, according to nonpartisan House Research Department staff, was enacted in 1976 when the state transportation fund was created. At the time, the state had no process for reviewing bridge projects funded by state grants, and lawmakers wanted to ensure adequate local review. Since then, such projects have been reviewed *pro forma* by regional development commissions without substantial impact.

HF1851*/SF1954/CH180

Preservation designation

A new law streamlines the designation of natural preservation routes on county state-aid highways.

Effective Aug. 1, 2004, a section of law is removed that required all requests by counties for the designation of natural preservation routes to be reviewed by an advisory committee. The committee consisted of a representative from the Department of Natural

Resources, a county commissioner, a representative of an environmental organization, and three members of the public.

The repeal leaves intact the remaining portion of the statute that regulates the designation of natural preservation routes. It states that in order for the state to designate the route, the county board with jurisdiction over the road must receive a petition requesting the road’s designation. The county board must act on the petition request within 60 days.

According to the nonpartisan House Research Department, natural preservation routes are highways within the county state-aid highway system that may be built to different standards because they are located in scenic or historically or environmentally sensitive areas.

Rep. Ron Erhardt (R-Edina) and Sen. Ann Rest (DFL-New Hope) sponsored the law.

HF1898*/SF1953/CH181

Garbage truck weight

Under a new law, seasonal weight limits do not apply to certain garbage trucks that collect municipal mixed solid waste.

Effective May 19, 2004, the law allows trucks to continue making their routes despite any posted weight restrictions until July 1, 2005, provided the trucks do not exceed 14,000 pounds per axle.

Some heavy vehicles are already exempt

from temporary annual weight restrictions, including school buses and recycling trucks.

The provision's expiration date coincides with completion of a study on road wear and weight restrictions, being conducted by the Minnesota Department of Transportation and the Center for Transportation Studies at the University of Minnesota.

The law allows law enforcement to impose a civil penalty on garbage and recycling truck drivers violating weight restrictions.

Garbage companies favor the law, but city engineers and county representatives are in opposition, fearing that the new law could exacerbate the condition of county roads, which reportedly have \$195 million in preservation and maintenance needs throughout the state. They also said that the garbage hauling industry has increased truck sizes to increase profits and is now asking the Legislature for an exemption.

Rep. Ron Erhardt (R-Edina) and Sen. William Belanger Jr. (R-Bloomington) sponsored the new law.

HF722*/SF457/CH205

Trucking trailers

Cargo, horse, and livestock trailers can be more easily transported from manufacturer to dealer, and Minnesota statutes are amended to accommodate federal motor carrier regulations, under a new law.

Effective May 20, 2004, the law allows manufacturers of trailers used for cargo, horses, and livestock to purchase a \$120 annual permit allowing them to hitch two empty, new trailers to a vehicle for transportation only to the dealer. The trailers may not exceed 28.5 feet in length and can only be moved in a three-vehicle combination on routes where such a configuration is allowed.

Law proponents said that manufacturers desire to bring empty horse trailers to the dealership two at a time.

Other components of the law are in keeping with federal motor carrier regulations.

One provision requires truck drivers transporting hazardous materials to immediately telephone the state hazardous materials emergency reporting line in three situations: when a hazardous materials accident occurs, when hazardous materials are unintentionally released from a package, or when a shipment containing a hazardous material not previously declared is discovered.

Another section amends a statute that exempts drivers from hours-of-service rules following assistance to an emergency relief effort. It increases from 24 to 34 hours the mandatory time off if the driver has been on duty for more than 60 hours in seven days if the employing carrier does not operate every day in

the week or 70 hours in eight days if the carrier operates every day.

Rep. Peter Nelson (R-Lindstrom) and Sen. Mark Ourada (R-Buffalo) are the sponsors.

HF2671*/SF2930/CH225

Behind the wheel

A new law makes substantial changes to the hours that truck drivers may work.

The new rules add an hour to allowed driving times, but also increases required off-duty rest times. Furthermore, more non-driving activities have been added to the definition of driving.

The changes, effective April 30, 2004, were mandated by an update of federal law in January.

Earlier this year, trucking companies throughout the nation objected to the new federal rules, fearing that the changes would drive up costs.

However, the Federal Motor Carrier Safety Administration, on its Web site, states that the new hours-of-service rule will save 75 lives and prevent 1,326 fatigue-related injuries and 6,900 incidents of property damage every year. Prevention of such incidents would save the American economy \$628 million a year.

The cause of driver fatigue is the length of a driver's workday, not just the amount of time he or she spends on the road, according to the federal agency.

Sponsors of the law are Rep. Michael Beard (R-Shakopee) and Sen. Mark Ourada (R-Buffalo).

HF1978*/SF1910/CH167

★ VETERANS

Leasing land

A new law permits the Minnesota Veterans Homes Board to lease land on its Hastings campus to Dakota County for up to 60 years for the construction of permanent supportive housing for veterans and county residents.

The measure is necessary because the board currently has only a 20-year leasing authority. The lease will cost the county \$1 per year over the 60-year term.

Plans are for 30 units for veterans and 30 units for county residents. Currently, there is a 200-bed facility for veterans on the 128-acre campus.

The county plans to fund the facility through low-interest loans. The program is meant to be self-sufficient: neither the state nor the veterans will be asked for financial support. Plans are not yet finalized.

The law is sponsored by Rep. Denny McNamara (R-Hastings) and Sen. Sharon Marko (DFL-Cottage Grove).

HF2688/SF2626*/CH160

VETO
★ ★ ★

★ LAW

Property protection

Gov. Tim Pawlenty vetoed a bill that would have protected private property cave owners from injury lawsuits by recreational explorers.

The veto came in the wake of the April 27 deaths of three teenagers from carbon monoxide poisoning in St. Paul caves near the Mississippi River. The odorless, colorless gas tends to build up in the caves.

