

A NONPARTISAN PUBLICATION ★ ★ ★

SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION SERVICES

VOLUME 23, NUMBER 7 • APRIL 14, 2006

INSIDE: TAXES, MINNESOTA MOVIES, GLOBAL POSITIONING AND MORE

This Week's Bill Introductions HF4116-HF4148

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services office. During the 2005-2006 Legislative Session, each issue reports daily House action between Thursdays of each week, lists bill introductions, and provides other information. No fee.

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Session Weekly (ISSN 1049-8176) is published weekly during the legislative session by Minnesota House of Representatives Public Information Services office, 175 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155-1298. Periodicals postage paid at Minneapolis, Minn.

POSTMASTER: Send address changes to *Session Weekly*, Public Information Services office, Minnesota House of Representatives, 175 State Office Building, 100 Rev. Dr. Martin Luther King Jr. Blvd., St. Paul, MN 55155-1298.

Printed on recycled paper which is 50% recycled,
30% post-consumer content.



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On the cover: Donna Peterson, University of Minnesota associate vice president of government relations, waits for a colleague on the front steps of the Capitol April 10. The temperature exceeded 70 degrees that day for the first time this spring.

—Photo by: Tom Olmscheid

Taxes — a local option

Stadium talk brings forward the use of local option sales tax

By **BRENDA VAN DYCK**

One way local governments can fund special projects is through a local sales tax.

Currently, 17 cities and one county have sales and use taxes that have been used to fund everything from civic and convention centers to wastewater treatments to park improvements. Most recently, Hennepin County has proposed a local sales tax to help fund a new Twins stadium in Minneapolis, and Anoka County is hoping to use this as a funding mechanism to help construct a new Vikings stadium in Blaine.

Local governments need legislative approval to implement local sales taxes because the Legislature prohibited local sales taxes in 1971. Before that time local governments could impose local sales taxes, and five cities had local taxes for specific items. Minneapolis had a 3 percent tax on admissions, transient lodging (i.e., lodging less than 30 days), and amusements with live entertainment; Bloomington, Duluth and St. Paul imposed

a 3 percent tax on lodging, and Bloomington imposed the tax on admissions to spectator events; Rochester imposed a 3 percent tax on transient lodging. In 1987, the Legislature enacted a bill allowing cities to adopt a lodging tax of up to 3 percent if the proceeds are used to promote tourism.

A taxing history

According to a 2004 Department of Revenue [report](#), the 1971 prohibition reflected the Legislature's desire to reduce local property taxes with state aid, rather than with revenues from new local option sales taxes.

When the Legislature prohibited local sales taxes, a statewide sales tax had only been implemented four years earlier. Minnesota was one of the last states to implement a sales tax when it imposed a 3 percent sales tax in 1967. The Legislature increased the sales tax to 4 percent in 1971, 5 percent in 1981, 6 percent in 1983 and 6.5 percent in 1991.

There are only five states that don't have a statewide sales tax. States first started

Local sales taxes currently in place

City/County	Rate
Albert Lea (beginning 4/1/06)	0.50%
Bemidji	0.50%
Cook County	1.00%
Duluth	1.00%
Hermantown	0.50%
Mankato	0.50%
Minneapolis	0.50%
New Ulm	0.50%
Proctor	0.50%
Rochester	0.50%
St. Cloud Area (St. Cloud, Sauk Rapids, St. Augusta, St. Joseph and Waite Park)	0.50%
St. Paul	0.50%
Two Harbors	0.50%
Willmar	0.50%

implementing sales taxes in the 1930s when they had difficulty financing the basic functions of government. Before that time, states relied primarily on property, excise, business and some income taxes. Minnesota's sales tax was designed to provide additional

First Reading continued on page 4



Photo courtesy of the Minnesota Twins

Hennepin County would like to raise its sales tax by 0.15 percent, without voter approval, to help fund a new ballpark for the Minnesota Twins.



Photo courtesy of the Minnesota Vikings - © Crawford Architects 2005

To help finance a Minnesota Vikings stadium development plan, Anoka county would like to raise its sales tax by 0.75 percent without voter approval.

First Reading continued from page 3

sources of revenue that would replace increasing, and increasingly unpopular, local property taxes.

Since 1971, the Legislature has authorized many local sales taxes that are in addition to the percent statewide sales tax. Of the existing local sales taxes, most of the tax rates are 0.5 percent; Cook County and Duluth have a 1 percent tax.

Local sales and use taxes apply to the same things the statewide tax does, which are generally tangible goods purchased at retail. Some items are exempt, like food for home consumption and clothing.

Revenues from local sales and use taxes are used to fund specific capital improvements. For example, revenue from Bemidji's 0.5 percent tax goes to fund park and trail improvements.

Generally, the local sales tax is only in effect for the amount of time it takes to raise the revenue for the specified project.

Ask the voters

During the 1990s, the number of requests by local governments to authorize local sales taxes increased. As a result, local sales taxes varied widely. To deal with this issue, the 1995 Legislature created an advisory council to study the sales tax and recommend ways to change the system.

Based on recommendations of the tax

advisory council, the 1997 Legislature adopted model legislation for authorizing and imposing local sales taxes. The law was intended to create a consistent system for applying new and existing local sales taxes that would ease compliance costs, and help the [Department of Revenue](#) administer the taxes. The law codified what was then common practice for how local governments and the Legislature were proposing and approving local sales taxes.

The 1997 law also requires the local unit of government to adopt a resolution stating its intentions to impose a local tax prior to seeking

legislative approval.

In 1999, the Legislature began requiring local governments to hold a referendum in which voters affected by the tax could vote on it. This also codified what was already general practice.

Local governments can get exemptions from any of the requirements in the law. For instance, they can seek to eliminate a referendum. Duluth, Minneapolis and St. Paul implemented their local taxes without voter approval; Mankato's tax was subject to a reverse referendum, which means voters could vote to stop the imposition of the tax. The legislation for the proposed 0.15 percent Hennepin County tax increase to help fund a Minnesota Twins ballpark exempts it from the referendum requirement.

Local sales tax bills

The Property and Local Tax Division of the House Taxes Committee is considering 14 local option sales tax bills this session.


HF2757-Cloquet	HF3311-Pequot Lakes
HF2845-Owatonna	HF3814-Medford
HF3184-Winona	HF3965-Ely
HF3333-Duluth	HF3994-Fergus Falls
HF3122-North Mankato	HF2652-Luverne
HF3324-Baxter, Brainerd, Nisswa	HF3410-Austin
	HF3749-Breezy Point

A request from Hennepin County to help fund a new Twins stadium is scheduled to be heard April 19. A request from Anoka County to help fund a new Vikings stadium will also get a hearing yet this session, according to [Rep. Phil Krinkie](#) (R-Lino Lakes), chair of the House Taxes Committee.

