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# SESSION Weekly

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In this issue:

HEALTH CARE COSTS, HOMEOWNERS RIGHTS

EMERGING TELECOMMUNICATIONS ISSUES, AND MORE

HF2105-HF2308

# 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 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



## Feat of strength

### 13th governor overcame runaway horses en route to inauguration festivities

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. 🐾

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.

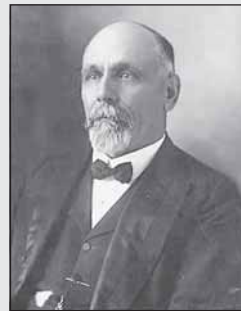
"There was an innate force of character that lifted him above his fellow lumberman," wrote James Baker, Minnesota Secretary of State from 1860 to 1862. "He had earnest ways of his own, and when things went wrong, it moved the fountains of his indignation and awakened the energies of his invective."

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.

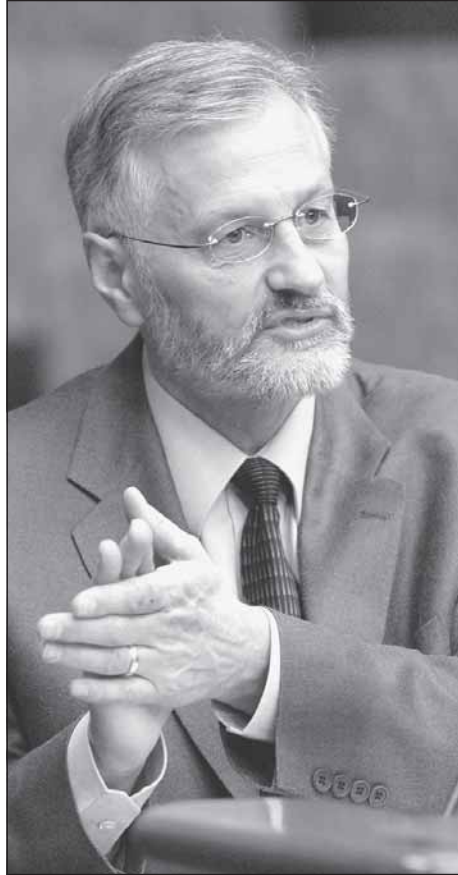
“The United Kingdom poses the most risk for the (United States),” Hartmann said. Because Canada trades more agricultural products with the United Kingdom, there is a potential for spread of the disease through contaminated animal feeds — the only way the disease is transmitted between animals.

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



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.

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.

## First new law of 2004 signed Feb. 17



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.

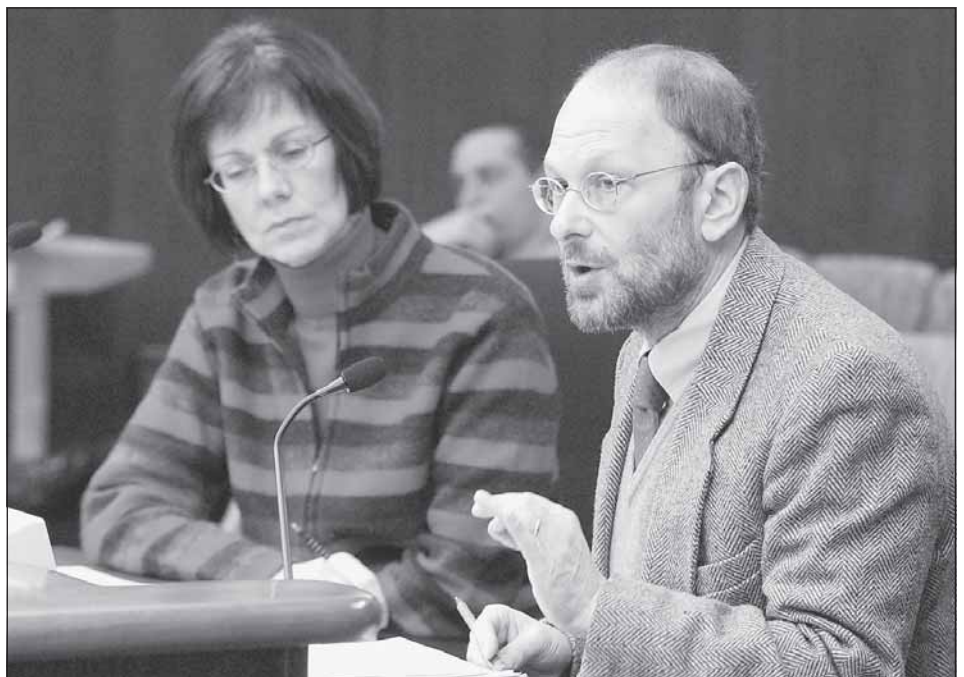
The program has already exceeded its goal of serving 10,300 people by June 30, 2004, according to Krista Boston, program administrator with the Minnesota Board on Aging, which administers the program.