"In light of the deaths this week in a St. Paul cave, this is an issue we should not take lightly," Pawlenty said in a press release. "We've seen first-hand the dangers involved in cave exploration. This bill could decrease precautions to avoid tragedy in the future."

The veto is the only one of the 2004 legislative session.

Under current law, a landowner making his property available for recreational activities without charge has no responsibility to prevent individuals from harming themselves. Activities currently covered by the law are hunting, trapping, fishing, swimming, boating, camping, picnicking, hiking, bicycling, horseback riding, firewood gathering, pleasure driving, snowmobiling, water skiing, as well as activities including winter sports, use of trails on foot or motorized vehicles, and the viewing of historical, archaeological, scenic, or scientific sites.

The bill would have added rock climbing and cave exploration to the list. Rep. Gregory Davids (R-Preston) and Sen. Mady Reiter (R-Shoreview) were its sponsors.

The Minnesota Speleological Survey asked for the addition of rock climbing to the definition as well, recognizing that access to cave entrances occasionally requires rock climbing and rappelling. The group is an affiliate of the National Speleological Society, an organization dedicated to the study, exploration, and conservation of caves.

Members expressed support for the bill, admitting it is their responsibility if they get in trouble while exploring and wanting to make sure landowners are not held responsible for the activities of cave explorers.

HF1861*/SF1645/CH168

Senate Information Office

231 State Capitol (651) 296-0504

The Senate Information Office is responsible for all information about the Senate, including the committee schedule, bill status, legislator information, and the distribution of bill copies.

Standards adopted

Academic standards in science and social studies were passed just before legislators concluded their work for the year

By **TOM LONERGAN**

Shortly before legislators left for summer vacation, they passed new public school academic standards in science and social studies — the product of 10 months of debate and discussion among parents, school district administrators, teachers, and others.

The House passed a conference committee report (HF1793), which included the new K-12 education standards and a number of technical issues 73-56 less than one hour before adjourning. After no discussion, the Senate vote was 45-18 less than 10 minutes later, and about a minute before its members left *sine die*.

Gov. Tim Pawlenty said at a May 17 news conference that he intended to sign the bill, which calls for implementing the science and social studies standards in the 2005-06 school year.

Health and physical education were also added as state required academic standards, with the details to be developed by local school districts.

The social studies document covering U.S. and world history, geography, economics, government, and citizenship was a compromise between earlier House- and Senate-passed versions, said Rep. Alice Seagren (R-Bloomington), who co-chaired the conference committee with Sen. Steve Kelley (DFL-Hopkins).

In March, the House adopted the draft created by an Education Department-appointed citizens committee. In May, the Senate adopted a different draft written by a group of social studies teachers and University of Minnesota professors.

The science standards — covering the physical, life, earth, and space sciences, as well as science history and nature — were those drafted by an Education Department-appointed committee. They do not include a provision passed earlier by the House requiring the study of alternatives to scientific theories, such as evolution.

Rep. Jim Davnie (DFL-Mpls)

said the social studies standards remained “too broad” in subject coverage and — with the science standards — would cost local school districts and the state at least \$35 million to implement.

“The greatest cost is not in money,” Davnie said, “but in lost opportunity for success for our children.”

Rep. Mindy Greiling (DFL-Roseville) called the conference committee report “a travesty.” Referring to how the conference committee reached its standards compromise, Greiling said, “This is the antithesis to openness in government.”

Seagren said the conference committee worked with the Education Department and school curriculum directors recommended by the Association of Metropolitan School Districts to blend the differing House and Senate versions. The compromise draft, she said, was put together “to be as neutral politically as possible.”

The conference committee met several times May 15 and concluded its work shortly after 3 a.m. May 16.

The U.S. history standards were the focus of months of debate after the department produced the first social studies committee draft

in September 2003. That draft was criticized for being overloaded with facts and dates of historical events, as well as being culturally and politically biased.

The Senate draft was criticized for being overly process/theory-oriented, giving the Declaration of Independence and other founding documents short shrift, and being similar in some respects to the Profile of Learning, which the 2003 Legislature repealed.

Annual statewide tests based on the science standards, required by federal law, would begin in the 2007-08 school year. Science tests must be given once in grades 3, 4, or 5, once during the grade 6-9 years, and a life sciences test must be given once when a student is in grades 10-12.

No federal or state test is required for social studies.

Annual tests in language arts and mathematics, based on standards adopted by the 2003 Legislature, will be required for grades 3 through 8 and at the high school level in 2005-06.

The Minnesota comprehensive assessments are the student performance tests the state requires for schools to comply with the federal No Child Left Behind Act.

The bill also calls for a study on implementing a computer-based adaptive test to replace the comprehensive assessments. That study would be due to the respective House and Senate education committees by June 15, 2005.

The comprehensive assessments, which are based on the repealed profile graduation requirements, are under Education Department revision to reflect the new academic standards.

The bill would also restrict the release of annual school performance “report cards” data, allowing time for schools to privately appeal to the Education Department disputed student academic test results that the state reports to the federal government. The report cards also include annual school safety and staff information.

Additionally, the department, under the bill, would be required to post student performance data, known as “adequate yearly progress determinations,” and school performance report cards on its Web site no later than Sept. 1.



PHOTO BY TOM OLMSCHEID

Rep. Alice Seagren, left, and Sen. Steve Kelley, right, chairs of House-Senate Education Conference Committee, listen as Senate staff explain the side-by-side comparison of the House and Senate bills. The Legislature passed new educational standards in the final minutes of the 2004 session.

Pounding away

After four years in the House, Jacobson looking forward to the next chapter in his life

By PATTY JANOVEC

After a long discussion and frank advice several years ago from a former representative, Rep. Carl Jacobson (R-Vadnais Heights) said he took to heart the suggestion, "When you reach the point when your heart really is not in it 100 percent it's probably time to start getting ready to move on."