(I. Voht)

And there's the use tax

The 1997 law also required local governments to impose a complementary use tax with the sales tax.

Use tax applies when someone buys a taxable item or service in an area that has a sales tax, but doesn't pay the sales tax because that person does not live in the jurisdiction. The use tax is the same rate as the sales tax. Under state law, when a person buys more than \$770 worth of merchandise or services subject to the sales tax, that person must pay the use tax. 

— Brenda van Dyck is the editor/publications manager in the nonpartisan [House Research Department](#).

★ AGRICULTURE

Fighting obesity, testing cattle for TB

It's called "The Cheeseburger Bill," and it was successfully amended to the omnibus agriculture bill, which was approved and referred to the House Ways and Means Committee by the House Agriculture, Environment and Natural Resources Finance Committee April 11.

"Basically it says if you eat too many cheeseburgers at McDonald's and get fat, it's your fault. Don't sue McDonald's," said [Rep. Dean Urdahl](#) (R-Grove City), who moved the amendment.

Unlike other bills with no fiscal impact that were added with little discussion to [HF3810](#), sponsored by [Rep. Dennis Ozment](#) (R-Rosemount), this amendment was challenged.

[Rep. Jean Wagenius](#) (DFL-Mpls) said she is concerned about childhood obesity and marketing, and the inability of parents to track what their teenagers are buying.

Urdahl said the bill is about parental responsibility and personal responsibility.

"It simply isn't the fault of the food producer and manufacturer, or whoever in the food chain we are, if you choose to eat too much food and gain weight."

The omnibus bill also includes [HF3441](#), sponsored by [Rep. Al Juhnke](#) (DFL-Willmar), which would create a fertilizer "check-off" through which fertilizer purchasers would be charged a refundable fee to establish a Minnesota Agricultural Fertilizer Research and Education Council and program. A companion bill ([SF3283](#)), sponsored by [Sen. Steve Dille](#) (R-Dassel), awaits action in the Senate Finance Committee.

Among the bills with fiscal impact included in the \$1 million omnibus bill is one initially sponsored by [Rep. Maxine Penas](#) (R-Badger) that would appropriate \$587,000 to the [Board of Animal Health](#) for testing cattle for bovine tuberculosis.

Discovered last year in Roseau County, the disease led the [United States Department of Agriculture](#) to downgrade the state's TB status and to the destruction of five herds. The testing is necessary to reinstate the state's TB-free status at the earliest possible date. A companion bill ([SF2922](#)), sponsored by [Sen. Rod Skoe](#) (DFL-Clearbrook), awaits action in the Senate Finance Committee.

★ BONDING

Capital investment bill approved

A capital investment bill that many say is the primary purpose of this session was approved April 12 by the House.

Following a 114-16 vote, [HF2959](#), sponsored by [Rep. Dan Dorman](#) (R-Albert Lea), now goes to the Senate. Expected to be rejected by that body, a conference committee would then be needed to work out the differences.

"This is a very well-crafted, very balanced bill," Dorman said, noting the projects are almost evenly divided between the Twin Cities metropolitan area, Greater Minnesota and projects of statewide significance.

The bill calls for \$949.27 million in general obligation bonds — \$40.65 million less than the Senate proposal ([SF3475](#)), but \$104.44 million more than the governor. Sen. Keith Langseth (DFL-Glyndon) is the Senate sponsor.

Included in the bill is:

- \$309.02 million for higher education;
- \$165.49 million for transportation, including \$60 million for local bridge replacement, \$50 million for the Northstar commuter rail and \$22.5 million for local road improvement grants;
- \$100.95 million for the [Department of Natural Resources](#), including \$19.23 million for flood hazard mitigation grants; and
- \$43.68 million for corrections, including \$19.58 million for a segregation unit at the Stillwater prison.

The spreadsheet is available at <http://www.house.leg.state.mn.us/fiscal/files/bond06.pdf>.

[Rep. Jim Davnie](#) (DFL-Mpls) said the bill does a good job of looking at long-term needs of the state in education, environment and transportation.

Among the no votes was [Rep. Jim Knoblach](#) (R-St. Cloud), who said the bill is too big. He also expressed concern about further increasing the state's debt service.

Many of the proposed amendments addressed the Northstar line.

Four amendments offered by [Rep. Mark Olson](#) (R-Big Lake) were defeated, including one that would not allow the project's cost-effectiveness rating to be lowered once negotiations are complete with Burlington Northern Santa Fe Railway for track usage, and another that would ensure that fare revenue would be enough to operate the line.

[Rep. Mary Liz Holberg](#) (R-Lakeville) successfully offered an amendment to divvy up

set-aside monies for Northstar in case federal funding does not materialize. The money would be transferred to the Central Corridor transitway and local road improvement and bridge replacement grants.

An amendment successfully offered by [Rep. Al Juhnke](#) (DFL-Willmar) would allocate \$300,000 to renovate the Minnesota Poultry Testing Laboratory in Willmar to help the lab be better able to isolate diseases, such as the Avian flu, and eradicate them more quickly. The money comes from part of the biotechnology grants allocated for Greater Minnesota.

[Rep. Larry Howes](#) (R-Walker) unsuccessfully offered an amendment to delete money for 75 more camper cabins in state parks.

★ BUSINESS

Data protection

Legislators recognizing Minnesota as a leader in biotechnology hope to help the state maintain a competitive advantage in that field.

[HF3185](#), sponsored by [Rep. Tim Mahoney](#) (DFL-St. Paul), would classify and regulate bioprocess piping information as non-public data. Currently, such data under state and local government custody is public, where competitors can easily access the information.

On April 10, the House passed the bill 128-3. It now awaits action by the full Senate. [Sen. Linda Scheid](#) (DFL-Brooklyn Park) is the Senate sponsor.

Mahoney said biotech manufacturers pour much money and time into developing bioprocess piping for their research and development. That information is then submitted to the [Department of Labor and Industry](#) or a municipality to support a building code permit application.

[Rep. Paul Kohls](#) (R-Victoria) added that businesses might move outside of Minnesota if manufacturers feel certain laws do not protect them.

★ EMPLOYMENT

Cosmetology licensing

Women with a felony on their record might have an easier time entering the cosmetology field.

[HF3464](#), sponsored by [Rep. Neva Walker](#) (DFL-Mpls), states that a cosmetologist

license cannot be denied to an applicant with a felony record if that person meets all licensing requirements established by the [Board of Barber and Cosmetology Examiners](#).