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.

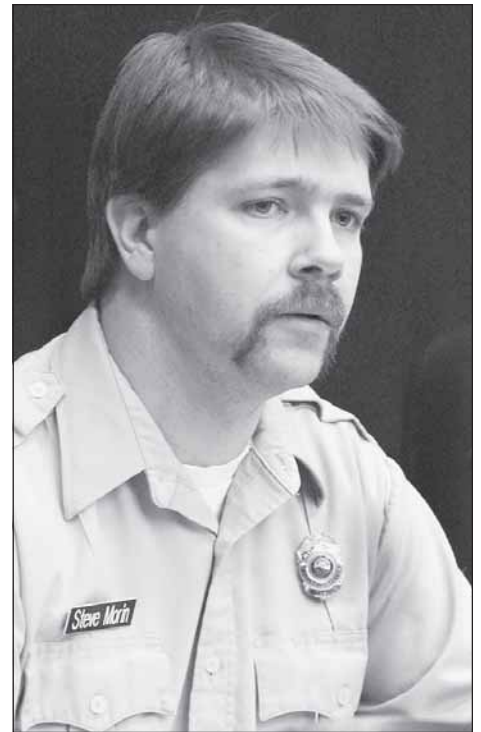
The House Environment and Natural Resources Policy Committee approved the bill (HF327) Feb. 12.

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 Fire-arms 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
Low New Company Start-Ups (<5)	Moderate New Company Start-Ups (5-15)	High New Company Start-Ups
Patents	Patents	Patents
Impact 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 Fund
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 incentives to attract and retain business	
Expansion in Venture Capital	Expansion in Venture Capital	Expansion of Venture Capital
\$8-\$13 million	\$8-\$13 million	\$12-\$23.8 million
Health Benefits (1% Savings)	Health Benefits (5% Savings)	Health Benefits
Expansion in key business sectors	Expansion in key business sectors of 2%	Expansion in key business sectors
Minnesota is a biotech center	Minnesota is a medium range biotech center	Minnesota is a biotech center

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 Sante 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 OLMSCHEID

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.

enue 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, Nashwauk-Keewatin, authorized to use health and safety revenue for new construction.

HF2190—Wilkin (R)  
Education Policy  
School district superintendent employment contract validation provided.

HF2191—Seagren (R)  
Education Policy  
Commission on National and Community Service membership modified.

HF2192—Penas (R)  
Transportation Finance  
Roseau County roadwork funding provided, bonds issued, and money appropriated.

HF2193—Rhodes (R)  
Education Finance  
School districts authorized to levy for certain unreimbursed pupil transportation costs.

HF2194—Davids (R)  
Commerce, Jobs & Economic Development Policy  
Automobile insurance claims practices modified to prohibit discrimination against specified collision repair shops.

HF2195—Lindgren (R)  
Education Finance  
Telecommunications and Internet access equity aid provided, and money appropriated.

HF2196—Thao (DFL)  
Education Finance  
Limited English proficiency program funding limit removed.

HF2197—Bernardy (DFL)  
Regulated Industries  
Underage alcohol sales minimum administrative penalties provided.

HF2198—Magnus (R)  
Environment & Natural Resources Finance  
Minnesota River Basin Area II floodwater retention systems funding provided, bonds issued, and money appropriated.

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.

HF2200—Magnus (R)  
Taxes  
Homestead property used for childcare assessed as part of the homestead property.

HF2201—Westrom (R)  
Regulated Industries  
Wireless telecommunications service required to provide statewide service.

HF2202—Westrom (R)  
Regulated Industries  
Renewable energy expenditures required.

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.