Working on a 1953 Chevy truck is much more satisfying to him now than the long hours of being a legislator, so it's time to step down, he said. "I've found that pounding tin and spraying paint is a lot more enjoyable to me than pounding on doors and marching up and down the street." A hobby in the past, he says vehicle restoration could become a business in the future.

"I look at some of the other things I want to do in life, and some of the other goals I have in life, and they've become a little bigger priority," Jacobson said of his decision to not seek re-election.

Legislation he authored adding several provisions for charitable gambling in veterans' organizations is what he's most proud of. Jacobson felt it was the least he could do to honor his father, who passed away during his first session in office. "I thought why not do this as a memorial to him and to help save the VFWs and the (American) Legions because they are hurting financially and their numbers are dropping fairly rapidly." He said if the legislation helps someone else's dad have a couple more dinners with his friends at the VFW, then he's accomplished what he set out to do.

The most difficult aspect of being a lawmaker, he said, is when a constituent or friend calls hurting and in trouble, and "you know they are honestly making an effort to try and get out of their situation whatever it is," but there isn't a legislative solution. He said that is especially true when compared to those who he sees make no effort, and are "getting everything they need."

While tough times make the job relentless, Jacobson said what has made the experience worth it is, "building the relationships where two people can fight like cats and dogs on a



PHOTO BY TOM OLMSCHEID

After two terms in the House, Rep. Carl Jacobson has decided to move on.

single issue, and five minutes later they are fighting together for something else."

Others may remember Jacobson as a member who would stay true to his word.

"The thing I like about Carl is he's always up front with you," said Rep. Tom Rukavina (DFL-Virginia). "In a place where people give you their word, and then sometimes they weasel out of it, he never did."

Joking between the two friends seems commonplace. That is understandable considering both grew up on the Iron Range. Rukavina laughingly said he jokes with Jacobson: "I saw your ma and dad up there and they love you even though they don't agree with your politics."

Jacobson served on the House State Government Finance, Government Operations and Veterans Affairs Policy, Taxes, and Health

and Human Services Policy committees during his four years in office.

"Taxes was just a natural," he said in reference to his background in public accounting. Committee Chair Rep. Ron Abrams (R-Minnetonka) ran an impressive committee, and Jacobson said he doesn't know if he'll ever have another opportunity to work with such a role model as Abrams.

Jacobson wishes more things could have been accomplished in his time at the Legislature. He said government has reached a point where it is very good at building bureaucracy and building systems that keep people in government working, but "I don't know that we're doing a great job at providing service."

Jacobson said the last few years have been difficult and frustrating when facing multi-billion dollar budget deficits, and doing "very little in the way of preparing for the future." An aging population looms, with many retirees coming to the forefront, and he believes lawmakers have not done a good job of preparing for those issues.

When elected in 2000, he said that his goals included holding the line on spending and "bringing sanity and intelligence to the budget process. We've done a great job in recent years...of making things incredibly complicated and complex and difficult to understand. We've done a very poor job of making things sensible."

While not closing the door completely on his career in politics, Jacobson said, "I've learned along the way here in four years that you just never say never." 🐾

STEPPING DOWN

Rep. Carl Jacobson
Republican
District 54B — Vadnais Heights
Terms: 2

Career Notes: An advocate for charitable gambling and veterans' issues, Jacobson carried the omnibus charitable gambling bill in 2003. The law allows for rent paid by organizations to be based on a percentage of gross profits and allows for licensed organizations to participate in electronically linked bingo games thereby providing for a single prize pool.

Eight will not seek House re-election

A total of eight members of the Minnesota House of Representatives have announced they will not seek re-election in November 2004. That includes one DFLer and seven Republicans. Over the past few weeks, we have provided Stepping Down profiles on most of the departing members.

However, due to the late date of some member announcements, we have not been able to write profiles on all of them. Below is a list of members who have announced they will not return, as of May 20, 2004, and their length of service in the House.



Rep. Eric Lipman
R-Lake Elmo
District 56A
Terms: 2



Rep. Len Biernat
DFL-Mpls
District 59A
Terms: 4



Rep. Elaine Harder
R-Jackson
District 22B
Terms: 5



Rep. Doug Stang
R-Cold Spring
District 14B
Terms: 4



Rep. Dick Borrell
R-Waverly
District 19B
Terms: 1



Rep. Carl Jacobson
R-Vadnais Heights
District 54B
Terms: 2



Rep. Steve Strachan
R-Farmington
District 36B
Terms: 1



Rep. Dale Walz
R-Brainerd
District 12B
Terms: 2

BILL INTRODUCTIONS ★ ★ ★

MAY 14 - 15, 2004

HOUSE FILES 3208 - 3212

Friday, May 14

HF3208—Johnson, J. (R)
Civil Law

Regulating defamation actions; providing for requests for corrections or clarifications.

HF3209—Meslow (R)
Civil Law

Uniform disclaimer of property interests act adopted.

HF3210—Latz (DFL)
Civil Law

Uniform nonjudicial foreclosure act adopted.

HF3211—Johnson, J. (R)
Regulated Industries

Wine importer restrictions modified to prohibit exclusive wholesale agreements.

Saturday, May 15

HF3212—Davids (R)
Commerce, Jobs &

Economic Development Policy

Industrial loan and thrift companies acting as currency exchanges separate licensure required.

Tracking new laws, vetoes

Exactly 3,051 bills were introduced during the 2004 Legislative Session — 1,554 by the House and 1,497 by the Senate. Of those, 163 bills (and one resolution) were passed by both bodies during the session and sent to the governor.

So what happened to the other bills? Some were duplicates, some were folded into other bills, but most are dead, gone from the legislative process unless they are reintroduced next year. The biennium has ended, and bills do not carry over from one biennium to the next.