On April 10, the House passed the bill 99-31. It now goes to the Senate, where [Sen. Linda Higgins](#) (DFL-Mpls) is the sponsor.

Walker said there are barber programs in the St. Cloud and Moose Lake prisons that license people who pass requirements and state exams. The same should be done for a cosmetology program in the state's only women's prison in Shakopee, said Walker. Currently, women in the cosmetology program can be denied licenses by the board if they have committed a felony.

An amendment successfully offered by [Rep. Michael Beard](#) (R-Shakopee) gives workers with a felony record a chance to be licensed for racetrack-related jobs requiring certain certification. Racetrack workers with a felony cannot enter a track without being licensed. "This bill says we're not going to quit on you while you're down," said Beard.

Workers' compensation changes

At the recommendation of the Workers' Compensation Advisory Council, a pair of changes could occur.

[HF3780/SF3465](#)*, sponsored by [Rep. Denny McNamara](#) (R-Hastings) and [Sen. Tom M. Bakke](#) (DFL-Cook), would make two changes to workers' compensation laws. The first would permit workers' compensation insurers to give 30-days notice of a policy cancellation for failure to pay a premium. Another provision allows an employee to file an appeal to the workers' compensation court via facsimile. The fax could only be 15 pages or fewer.

Passed 131-0 by the House April 10, the bill is on its way to the governor. The Senate passed it 64-0 April 5.

[Rep. Paul Thissen](#) (DFL-Mpls) said he had no problem with the bill, but said "We really need to take workers' comp more seriously." He told a story about a constituent who got hurt operating a machine even though he had warned the employer about a faulty mechanical part. "We have to stop this gross negligence," said Thissen. "I think we've gone too far in one direction. We need to rein back the system so there's more fairness."

★ ENVIRONMENT

Environmental spending

Legislation to clean up waters without being taken to the cleaners is what [Rep. Dennis Ozment](#) (R-Rosemount) is working for.

"I understand the motivation of people that like to do court cases. Attorneys love that," he told the House Agriculture, Environment and Natural Resources Finance Committee as they considered one of several amendments to the committee omnibus bill April 11.

In August 2005, the Minnesota Court of Appeals ruled that the state was in violation of the federal Clean Water Act when the Pollution Control Agency issued a permit to Annandale and Maple Lake for a joint wastewater treatment plant. The Minnesota Supreme Court is scheduled to hear oral arguments May 3 as the state appeals the decision.

In the meantime, the PCA is issuing few permits, and numerous commercial and residential development projects across the state are waiting for new expanded wastewater facilities to accommodate them.

Proponents of the amendment said it would clarify how the PCA could proceed in permitting wastewater discharge into impaired waters without violating federal laws, but Ozment was not convinced.

"What I'm concerned about is that legislation like this often sets up litigation, and instead of issuing permits, they will drag us through courts," he said.

The amendment was withdrawn and the omnibus bill, [HF3012](#), sponsored by Ozment, was approved and referred to the House Ways and Means Committee. The bill requests \$10 million from the state's General Fund to facilitate water clean up efforts, specifying that nearly \$1.5 million be spent on assessing water quality in the state's lakes and streams, and more than \$3 million to develop the required total maximum daily load of nutrient discharge allowed into any impaired lake or stream — a step required by the federal Clean Water Act before any additional nutrient discharges are permitted.

★ GOVERNMENT

Claims bill

A bill headed for the House floor would appropriate more than \$64,000 to settle 15 claims against the state.

Sponsored by [Rep. Bruce Anderson](#) (R-Buffalo Township), [HF3995](#) was approved April 11 by the House Ways and Means Committee. A companion bill ([SF3631](#)), sponsored by [Sen. Wes Skoglund](#) (DFL-Mpls), awaits action by the Senate Finance Committee.

Each year, a joint [House-Senate Subcommittee on Claims](#) meets to determine which petitions will be funded. All state agencies are eligible to receive funding to cover the claims.

For the past year, people who believe the state did not properly reimburse them or take care of their financial needs filed more than 100 claims.

However, almost all of the dollars are allocated to the [Department of Corrections](#) to resolve 14 cases where people were injured while performing community service, sentence-to-service work or assigned duties in a correctional facility. Many are for medical expenses related to the injuries. Those expenses are paid at the Medical Assistance rate, not the full bill received by the department.

"If a person has been permanently injured to the extent they have a permanent partial disability under the workers' compensation scheme, we also recommend to be paid the permanent partial disability," said Senior Assistant Revisor Craig Lindeke.

The department does active training for counties that have sentence-to-service and community work service programs, Lindeke said. "That can't guarantee there won't be injuries, and sometimes there is dangerous work involved."

An amendment, successfully offered by [Rep. Tom Rukavina](#) (DFL-Virginia), would help a constituent recoup \$530 in excessive driver's license reinstatement fees.

Anderson noted that the request came after the subcommittee deadline for a claim this year, but would be held over for next year. Lindeke said, to his knowledge, the House has not previously added a claim without going through the subcommittee, although the Senate has on one occasion.

"The Senate set a precedent. We shouldn't let the senators get away with that, we should also do what they did," Rukavina said. "If they did it once, we get to do it once."

Awarding building contracts

The process by which the state awards building contracts to architectural and engineering firms would be reviewed and possibly overhauled, under a bill passed 133-0 by the House April 6.

[HF3743](#), sponsored by [Rep. Al Juhnke](#) (DFL-Willmar), directs the commissioner of administration to review the selection process used by the State Designer Selection Board to contract with building designers for state-funded building projects.

Received by the Senate April 10, it now awaits action by the Senate State and Local Government Operations Committee. [Sen. Cal Larson](#) (R-Fergus Falls) is the Senate sponsor.

Juhnke said he was carrying the bill on behalf of the commissioner of administration,

as well as a number of architects who say the selection process needs to be “a little more user-friendly and a little more inclusive.”

In a March 28 meeting of the House Governmental Operations and Veterans Affairs Committee, Juhnke said some had accused the board of turning into an exclusive “good ol’ boys club” that gives preference to Twin Cities metropolitan area architects when contracting for state building construction jobs.

Administration Commissioner Dana Badgerow said the board had made a number of “flawed decisions,” indicating an overhaul of the board and its processes is in order.

The original bill included a sunset date that would have caused the board to expire, but the committee amended the bill by removing that section.

Finance bill held over

A \$3 million omnibus state government finance bill was amended several times on the House floor April 11, but will not be voted on until after Easter.