HF2204—Adolphson (R)  
Education Finance  
Student transportation fee trial period provided.

HF2205—Dorn (DFL)  
Education Finance  
Alternative facilities program criteria modified.

HF2206—Smith (R)  
Environment & Natural Resources Policy  
Private sale of certain tax-forfeited land that borders public water in Hennepin County authorized.

HF2207—Bradley (R)  
Health & Human Services Policy  
Pharmaceutical manufacturer rebate program participation authorized.

HF2208—Osterman (R)  
Jobs & Economic Development Finance  
Assistance for Minnesota businesses seeking federal contacts provided and money appropriated.

HF2209—Urdahl (R)  
Education Policy  
Physical and health education academic standards and instruction required.

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.

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.

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.

HF2214—Pugh (DFL)  
Health & Human Services Policy  
Insurance information disclosure to persons whose continuation health coverage is about to expire required.

HF2215—Kahn (DFL)  
Local Government & Metropolitan Affairs  
Political subdivision equitable compensation reporting requirement restrictions removed and moratorium eliminated.

HF2216—Stang (R)  
Commerce, Jobs & Economic Development Policy  
Industrial loan and thrift companies accepting deposits status as financial institutions clarified.

HF2217—Meslow (R)  
Transportation Policy  
Vehicles required to wait at railroad crossings until roadway is clear.

HF2218—Penas (R)  
Environment & Natural Resources Policy  
Forest land removed and sales of certain state lands provided.

HF2219—Hilstrom (DFL)  
Judiciary Policy & Finance  
Bracelet tracking devices intended to monitor sex offenders money appropriated.

HF2220—Hilstrom (DFL)  
Judiciary Policy & Finance  
Level III predatory offenders required to be photographed twice each year.

HF2221—Nelson, C. (R)  
Education Finance  
Special education program growth factors restored, and money appropriated.

HF2222—Vandever (R)  
Local Government & Metropolitan Affairs  
Washington County authorized to require employees to use direct deposit.

HF2223—Abeler (R)  
Health & Human Services Policy  
Counties authorized to decide whether to contract for case management services.

HF2224—Abeler (R)  
Health & Human Services Finance  
Counties authorized to carry forward unused funds from the childcare basic sliding fee fund.

HF2225—Abeler (R)  
Governmental Operations & Veterans Affairs Policy  
Group long-term care coverage expanded to certain political subdivision employees.

HF2226—Finstad (R)  
Agriculture Policy  
Noxious weed eradication requirements modified.

HF2227—Gerlach (R)  
Commerce, Jobs & Economic Development Policy  
Manufactured home parks requirements clarified relating to collection of utility charges as rent.

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.

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.

HF2230—Koenen (DFL)  
Education Finance  
Independent School District No. 80, M.A.C.C.R.A.Y., fund transfer authorized.

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.

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 reim-  
bursement limited.

HF2242—Sykora (R)  
Education Policy  
Congress memorialized by resolution  
to authorize reallocation of Bound-  
ary Waters Canoe Area Wilderness  
reservation fee increase to Minnesota  
Permanent School Fund.

HF2243—Samuelson (R)  
Transportation Policy  
Speed limit law violator administra-  
tive 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 mod-  
ified, 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 met-  
ropolitan 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 pro-  
vided, 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 fund-  
ing 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 insur-  
ance provided, model regulations en-  
acted, and loss revenue certifications  
regulated.

HF2259—Blaine (R)  
Judiciary Policy & Finance  
Privacy violations criminal penalties  
increased, and age of protected mi-  
nor 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 cap-  
ital 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 cor-  
porate franchise tax benefits limited.

HF2264—Goodwin (DFL)  
Governmental Operations &  
Veterans Affairs Policy  
State service contracts and solicita-  
tions 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 du-  
ration extended, and renewable en-  
ergy development director temporary  
position established.

HF2269—Huntley (DFL)  
Health & Human Services Finance  
General assistance medical care ap-  
plication 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 ex-  
tension 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 ben-  
efit 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.

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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](http://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](http://www.taxes.state.mn.us)); House Research Department ([www.house.mn/hrd/hrd.htm](http://www.house.mn/hrd/hrd.htm)); House Fiscal Analysis Department ([www.house.mn/fiscal/fahome.htm](http://www.house.mn/fiscal/fahome.htm)).

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