And what happened to the 163 bills that have been sent to the governor? Most were signed into law, and one was vetoed.

Here's a quick review of the governor's veto authority during the second year of the biennium.

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

- sign the bill and it will become law;

- veto the bill;
- line-item veto individual items within an appropriations bill; or
- do nothing, which at the end of the biennium, results in a pocket veto.

The timing of these actions is as important as the actions themselves.

If a bill was passed by the Legislature and presented to the governor before the final three days of the session, the bill will become law unless the governor vetoes it by returning it to the Legislature within three days. The governor normally signs the bills and files them with the secretary of state, but his signature is not required.

If a bill is passed during the last three days of the session, the governor has a longer time to act on it. He or she must sign and deposit it with the secretary of state within 14 days of adjournment or the bill will not become law. Inaction by the governor results in a "pocket veto," and the governor is not required to provide a reason for the veto.

Only on appropriations bills can the

governor exercise the line-item veto authority. This option allows the governor to eliminate the spending items to which he or she objects. The governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the timetable is either 14 days after adjournment for bills passed during the final three days of the session, or within three days after the governor receives the bill at any other time.

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

After each session, a comprehensive summary of all bills that were signed into law or vetoed is published. A Web-based version will be available on the House Web site at <http://www.house.mn> by August 2004.

Editor's note: The following chart includes the 163 bills (and one resolution) that passed both the House and the Senate and have been sent on to the governor for consideration. The bills are, for the most part, sorted according to the committee of origin.

Here are definitions of some of the terms used in the chart.

Governor's options

- enactment

The date the governor signed the bill into law.

- line-item veto (liv)

The power or action of the governor to reject individual items within an appropriations bill while approving the rest of the bill.

- Veto

The governor did not approve the bill.

- *An asterisk marks the version of the bill the House and Senate approved and sent on to the governor.

Effective dates

Each act takes effect at 12:01 a.m. on the day it becomes effective, unless the act specifies a different time. Examples:

- Aug. 1, 2004

Each act the governor signs into law, except those that make appropriations, take effect on Aug. 1 following its final enactment, unless the act specifies a different date.

- July 1, 2004

An appropriations act, or an act spending money, takes effect at the beginning of the first day of July following its final enactment, unless the act specifies a different date.

- Day after enactment

The act becomes effective on the day after the governor signs it.

- Upon local approval

A special law requiring approval from the local government unit it affects becomes effective the day after the local government unit's governing body files a certificate with the secretary of state, unless the act specifies a later date.

- Various

Different parts of the act have different effective dates.

- with exceptions (we)

Act includes other effective dates.

- with qualifications (wq)

Act adds conditions to the effective date.

- retroactive (retro.)

Act goes into effect as of a specified date in the past.

34 May 21, 2004

2004 MINNESOTA LEGISLATURE FINAL ACTION (as of May 20, 2004)					CH	Governor's signature	Governor's veto	Awaiting governor's action	Effective date
HF—House File			we—with exceptions	†—approved without governor's signature					
SF—Senate File			wq—with qualifications	liv—line item veto					
R—Resolution			*—version of the bill the governor signed or vetoed	Note: All effective dates are 2004 unless otherwise stated					
CH—Chapter									
HF	Author	SF	Author	Bill Title	CH				
2363*	McNamara	2211	Skoglund	Invasive and nonnative species control provisions modified.	243			x	
2040*	Olson	2090	Sams	Wastewater treatment technology certification program created.	248			x	
2000*	Tingelstad	1900	Jungbauer	Water table level analysis clarified.	249			x	
2212*	Ozment	2216	Marty	DNR provisions modified.	255			x	
2213*	Cornish	2210	Bakk	DNR equipment requirements modified.	260			x	
2334*	Howes	2204	Saxhaug	Surplus state lands sale.	262			x	
				Governmental Operations and Veterans Affairs Policy					
973	Brod	1015*	Sparks	Veterans Affairs access taxpayer ID info to notify veterans of health hazards.	135	2/26			2/27
307*	Adolphson	497	Hann	Noncommercial sign ordinance exemption state general election years.	142	3/26			8/1
1064*	Samuelson	1197	Wergin	State employee technical and housekeeping changes provided.	143	3/26			8/1
2878*	Hausman	2537	Anderson	Dr. Norman E. Borlaug World Food Prize Day designated.	148	4/2			8/1
2105*	Penas	2632	Saxhaug	Iron Range Resources and Rehabilitation Commissioner's Office established.	150	4/2			4/3
3005*	Soderstrom	2840	Lourey	County seat voting times modified.	158	4/14			4/15
2482	Erhardt	2300*	Michel	House districts 41A and 41B boundary adjustment.	170	4/30			5/1
2521*	Jacobson	2435	Vickerman	Lawful gambling provisions modified.	172	4/30			various
2930*	Vandever	2733	Reiter	Flags in Capitol area half-staff following death of persons killed in line of duty.	173	5/10			8/1
2874	Ozment	2703*	Ranum	State hiring process provisions and definitions modified.	207	5/18			8/1
890	Smith	806*	Betzold	Retirement plans actuarial services.	223	5/19			5/20
2199	Wilkin	2181*	Rest	State Lottery director provisions amended.	233	5/19			5/20
1798	Kohls	1836*	Knutson	Secretary of State filing procedures simplified.	251			x	
2166*	Urdahl	2260	Vickerman	Veterans benefit programs administration modified.	256			x	
1086	Smith	676*	Betzold	Retirement provisions modified.	267			x	
2058	Meslow	1907*	Higgins	Campaign Finance & Public Disclosure Board expanded.	277			x	
2609*	Thissen	2376	Wiger	Affirmative action provisions modified.	287			x	
2905	Brod	1859*	Sams	State agency cooperative purchase of goods authorized.	291			x	
1006*	Boudreau	986	Higgins	Help America Vote Act of 2002 conformity provided.	293			x	
2034	Haas	1866*	Scheid	State contract labor agreements and compensation plans ratified.	296			x	
				Health and Human Services Finance					
2762*	Wilkin	2613	Kiscaden	MN Comprehensive Health Association minimum premium rate increased.	268			x	
				Health and Human Services Policy					
1702	Powell	1748*	Kubly	Emergency medical services provisions modifications.	144	3/26			various
2688	McNamara	2626*	Marko	Hastings veterans home property leasing authority.	160	4/22			8/1
1936	Finstad	1671*	Moua	Assisted living facilities to housing with services establishments law.	185	5/10			8/1
2537	Boudreau	2365*	Kelley	Adverse health care events reporting requirements modified.	186	5/10			8/1
1896	Solberg	1716*	Saxhaug	Itasca, Hennepin counties hospital construction moratorium exceptions.	187	5/10			8/1
1754	Samuelson	1604*	Berglin	Planned nursing facility closures required to be budget neutral.	194	5/13			5/14
2691*	Bradley	2639	Higgins	Disability Council authorized to meet by telephone or electronic means.	195	5/15			7/1
2127	Boudreau	2080*	Higgins	Outpatient surgical center requirements modified.	198	5/15			various
2052*	Abeler	2196	Hottinger	Supportive housing, managed care pilot project sunset date extended.	204	5/15			8/1
2027*	Anderson, J.	2020	Sparks	Nursing home construction moratorium exemption provided.	218	5/19			8/1
1141	Samuelson	1080*	Skoe	Veterans homes statutory language updated.	219	5/19			various
2085*	Severson	1835	Fischbach	Hospital moratorium exceptions review provided.	231	5/19			8/1
297	Bradley	2869*	Kiscaden	Radioactive and nuclear material fees modified.	236			x	
2391*	Bradley	2192	Kiscaden	Controlled substance dispensing authority modified.	242			x	
606*	Smith	394	Sams	Minnesota Health Plan Contracting Act.	246			x	
2246*	Samuelson	2103	Sams	Nursing facility survey process modified.	247			x	
1593	Strachan	1530*	Betzold	Dangerous animal ownership limitations.	264			x	
2581	Bradley	2112*	Higgins	MA prohibition on asset transfers for certain charitable gifts.	266			x	
2050*	Finstad	1715	Kelley	Foreign medical school graduates credentials verification required.	270			x	
2175*	Abeler	2351	Kiscaden	Health, dental, and counseling occupation requirements modified.	279			x	
2207*	Bradley	2150	Kiscaden	Pharmaceutical manufacturer rebate program participation authorized.	280			x	
2258*	Wilkin	2587	Sparks	Health organization risk-based capital requirements established.	285			x	
2277*	Abeler	2179	Kiscaden	Human services licensing provisions modified.	288			x	
				Jobs and Economic Development Finance					
2799*	Gunther	2646	Anderson	Dislocated worker program provisions modified.	257			x	
2492	Kelliher	2386*	Dibble	Federally subsidized transit facilities bidding exception provided.	265			x	