[HF2833](#), sponsored by [Rep. Marty Seifert](#) (R-Marshall), covers a wide variety of state agencies, programs and issues. After lengthy debates on more than a dozen proposed amendments, Seifert moved to continue consideration of the bill when legislators return April 18 from a holiday break.

Members brought forth a diverse assortment of amendments to the bill, some in direct contradiction of others.

After a motion by [Rep. Mark Buesgens](#) (R-Jordan) to amend the bill by expanding gambling operations and increasing state gaming revenues was ruled out of order, [Rep. Tom Emmer](#) (R-Delano) introduced an amendment that, conversely, would ban all forms of gambling in the state. While Emmer temporarily withdrew his amendment, it could come up for discussion when the House reconvenes.

[Rep. Steve Simon](#) (DFL-St. Louis Park) successfully amended the bill by extending state limits on campaign contributions to judges, thus closing — in Simon’s words — “a loophole” in state campaign finance laws.

[Rep. Mark Olson](#) (R-Big Lake) moved to amend a provision in the bill that forces legislators to forfeit part of their salaries if the Legislature fails to enact essential legislation (such as the state budget) by the May adjournment deadline. His amendment would have exempted legislators who are not part of a legislative subgroup that prevents the full House or Senate from voting on such bills.

“What this amendment does is at least

clarifies who is doing what,” he said.

Despite some vocal support from a bipartisan minority, Olson’s amendment was voted down.

[Rep. Tom Rukavina](#) (DFL-Virginia) was successful in amending a provision of the bill that allows state and local government agencies to use volunteers in their various operations to ensure that the use of such volunteers does not result in layoffs of public employees.

A companion bill, ([SF2489](#)) sponsored by [Sen. Sheila Kiscaden](#) (DFL-Rochester), awaits action by the Senate Finance Committee.

HIGHER EDUCATION



New campus, speaking clearly

More policy changes than funding allocations are included in the House Higher Education Finance Committee omnibus bill, which the committee approved April 10 and referred to the House Ways and Means Committee.

Among the provisions in [HF3924](#), sponsored by [Rep. Bud Nornes](#) (R-Fergus Falls), are:

- postsecondary institutions would be allowed to inform parents or guardians of a student’s alcohol or drug possession or use, information now considered private data;
- a requirement that postsecondary institutions participate in the state grant program and federal student aid programs by July 1, 2009;
- a resident student would include those in the state on active duty military status and immediate family members; those located in a presidential declared disaster area; and refugees, defined under federal law, living in the state;
- an increase in the maximum loan amounts and annual limits for the Student Educational Loan Fund;
- the establishment of a Rochester branch of the University of Minnesota to “foster the economic goals of the region and state”; and
- the establishment of task forces to address faculty and teaching assistants’ communication skills and ability to

What’s in the bill:

The following are selected bills that have been incorporated, in part or in whole, into the omnibus higher education finance bill:

[HF566-Cox](#)
[HF2798-Heidgerken](#)
[HF2892-Dorn](#)
[HF3169-Seifert](#)
[HF3848-Marquart](#)
[HF3924-Nornes](#)
[HF3975-Urdahl](#)
[HF4032-Urdahl](#)
[HF4039-Nornes](#)

speak English clearly and with good pronunciation; to study the rising costs of textbooks; and to study the market impact on Minnesota producers of agricultural products from the University of Minnesota and negative impacts on state businesses that arise from university license agreements.

The sole appropriation for fiscal year 2007 is \$5 million to help establish the Rochester campus.

Several bill components are included in the governor’s recommendations, part of which includes the establishment of the new campus.

Successfully amended out of the bill by [Rep. Ray Cox](#) (R-Northfield) are provisions that would have allowed the university and Minnesota State Colleges and Universities system to classify information related to chancellor and president selections as private data.

“I like the open process that the schools use. And that it lets people know through that whole discussion what the regents are thinking about,” said Cox.

The real question is, “What kind of candidates do you get under a horse race scenario,” said [Rep. Ron Abrams](#) (R-Minnetonka). Through the current process the quality of candidates decreases because the openness can cause employment tensions for candidates working elsewhere who may apply, he said.

A companion bill ([SF3058](#)), sponsored by Sen. Sandy Pappas (DFL-St. Paul), awaits action by the Senate Finance Committee.

HOUSING



Common lighting

Those renting apartments may be surprised to know that the cost of the lights in the hallways or other common areas in the building may actually be showing up on their electric bills.

According to [HF680](#), sponsored by [Rep. Chris DeLaForest](#) (R-Andover), and passed by the House 128-4 April 6, if electrical use in a “common area” (i.e. foyer, stairway, etc.) does not exceed 1752 kilowatt hours annually, the landlord will not be charged a penalty for nonpayment of “common” electrical usage in cases where a renter does not pay their electrical bill.

The amount of electricity used in the common area may be determined by actual measurement. When actual measurement is impossible, a licensed tradesperson or housing inspector, at the landlord’s expense,

can confirm that the electricity used will likely not exceed the annual threshold.

Received from the House April 10, the bill was referred to the Senate Rules and Administration Committee. [Sen. David Senjem](#) (R-Rochester) is the Senate sponsor.

Home park closure notice

By law, residents in manufactured home parks and the local government planning agency are given at least nine months' notice if there is to be a conversion of all or a portion of the park to another use, or if it is to close.

[HF3449](#), sponsored by [Rep. Karen Clark](#) (DFL-Mpls), was passed by the House 122-8 April 10. It would amend the current statute to include the commissioner of health and the Housing Finance Agency on that notification list.

The bill now awaits action by the full Senate. [Sen. D. Scott Dibble](#) (DFL-Mpls) is the Senate sponsor.

HUMAN SERVICES



Longer residency requirement

People seeking certain human services programs in Minnesota must establish residency, but a bill sponsored by [Rep. Tom Emmer](#) (R-Delano) would extend that time period.

[HF3002](#) would triple the current 30-day residency requirement before a person could receive a variety of human services benefits, such as medical care. The House passed the bill 94-37 April 10. It now awaits action by the Senate Health and Family Security Committee. There is no companion bill.

An amendment, successfully offered by [Rep. Tony Sertich](#) (DFL-Chisholm), makes an exception for veterans and battered women moving to the state.

Emmer said the bill does not eliminate services completely because between the 30- and 90-day marks, 60 percent of coverage would be given. Neither the United States nor Minnesota constitutions require a standard of living for its citizens, said Emmer, who added that Minnesota already has a reputation for being generous toward state residents.

Opponents of the bill have stated that it could deny care for the needy. But floor debate centered on amendments to the bill.