2004 MINNESOTA LEGISLATURE FINAL ACTION (as of May 20, 2004)					CH	Governor's signature	Governor's veto	Awaiting governor's action	Effective date
HF—House File SF—Senate File R—Resolution CH—Chapter									
we—with exceptions wq—with qualifications *—version of the bill the governor signed or vetoed									
					†—approved without governor's signature liv—line item veto Note: All effective dates are 2004 unless otherwise stated				
HF	Author	SF	Author	Bill Title	CH	Governor's signature	Governor's veto	Awaiting governor's action	Effective date
				Judiciary Policy and Finance					
921	Soderstrom	906*	Skoglund	Sex offender treatment co-payments authorized.	134	2/17			8/1
2651*	Smith	2347	Skoglund	Interstate Compact for Adult Offender Supervision repeal delayed.	155	4/14			various
2455*	Smith	2499	Skoglund	Five-level correctional facility classification system authorized.	156	4/14			8/1
1817	Kohls	1614*	Wiger	Service animal injuries criminal penalty and restitution requirement.	159	4/19			8/1
1944*	Smith	1797	Betzold	Domestic abuse orders for protection grounds expanded.	164	4/26			4/27
2352	Johnson, S.	2387*	Moua	Peace officers and correctional employees assault crimes expansion.	184	5/10			8/1
2339	Smith	2640*	Foley	Nonconsensual inmate blood sample collection procedure established.	252			x	
97	Strachan	58*	Foley	DWI; alcohol concentration level reduced to 0.08.	283			x	
				Local Government and Metropolitan Affairs					
1980	Beard	1799*	Robling	Watershed, SWCD officers conflicts of interest clarified.	139	3/19			3/20
1822	Buesgens	1814*	Wiger	Met Council government electronic funds transfer use authorized.	140	3/19			3/20
1935	Hornstein	1626*	Wiger	Storm and sanitary sewer financing provisions modifications.	141	3/26			various
1855	Cornish	1903*	Rosen	Counties hazardous buildings and property removal authority.	147	4/2			4/3
2118	Dorman	2063*	Metzen	Local government financial institution deposits collateralization.	151	4/2			various
2033	Solberg	1958*	Tomassoni	Towns wire transfer payments, credit cards, electronic payments.	152	4/6			4/7
1843	Kuise	2903*	Senjem	Towns annual audits subjection expansion.	161	4/22			8/1
2906*	Buesgens	2871	Marko	Payroll processing efficiency increased for local governments.	165	4/26			4/27
1821	Buesgens	1815*	Wiger	State Board of Investment to invest Met Council postretirement reserves.	175	5/10			5/11
2103*	Nelson, C.	2273	Wergin	Municipalities authorized to require public purposes land dedication.	178	5/10			8/1
2270*	Adolphson	2067	Vickerman	Newspaper public notice publication provisions modified.	182	5/10			8/1
1392*	Vandever	1334	Bachmann	City charters prohibit city governing body members serving on charter commission.	197	5/15			8/1
2275	Biernat	2231*	Pogemiller	Peace officer attorney fee and cost recoupment procedure clarified.	200	5/15			8/1
2136	Holberg	1973*	Ranum	Statewide Radio Board.	201	5/17			5/18
1941*	DeLaForest	2122	Foley	Anoka County Personnel Board of Appeals authorized.	210	5/18			upon local compliance
2021	Buesgens	2274*	Vickerman	Municipal interim zoning ordinance limitations.	258			x	
2448	Abrams	2177*	Higgins	Affordable and life-cycle housing opportunity determination method.	259			x	
2431	Adolphson	2342*	Dibble	County recorder authorized to accept security deposits.	274			x	
2378*	Dorman	2285	Dibble	Local municipal special assessment service charges expanded.	275			x	
1717	Lanning	1790*	Dibble	Local government contracting flexibility increased.	278			x	
1883	Rukavina	1697*	Tomassoni	Town and statutory city annual audit threshold amount increased.	281			x	
1995	Knoblach	1787*	Kleis	Municipalities direct deposit of all employee payroll authorized.	292			x	
				Regulated Industries					
1743	Westrom	2182*	Anderson	Public utility performance-based regulation plan purpose modified.	138	3/19			8/1
995*	Cox	1268	Sparks	Notice and plan requirements modified for utility excavation.	163	4/26			8/1
979	Beard	1115*	Sams	Alternative forms of regulation of telephone companies.	214	5/19			various
1830	Westrom	1753*	Anderson	Low-income electric rate discount program modified.	216	5/19			various
2653	Howes	2455*	Murphy	Propane education and research council sunset date removed.	222	5/19			8/1
2816	Westerberg	2696*	Pappas	Omnibus liquor bill.	237			x	
2151*	Westrom	2774	Kelley	Omnibus telecommunications bill.	261			x	
622	Strachan	653*	Sams	Emergency 911 telephone system modified.	282			x	
				State Government Finance					
2340	Haas	2241*	Ranum	Technology enterprise fund money appropriated.	238	5/19			5/20
				Transportation Finance					
1794*	Beard	1615	Langseth	Airport federally funded projects minimum required local contribution decreased.	136	3/10			3/11
1851*	Adolphson	1953	Rest	Project approval by Regional Dev. Comm. or Met Council requirement repealed.	180	5/10			8/1
				Transportation Policy					
2107	Newman	1653*	Solon	Real property survey and monument requirements modifications.	154	4/8			8/1
1978*	Beard	1910	Ourada	Truck driver hours law technical corrections provided.	167	4/29			4/30
2555	Blaine	2851*	Wergin	Instruction permit and provisional driver's license issuance after certain conditions.	177	5/7			5/8
1898*	Erhardt	1953	Rest	Natural preservation routes on county state-aid highways review repealed.	181	5/10			8/1
1216	Rhodes	1192*	Moua	Driver's license, ID card applicants info. transmission for Selective Service registration.	192	5/13			8/1
722*	Erhardt	457	Belanger	Weight restriction exemptions provided for garbage trucks.	205	5/18			5/19
1691*	Brod	1798	Wiger	Local govt. road construction, improvement contract provisions.	209	5/18			8/1
1972	Pugh	1639*	Scheid	Removal and disposal of unauthorized vehicles provided.	224	5/19			8/1
2671*	Nelson, P.	2930	Ourada	Motor carrier provisions modified.	225	5/19			various
2217*	Meslow	1852	Reiter	Vehicles required to wait at railroad crossings.	229	5/19			8/1