[Rep. Marty Seifert](#) (R-Marshall) offered an amendment that would ban Minnesota Family Investment Program recipients from using an electronic benefit transfer (EBT) card to purchase tobacco or alcohol products with their monthly benefit. Opponents insisted

the amendment was a way to micromanage citizens' lives and could not prevent the purchase of tobacco or alcohol because an EBT card could be used to withdraw cash. The amendment was ruled to be out-of-order.

Seifert was successful in offering another amendment to charge a transaction fee for using an EBT card at an ATM machine.

However, [Rep. Pete Nelson](#) (R-Lindstrom) successfully offered an amendment that would allow payment for specific products while using an EBT card.

Some members believe the bill is unconstitutional, and that it would cost taxpayers money when it lands in court.

"Why are we walking into this when we know the Supreme Court will rule it unconstitutional?" said [Rep. Keith Ellison](#) (DFL-Mpls). "We should not be spending our time on this. We need greater support of our less fortunate people."

EMT certification

[Rep. Duke Powell](#) (R-Burnsville) says Minnesota's substandard performances on the state emergency medical technicians (EMT) certification exams must change.

[HF2731/SF2621*](#), sponsored by Powell and [Sen. Gary Kubly](#) (DFL-Granite Falls), would require EMT training programs to maintain average yearly passing rates equal to that of the average national passing rate on the state certification exam. If a program fails to meet the annual standard, it will be placed on probation and put on a performance improvement plan.

Passed 58-0 by the Senate March 29 and 131-0 by the House April 10, it now awaits gubernatorial approval.

[Rep. Mark Buesgens](#) (R-Jordan) asked why a higher standard was not established in the bill.

Although Powell agreed that Minnesota should go beyond the average standard, he said remediation and performance rates meeting the national average is the first critical step.

The lack of certified EMTs in Greater Minnesota is a particular problem.

"We have many challenges in keeping emergency medical professionals in rural areas," said [Rep. Frank Moe](#) (DFL-Bemidji). "Let's change that."

Rate adjustment

A human services-related bill aims to help caretakers provide better care for the mentally retarded.

[HF3161](#), sponsored by [Rep. Fran Bradley](#)

(R-Rochester), clarifies the wage adjustments for eligible Intermediate Care Facility for Persons with Mental Retardation or Related Conditions (ICF/MR) employees. Wages would be evaluated on merit, seniority and/or other factors decided by the provider. The bill also provides rate increases for community service providers in the areas of mental retardation and related conditions, community alternative care and traumatic brain injuries.

The House passed the bill 131-0 April 10. Received from the House April 11, it awaits action on the Senate floor. [Sen. Becky Lourey](#) (DFL-Kerrick) is the Senate sponsor.

ICF/MR services, which are funded through federal and state funds, are provided to the mentally retarded or those with related conditions who have substantial limitations and require 24-hour care. Their conditions also must have been displayed before their 22nd birthday.

In a March 16 House Health Policy and Finance Committee hearing, Frank Anderson, Association of Residential Resources in Minnesota deputy director, said the bill was a step in the right direction. "This clarification allows us a way to best treat the employees. This will result in better services overall."

Helping the disabled

The [Minnesota State Council on Disability](#) hopes to continue helping those with disabilities for years to come.

[HF3374](#), sponsored by [Rep. Fran Bradley](#) (R-Rochester), would help its cause. It extends the sunset date of the council from June 30, 2007, to June 30, 2011.

The House passed the bill 129-2 on April 10. Received by the Senate the next day, it now awaits action on the floor. [Sen. Linda Higgins](#) (DFL-Mpls) is the Senate sponsor.

Since 1973, the council has aimed to increase the quality of life for people with disabilities through collaboration with communities, advocacy, advising and providing information to expand opportunities

INSURANCE



Property insurance coverage

A bill concerning township mutual insurance company restrictions was passed 126-2 by the House April 6.

Sponsored by [Rep. Dan Severson](#) (R-Sauk Rapids), [HF2876](#) would allow township mutual insurance companies to do business in "second-class cities" in authorized areas. These cities have populations between 20,000 and 100,000.

Township mutual insurance companies are typically restricted to serving rural areas. But Severson said that, as more people move outside the metropolitan area, these smaller businesses should be able to provide insurance to customers. The commerce commissioner would have to approve the township mutual insurance company doing business in a second-class city.

Received from the House April 10, the bill was referred to the Senate Rules and Administration Committee. [Sen. Michelle Fischbach](#) (R-Paynesville) is the sponsor.

★ RETIREMENT

Adjusting teachers' pensions

The Minneapolis Teachers' Retirement Fund Association (MTRFA) would be merged into the Minnesota Teachers Retirement Association (MTRA), under a bill passed by the House State Government Finance Committee April 11.

[HF2847](#), sponsored by [Rep. Dennis Ozment](#) (R-Rosemount), is one of two omnibus public employee pension bills this session. It now goes to the House Rules and Legislative Administration Committee. It has no Senate companion.

In addition to transferring the membership, service credit, records, assets and allocated state aid from the MTRFA to the MTRA, the bill places a 5 percent per year cap on postretirement benefit adjustments for members of public pension funds that participate in the Minnesota Post Retirement Investment Fund, administered by the [State Board of Investment](#).

Under current law, those postretirement adjustments are based on a cost-of-living adjustment of up to 2.5 percent per year plus an investment-based adjustment. Under the bill's provisions, the total increase in benefits would not be allowed to exceed 5 percent per year; instead, earnings exceeding the 5 percent cap would be retained to help support future adjustments.

Speaking on behalf of the bill's sponsor, [Rep. Paul Thissen](#) (DFL-Mpls) said the MTRFA was coming into the merger with a large debt, and that the bill would increase employer and employee contributions to the MTRA to help alleviate that debt.

State Auditor Patricia Anderson raised concerns about recent actions by the MTRFA Board of Trustees. She testified that the board extended Executive Director Karen Kilberg's contract when they heard about the possible merger, forcing the state to pay the director up to \$215,000 worth of severance pay if the merger goes through. She called it "a brazen attempt by the board to provide a golden parachute to an outgoing employee at taxpayer expense."

Thissen responded that the executive director's contract was extended because the board originally thought it would need the director's services for an additional year.

Nevertheless, [Rep. Phil Krinkie](#) (R-Lino Lakes) successfully amended the bill by accelerating the dissolution of the board by

one year in the hopes of, in Anderson's words, preventing "future shenanigans."

Committee Chair [Rep. Marty Seifert](#) (R-Marshall) successfully amended the bill to apply the 5 percent cap on benefit adjustments to the St. Paul Teachers' Retirement Fund Association. He said that it made sense to include the association in the cap because it suffered from many of the same actuarial problems as its Minneapolis counterpart.

Phillip Kapler, the association's executive director, complained that the association was being unfairly punished for other people's mistakes.

Retirement benefits

A House committee passed an omnibus pension bill modifying public employees' retirement benefits April 11.

[HF2362/SF2239*](#), sponsored by [Rep. Steve Smith](#) (R-Mound) and [Sen. Larry Pogemiller](#) (DFL-Mpls), increases employer and employee contributions to the Minnesota State Retirement System (MSRS) general, correctional and state patrol plans. It also makes a number of changes to laws relating to the Public Employees Retirement Association (PERA) and the Minneapolis Employees Retirement Fund.

The House State Government Finance Committee approved the bill after incorporating the House language. It now goes to the House Rules and Legislative Administration Committee.

Among the bill's various provisions:

- Employee and employer contributions to the MSRS general plan would both increase from 4 percent to 5 percent;
- Employee contributions to the MSRS correctional plan would increase from 5.69 percent to 8.60 percent of salary, while employer contributions would increase from 7.98 percent to 12.0 percent;
- Employee contributions to the MSRS state patrol plan would increase from 8.40 percent to 10.4 percent of salary, while employer contributions would increase from 12.60 percent to 15.6 percent;
- Employee contributions to the MSRS unclassified plan would remain at the current rate of 4 percent of salary; and
- More than 100 employees in specified positions would switch from the MSRS general plan to the MSRS correctional plan.



PHOTO BY TOM OLMSCHIED

State Auditor Patricia Anderson sits between Rep. Dennis Ozment, back and Rep. Paul Thissen, front, as she testifies April 11 before the House State Government Finance Committee on a proposal that would merge the Minneapolis Teachers' Retirement Fund Association into the Minnesota Teachers Retirement Association.

[Rep. Phyllis Kahn](#) (DFL-Mpls) said she objects to a provision in the bill that would allow former St. Paul Mayor Randy Kelly to switch his retirement plan from a PERA defined contribution plan to the PERA general plan. She said it would set a “very bad precedent” to allow a single person to undo something they did with full knowledge of the consequences.

[Rep. Chris DeLaForest](#) (R-Andover) agrees. “It appears to me that at the time of election, he conscientiously checked the box he intended to check, but after the fact found out that it had a detrimental effect on his financial future and now wants to go back and fix the situation.”

Nevertheless, a motion by Kahn to remove the provision from the bill was voted down by the committee.

★ SAFETY

Volunteer firefighter task force

Legislators are concerned about the declining number of volunteer firefighters in Minnesota, both in rural and metropolitan areas.

[HF2788/SF2832](#)*, sponsored by [Rep. Tom Rukavina](#) (DFL-Virginia) and [Sen. David Tomassoni](#) (DFL-Chisholm), would establish a task force to study recruitment and retention of volunteer firefighters. The commissioner of public safety would appoint members to the task force, which would report its findings to the commissioner by Dec. 15, 2006.

[Rep. Tom Hackbarth](#) (R-Cedar) successfully offered an amendment that would comprise the task force with a majority of volunteer firefighters.

Approved 129-0 by the House April 10, the amended bill passed the Senate, April 11, 61-0.

★ TAXES

Fire tax eliminated

Insurance companies would no longer have to pay a tax on homeowner policies that cover fires — but policyholders would — under a bill approved by a House committee April 11.

[HF2916](#), sponsored by [Rep. Steve Smith](#) (R-Mound), eliminates what Smith calls an “invisible and retaliatory tax” on fire insurance policies that he said has been in place for at least 70 years.

The bill was approved by the House State Government Finance Committee and referred to the House Ways and Means Committee. A companion bill ([SF2941](#)), sponsored by [Sen. Ann Rest](#) (DFL-New Hope), awaits action by the Senate Taxes Committee.

Currently, insurers pay a 0.5 percent tax on

fire insurance premiums, the revenues from which are deposited into the state’s General Fund. The bill would eliminate the tax and create a 0.75 percent surcharge on gross fire insurance premiums and assessments, to be paid by policyholders. The revenues from the surcharge would be deposited into a special fire safety account to assist the state fire marshal in fulfilling his duties.

Smith said the bill “takes great strides” toward fully funding the state fire marshal’s office, and the training and equipment of firefighters.

[Rep. Loren Solberg](#) (DFL-Grand Rapids) said he wants to make sure that the tax is applied evenly to all policyholders, and that there is not a cap on the surcharge that might favor big businesses over private homeowners.

Minnesota Professional Fire Fighters President Mike Stockstead responded that the surcharge would be applied evenly, regardless of the cost of the insurance policy.

Helping farmers

[Rep. Laura Brod](#) (R-New Prague) and [Rep. Randy Demmer](#) (R-Hayfield) are sponsoring what Brod calls “a menu” of bills seeking a fair solution to a taxing situation. The rising market value of agricultural land makes farmers liable for a higher portion of school levy tax amounts, and some perceive this to be unfair.

Bills seeking to mitigate tax liabilities on agricultural land were heard by the Property and Local Tax Division of the House Taxes Committee April 6. All were held over for possible inclusion in a report to the full committee.

Of Brod’s bills, [HF1413](#) and [HF1414](#), only the latter has a companion: [SF1324](#), sponsored by [Sen. Thomas Neuville](#) (R-Northfield). It awaits action by the Senate Finance Committee. The companion to Demmer’s bill, [HF1412](#), is [SF889](#), sponsored by [Sen. Sheila Kiscaden](#) (DFL-Rochester). It may be considered for inclusion in the Senate Taxes Committee omnibus bill.

“The valuation increase does not give any benefit to the farmers in terms of income, in terms of ways to grow their business. It simply means it’s an asset that has increased. But what it has done, it has caused their costs to go up,” Demmer said.

Tom Hueser, a business owner and grain farmer from Glencoe, said a \$10-per-acre bond would cost him \$500,000 during the 20 years of the levy, even though he owns only a small percentage of the 2,000 acres he farms.

“We farmers have no other choice than to oppose bond issues,” he said, adding

that the situation creates conflict within communities.

“Instead of working together, giving all our school districts resources for the good of our kids and grandkids, lines are drawn in the sand,” he said.

Hueser said [HF1413](#) would create a new set of conflicts by giving school boards the authority to determine whether new levies would be spread against net tax capacity — as is the case with building levies — or on the referendum market value — as is the case with operating levies. Referendum market value excludes agricultural lands entirely.