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HF—House File SF—Senate File R—Resolution CH—Chapter			we—with exceptions wq—with qualifications *—version of the bill the governor signed or vetoed	†—approved without governor's signature liv—line item veto Note: All effective dates are 2004 unless otherwise stated					
HF	Author	SF	Author	Bill Title	CH				
392	Fuller	388*	Foley	DWI vehicle forfeiture standards and procedures clarified.	235			x	
1838*	Cornish	1948	Rosen	Recreational vehicle combination usage regulated.	240			x	
532*	Howes	522	Saxhaug	Snowmobile use of highway right-of-way.	244			x	
2078*	Holberg	1904	Wiger	Railroad grade crossing requirements.	245			x	
2737*	Beard	2178	Jungbauer	Municipal airport closure notice to MnDOT, public notice required.	250			x	
2479	DeLaForest	2263*	Ortman	Highway contract and restriction provisions modified.	295			x	
				Ways and Means					
2255*	Anderson, B.	2038	Skoglund	Claims bill.	271			x	
2867*	Knoblach	2732	Cohen	K-12, general, early childhood ed., health/human services funding.	272			x	
2446*	Knoblach	2558	Cohen	State fund and account elimination and consolidation principles.	284			x	
				Floor					
	none	1546*	Betzold	Revisor's bill.	289			x	