[Rep. Peter Nelson](#) (R-Lindstrom) cautioned that totally exempting agricultural land from school levies would shift a large share of the tax liability to commercial and industrial property.

Tax transparency

Homeowner property tax statements sent to residents of 103 cities have contained false information since 2003, according to testimony heard April 5 by the Property and Local Tax Division of the House Taxes Committee.

The information emerged as the committee considered [HF2875](#), sponsored by [Rep. Bev Scalze](#) (DFL-Little Canada). It would pay the cities for the total tax amount they were entitled to under the Department of Revenue’s agriculture and homestead market value credit process. Some or all of the amounts to be paid to the cities have been withheld since 2003.

Yet, their residents’ individual property tax statements do not indicate that anything has changed regarding the market value credit process, with the implication that the cities are receiving their payments.

Little Canada Mayor Bill Blesener, said his is one of the cities in which this is happening. For example, the 2006 property tax statements sent to Little Canada’s qualifying residents contain data that implies the agricultural or homestead market value credit process continues in place, when, in fact, the city is receiving only 9 percent of the amount to which it is entitled.

“As a result, the state takes credit for assistance it is not providing,” he said.

Minnetonka Mayor Jan Callison and St. Michael City Administrator Bob Derus also testified to the misleading data on their qualifying residents’ property tax statements.

Callison said the false data “goes against principles of transparency.”

Derus said it leads cities to mistrust the state.

“I think we’re going down a slippery slope

here. The real irony . . . is it's part of a tax-setting-and-communication process known as "Truth in Taxation," he said, adding that the state is mandating county auditors to print the misleading data on residents' property tax statements.

"In essence, the state is mandating that the county auditor be untruthful," he said.

[Rep. Ann Lenczewski](#) (DFL-Bloomington) told testifiers she has brought this complex situation to the committee's attention during each of the last two years, but added she thinks the legislators didn't fully understand the issue.

These residents' property tax statements imply that they are getting something (a certain amount of tax relief) from the state that they're not and that the city is getting something (a payment) that it isn't, she said, adding that it's "the kind of thing that, I think, most legislators should find outrageous."

The bill was held over for possible inclusion in a report to the full committee. A companion bill ([SF3698](#)), sponsored by [Sen. Chuck Wiger](#) (DFL-North St. Paul), could be considered for inclusion in the Senate Taxes Committee omnibus bill.

TRANSPORTATION



Electric vehicles

Drivers might start seeing electric vehicles on roads, under a bill approved unanimously by the House April 6.

[HF1838](#), sponsored by [Rep. Greg Blaine](#) (R-Little Falls), would define "neighborhood electric vehicle" and set the restrictions and requirements for its operation.

Under the bill, such a vehicle is defined as "electrically powered motor vehicle that has four wheels, and has a speed attainable in one mile of at least 20 miles per hour but not more than 25 miles per hour on a paved level surface."

The vehicles would be restricted from going on roads with speed limits of more than 35 mph, "except to make a direct crossing" of a street or highway with a higher speed limit, under the bill.

"It's moving us into that electric car future. We join 35 or 40 other states that have already made these road legal," said [Rep. Al Juhnke](#) (DFL-Willmar), who sponsors a similar bill ([HF2734](#)) that he voluntarily laid over.

The vehicles would be subject to all the same requirements as other cars such as turn signals, license plates, windshields and seat belts, said Juhnke.

The transportation commissioner, a county board, a town board, or a governing body of a city would be permitted to further restrict the electric vehicles.

"Oil supply is dwindling, demand is increasing, this is the wave of the future, let's

get behind it," said [Rep. Frank Hornstein](#) (DFL-Mpls).

Received from the House April 10, the bill now awaits action by the full Senate. [Sen. Paul Koering](#) (R-Fort Ripley) is the Senate sponsor.

A police officer remembered

A bill that would designate portions of Interstates 35, 35E and 35W as the Shawn Silvera Memorial Highway was referred without recommendation by the House Transportation Finance Committee April 11 to the House floor.

[HF3805](#), sponsored by [Rep. Ray Vandever](#) (R-Forest Lake), would require the transportation commissioner, in consultation with the Shawn Silvera Foundation, to adopt a suitable marking design and placement of four signs to memorialize the Lino Lakes police officer killed in the line of duty. The initial proposal called for six signs.

While members of the committee sympathize with the community, there are concerns about putting memorial signs on interstates, and the safety issues they present, said Committee Chair [Rep. Mary Liz Holberg](#) (R-Lakeville).

Federal and state standards specifically say memorial signs should not be placed on freeways, but rather at rest areas, scenic overlooks or recreational areas where parking is available. The department is suggesting placing a memorial at the Forest Lake rest area instead, said Sue Groth, Minnesota Department of Transportation assistant state traffic engineer.

A companion bill ([SF3526](#)), sponsored by [Sen. Michele Bachmann](#) (R-Stillwater), awaits action by the full Senate.

VETERANS



Burial plots for veterans

Brown County can continue its practice of purchasing burial plots for veterans and their spouses, under a new law.

The bill, sponsored by [Rep. Brad Finstad](#) (R-New Ulm) and [Sen. Dennis Frederickson](#) (R-New Ulm), was signed into law by Gov. Tim Pawlenty on April 7.

Brown County is currently the only county in Minnesota — and according to Finstad, possibly the only county in the United States — that buys burial plots for veterans and their spouses. The bill removed a \$3,500 cap on burial expenditures that Finstad said was preventing the county from keeping up with

burial plot costs, which have increased by 220 percent in the last five years.

"This bill will allow Brown County to continue to purchase burial plots for veterans," Finstad said.

[HF3876/SF2749](#)*/CH176

Meeting electronically

The [Minnesota Veterans Homes Board](#) may be permitted to conduct meetings by telephone or other electronic means.

Under [HF3665](#), sponsored by [Rep. Denny McNamara](#) (R-Hastings), at least one board member, the executive director or an attorney for the agency would have to be at the regular meeting location during a teleconference meeting. Members of the public attending the meeting would be able to listen to all discussion, testimony and votes, even if the meeting was held by telephone.

A [2004 law](#) gave the [Minnesota State Council on Disability](#) similar authority.

The House passed the bill 129-1 on April 10. It now goes to the Senate, where [Sen. Paul Koering](#) (R-Fort Ripley) is the sponsor.