Minnesota House and Senate Membership

1 A Rep. Maxine Penas-(R) B Rep. Bernie Lieder-(DFL) Sen. LeRoy A. Stumpf-(DFL)	15 A Rep. Jim Knoblach-(R) B Rep. Joe Opatz-(DFL) Sen. Dave Kleis-(R)	29 A Rep. Randy Demmer-(R) B Rep. Fran Bradley-(R) Sen. David H. Senjem-(R)	43 A Rep. Jeff Johnson-(R) B Rep. Ron Abrams-(R) Sen. David Gaither-(R)	57 A Rep. Katie Sieben-(DFL) B Rep. Denny McNamara-(R) Sen. Sharon Marko-(DFL)
2 A Rep. Kent Eken-(DFL) B Rep. Doug Lindgren-(R) Sen. Rod Skoe-(DFL)	16 A Rep. Sondra Erickson-(R) B Rep. Mark Olson-(R) Sen. Betsy L. Wergin-(R)	30 A Rep. Carla Nelson-(R) B Rep. William Kuisle-(R) Sen. Sheila M. Kiscaden-(IP)	44 A Rep. Jim Rhodes-(R) B Rep. Ron Latz-(DFL) Sen. Steve Kelley-(DFL)	58 A Rep. Joe Mullery-(DFL) B Rep. Phyllis Kahn-(DFL) Sen. Linda Higgins-(DFL)
3 A Rep. Irv Anderson-(DFL) B Rep. Loren A. Solberg-(DFL) Sen. Tom Saxhaug-(DFL)	17 A Rep. Rob Eastlund-(R) B Rep. Peter (Pete) Nelson-(R) Sen. Sean R. Nienow-(R)	31 A Rep. Gene Pelowski Jr.-(DFL) B Rep. Gregory M. Davids-(R) Sen. Bob Kierlin-(R)	45 A Rep. Lynne Osterman-(R) B Rep. Lyndon R. Carlson-(DFL) Sen. Ann H. Rest-(DFL)	59 A Rep. Len Biernat-(DFL) B Rep. Keith Ellison-(DFL) Sen. Lawrence J. Pogemiller-(DFL)
4 A Rep. Doug Fuller-(R) B Rep. Larry Howes-(R) Sen. Carrie L. Ruud-(R)	18 A Rep. Scott Newman-(R) B Rep. Dean Urdahl-(R) Sen. Steve Dille-(R)	32 A Rep. Arlon Lindner-(R) B Rep. Kurt Zellers-(R) Sen. Warren Limmer-(R)	46 A Rep. Michael Nelson-(DFL) B Rep. Debra Hilstrom-(DFL) Sen. Linda Scheid-(DFL)	60 A Rep. Margaret Anderson Kelliher-(DFL) B Rep. Frank Hornstein-(DFL) Sen. D. Scott Dibble-(DFL)
5 A Rep. Tom Rukavina-(DFL) B Rep. Anthony (Tony) Sertich-(DFL) Sen. David J. Tomassoni-(DFL)	19 A Rep. Bruce Anderson-(R) B Rep. Dick Borrell-(R) Sen. Mark Ourada-(R)	33 A Rep. Steve Smith-(R) B Rep. Barb Sykora-(R) Sen. Gen Olson-(R)	47 A Rep. Bill Haas-(R) B Rep. Stephanie Olsen-(R) Sen. Leo Foley-(DFL)	61 A Rep. Karen Clark-(DFL) B Rep. Neva Walker-(DFL) Sen. Linda Berglin-(DFL)
6 A Rep. David Dill-(DFL) B Rep. Mary Murphy-(DFL) Sen. Thomas M. Bakk-(DFL)	20 A Rep. Aaron Peterson-(DFL) B Rep. Lyle Koenen-(DFL) Sen. Gary Kubly-(DFL)	34 A Rep. Paul Kohls-(R) B Rep. Joe Hoppe-(R) Sen. Julianne E. Ortman-(R)	48 A Rep. Tom Hackbarth-(R) B Rep. Jim Abeler-(R) Sen. Michael J. Jungbauer-(R)	62 A Rep. Jim Davnie-(DFL) B Rep. Jean Wagenius-(DFL) Sen. Wesley J. Skoglund-(DFL)
7 A Rep. Thomas Huntley-(DFL) B Rep. Mike Jaros-(DFL) Sen. Yvonne Prettner Solon-(DFL)	21 A Rep. Marty Seifert-(R) B Rep. Brad Finstad-(R) Sen. Dennis R. Frederickson-(R)	35 A Rep. Michael Beard-(R) B Rep. Mark Buesgens-(R) Sen. Claire A. Robling-(R)	49 A Rep. Chris DeLaForest-(R) B Rep. Kathy Tingelstad-(R) Sen. Debbie J. Johnson-(R)	63 A Rep. Paul Thissen-(DFL) B Rep. Dan Larson-(DFL) Sen. Jane B. Ranum-(DFL)
8 A Rep. Bill Hilty-(DFL) B Rep. Judy Soderstrom-(R) Sen. Becky Lourey-(DFL)	22 A Rep. Doug Magnus-(R) B Rep. Elaine Harder-(R) Sen. Jim Vickerman-(DFL)	36 A Rep. Mary Liz Holberg-(R) B Rep. Steve Strachan-(R) Sen. Pat Pariseau-(R)	50 A Rep. Barbara Goodwin-(DFL) B Rep. Char Samuelson-(R) Sen. Satveer Chaudhary-(DFL)	64 A Rep. Matt Entenza-(DFL) B Rep. Michael Paymar-(DFL) Sen. Richard J. Cohen-(DFL)
9 A Rep. Morrie Lanning-(R) B Rep. Paul Marquart-(DFL) Sen. Keith Langseth-(DFL)	23 A Rep. Howard Swenson-(R) B Rep. John Dorn-(DFL) Sen. John C. Hottinger-(DFL)	37 A Rep. Chris Gerlach-(R) B Rep. Dennis Ozment-(R) Sen. David L. Knutson-(R)	51 A Rep. Andrew Westerberg-(R) B Rep. Connie Bernardy-(DFL) Sen. Don Betzold-(DFL)	65 A Rep. Cy Thao-(DFL) B Rep. Carlos Mariani-(DFL) Sen. Sandra L. Pappas-(DFL)
10 A Rep. Bud Nornes-(R) B Rep. Dean Simpson-(R) Sen. Cal Larson-(R)	24 A Rep. Bob Gunther-(R) B Rep. Tony Cornish-(R) Sen. Julie Rosen-(R)	38 A Rep. Tim Wilkin-(R) B Rep. Lynn Wardlow-(R) Sen. Mike McGinn-(R)	52 A Rep. Ray Vandever-(R) B Rep. Rebecca Otto-(DFL) Sen. Michele Bachmann-(R)	66 A Rep. John Lesch-(DFL) B Rep. Alice Hausman-(DFL) Sen. Ellen R. Anderson-(DFL)
11 A Rep. Torrey Westrom-(R) B Rep. Mary Ellen Otremba-(DFL) Sen. Dallas S. Sams-(DFL)	25 A Rep. Laura Brod-(R) B Rep. Raymond Cox-(R) Sen. Thomas M. Neuville-(R)	39 A Rep. Thomas W. Pugh-(DFL) B Rep. Joseph Atkins-(DFL) Sen. James P. Metzen-(DFL)	53 A Rep. Philip Krinkie-(R) B Rep. Doug Meslow-(R) Sen. Mady Reiter-(R)	67 A Rep. Tim Mahoney-(DFL) B Rep. Sheldon Johnson-(DFL) Sen. Mee Moua-(DFL)
12 A Rep. Dale Walz-(R) B Rep. Greg Blaine-(R) Sen. Paul E. Koering-(R)	26 A Rep. Connie Ruth-(R) B Rep. Lynda Boudreau-(R) Sen. Dick Day-(R)	40 A Rep. Duke Powell-(R) B Rep. Ann Lenczewski-(DFL) Sen. William V. Belanger Jr.-(R)	54 A Rep. Mindy Greiling-(DFL) B Rep. Carl Jacobson-(R) Sen. John Marty-(DFL)	
13 A Rep. Bud Heidgerken-(R) B Rep. Al Juhnke-(DFL) Sen. Dean E. Johnson-(DFL)	27 A Rep. Dan Dorman-(R) B Rep. Jeff Anderson-(R) Sen. Dan Sparks-(DFL)	41 A Rep. Ron Erhardt-(R) B Rep. Alice Seagren-(R) Sen. Geoff Michel-(R)	55 A Rep. Scott Wasiluk-(DFL) B Rep. Nora Slawik-(DFL) Sen. Charles (Chuck) W. Wiger-(DFL)	
14 A Rep. Daniel Severson-(R) B Rep. Doug Stang-(R) Sen. Michelle L. Fischbach-(R)	28 A Rep. Jerry Dempsey-(R) B Rep. Steve Sviggum-(R) Sen. Steve Murphy-(DFL)	42 A Rep. Peter Adolphson-(R) B Rep. Erik Paulsen-(R) Sen. David Hann-(R)	56 A Rep. Eric Lipman-(R) B Rep. Karen Klinzing-(R) Sen. Brian LeClair-(R)	

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MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA INDEX

Session 2004

House files introduced during the 2004 session	1,554
In the biennium	3,212
In the 2001-02 biennium	3,741
Senate files introduced during the 2004 session	1,497
In the biennium	3,073
In the 2001-02 biennium	3,480
Number of bills introduced this biennium	6,285
In 2001-02	7,221
In 1999-2000	8,016
Bills sent to the governor in 2004	163
In 2003	133
In 2002	185
In 2001	218
In 2000	250
Bills that became law	102
Bills waiting for gubernatorial action (as of noon, May 20)	60
Number of gubernatorial vetoes in 2004	1
In the four years Jesse Ventura was governor	54
When Arne Carlson was governor (1991-98)	179
When Rudy Perpich was governor (1983-90)	20
Gubernatorial vetoes since 1939	415
Maximum number of legislative days that lawmakers can meet in regular session during the biennium	120
Number used in 2003-04	111
In 2001-02	116
In 1999-2000	118
Pages in the 2004 House Journal	3,844
Pages for the biennium	8,288
In 2001-02	8,952
In 1999-2000	10,170
In the 2003-04 Senate Journal	5,219
Time the House adjourned <i>sine die</i> May 16	7:38 a.m.
Number of House members that have announced they will not be back in 2005 (as of noon, May 20)	8
Number not returning which are DFL, Republican	1,7
Days between the May 16 House adjournment and the Nov. 2 general election	170
Time lawmakers are scheduled to convene Jan. 4, 2005	noon

Sources: House Public Information Services Office; Legislature Web site (www.leg.mn); Governor's Log 2004; Journal of the House; Journal of the Senate.

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Please take a moment to tell us what you think of *Session Weekly*. Your opinions will help us plan for next year.

1. How often do you read *Session Weekly*? (Check one.)

☐ Once a month ☐ Twice a month ☐ Three times a month ☐ Every week

2. Where do you receive *Session Weekly*?

☐ Home ☐ Work ☐ School ☐ Other

3. How many people read the copy sent to this address?

4. Which sections do you most often read? (Check all that apply.)

<input type="checkbox"/> Highlights	<input type="checkbox"/> News Features (First Reading, At Issue)	<input type="checkbox"/> Historical Features
<input type="checkbox"/> Member Profiles	<input type="checkbox"/> Resources (i.e., lists)	<input type="checkbox"/> Governor's Desk
<input type="checkbox"/> Bill Introductions	<input type="checkbox"/> The 50 States	<input type="checkbox"/> Minnesota Index

5. Please rate the following aspects of the *Session Weekly* by checking one answer in each set.

Writing	<input type="checkbox"/> Hard to understand	<input type="checkbox"/> Somewhat understandable	<input type="checkbox"/> Easy to understand
Story Length	<input type="checkbox"/> Too short	<input type="checkbox"/> Too long	<input type="checkbox"/> Just right
Story Topics	<input type="checkbox"/> Not at all interesting	<input type="checkbox"/> Interesting	<input type="checkbox"/> Very interesting
Layout	<input type="checkbox"/> Poor	<input type="checkbox"/> Average	<input type="checkbox"/> Excellent
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