Minnesota State Agencies

(Area code 651)

Administration.....	201-2555
Agriculture	201-6000, (800) 967-2474
Commerce.....	296-4026
Corrections	642-0200
Education	582-8200
Employment and Economic Development.....	296-3711, (888) 657-3858
Enterprise Technology	556-8007
Explore Minnesota Tourism	296-5029, (800)-657-3700
Finance	296-5900
Health	201-5000
Housing Finance	296-7608, (800) 657-3769
Human Rights	296-5663, (800) 657-3704
Human Services	297-3933
Labor and Industry ..	284-5000, (800) 342-5354
Military Affairs.....	268-8925
Minnesota Trade Office	297-4222, (800) 657-3858
Natural Resources ..	296-6157, (888) 646-6367
Pollution Control Agency	296-6300, (800) 657-3864
Public Safety.....	282-6565
Driver and Vehicle Services Fire Marshal	215-0500
Information Center	297-3608/296-6911
Alcohol and Gambling Enforcement Division	296-6979
Divisions of Homeland Security and Emergency Management	296-0466
State Patrol.....	282-6870
Revenue General Information.....	296-3403
Taxpayer Assistance	296-4444/296-3781
Sales and Use Tax Line	296-6181
Transportation.....	296-3000, (800) 657-3774
Veterans Affairs	296-2562

Signed
by
the
governor
★ ★ ★

Tough on hate crimes

Bill increases penalties, addresses immigration status checks

By Mike Cook

The omnibus public safety bill may not be long in funding, but it would toughen penalties for bias crimes and possibly help prevent violent crimes.

"This bill has a two-anchor approach on vital issues of public safety facing Minnesota," said Rep. Steve Smith (R-Mound), the sponsor of HF2953. Approved by the House Public Safety Policy and Finance Committee April 11, the bill now goes to the House Taxes Committee because of a fire safety tax.

One of the anchors is HF3471, initially offered by Rep. Keith Ellison (DFL-Mpls) and spurred by a cross burning at a St. Paul church. "It would require a jury to find that a crime was motivated by group-based hatred and would increase the already existing penalties for such crime," Smith said. It could apply in cases where the crime was committed because of a person's race, color, religion, sex, sexual orientation, disability, age or national origin, he said.

Under the bill, if the crime is a felony, the statutory maximum increases by five years; if the crime is a gross misdemeanor the person becomes guilty of a felony and could be sentenced to up to two years in prison and fined \$10,000; and if the crime is a misdemeanor the person is guilty of a gross misdemeanor.

Additionally, the maximum sentence for an assault motivated by bias is doubled to a maximum of two years imprisonment and a \$10,000 fine, if it is the second such offense committed within five years.

"If you don't commit hate crimes, you'll be fine," Ellison said. "I don't want the message out there that the Legislature is not tough on hate crimes."

The other anchor is a law enforcement inquiry provision.

Initially offered by Rep. Jim Knoblach (R-St. Cloud) as HF2576, the so-called "Sanctuary Law" would repeal ordinances in Minneapolis and St. Paul that bar police from asking about the immigration status of people behaving suspiciously. It was passed by the House 94-37 March 20, but has received no Senate action. With this in the bill, Smith is optimistic it will provide a basis for discussion with the Senate in an expected conference committee.

What's in the bill:

The following are selected bills that have been incorporated, in part or in whole, into the omnibus public safety bill:

HF1337 McNamara
HF2147 Soderstrom
HF2673 Kahn
HF2837 Hilstrom
HF3235 Peppin
HF3336 Lanning
HF3338 Eastlund
HF3471 Ellison

Select bills not in the omnibus bill

HF1318 Atkins
HF2600 Johnson, J.
HF2614 Newman
HF3158 Sykora
HF3645 Hilstrom

"By linking these initiatives against domestic hatred and foreign-born violence, I hope that we can put together a product and bring together, in very blunt English, the left and the right in a stand against two kinds of evil," Smith said. "If we can advance this bill with both the bias crimes proposal and the law enforcement inquiry provision, I think we have a chance to bridge some important gaps."

Also part of the bill is some of the governor's immigration, identity theft and computer crime policy initiatives. These were initially part of a group of bills, sponsored by Rep. Kathy Tingelstad (R-Andover), and HF3308, sponsored by Smith. He said House leadership has asked

that this be included in the omnibus bill.

In part, it would create a human trafficking task force; increase penalties for human trafficking; increase penalties for use of fraudulent government documents used for identifica-

tion purposes; create new computer crimes and enhances penalties for existing computer crimes; authorize state agencies to impose fines on employers that violate federal immigration laws; and create the Special Crimes Unit within the Department of Public Safety.

The unit, which is to focus on identifying and apprehending illegal immigrants involved in felony level activity, would be funded at \$656,000 in fiscal years 2007, 2008 and 2009.

The fiscal year 2007 amount is part of the \$6.3 million spent in the bill.

Other funding includes a net of \$18.9 million for a supplemental salary request to the Department of Corrections. Nearly \$14.7 million in savings from the use of fewer beds will also be used in this area. The bill calls

for \$300,000 for implementation of an offender reentry program; \$284,000 to match federal funds for natural disaster assistance payments; and \$125,000 for the Supreme Court to begin an initiative to better address the increasing number of drug and alcohol offenders coming through the court system.

The bill contains about 45 provisions that do not have fiscal ramifications for the state.

Among them is a provision that created some controversy. HF1337, sponsored by Rep. Denny McNamara (R-Hastings), would require a carbon monoxide detector in every home within 10 feet of each room used for sleeping purposes by Aug. 1, 2008, for existing homes and Aug. 1, 2009, for all multifamily dwelling units.

Citing the increased cost to homeowners, Rep. Rob Eastlund (R-Isanti) unsuccessfully tried to amend the language to only include new home construction. Rep. Michael Nelson (DFL-Brooklyn Park) did not object to the requirement, but expressed concern about the unfunded mandate and potential cost to housing finance agencies in larger cities.

"This could leave people who are vulnerable without protection," Ellison said. "This pales in comparison with a loss of life."

A companion bill (SF2738), sponsored by Sen. Jane Ranum (DFL-Mpls), awaits action by the Senate Finance Committee.

"If we can advance this bill with both the bias crimes proposal and the law enforcement inquiry provision, I think we have a chance to bridge some important gaps."

— Rep. Steve Smith

Long on policy

Education bill leaves early childhood on the table

By **LEE ANN SCHUTZ**

While disappointed that key legislation regarding early childhood education could not be agreed upon, the House Education Finance Committee moves forward a pilot project that would give high school students more access to science, technology, engineering and mathematics programming.

Approved April 11, the committee's omnibus bill, HF4040, now moves to the House Taxes Committee.

For the better part of three years, [Rep. Doug Meslow](#) (R-White Bear Lake), along with [Rep. Nora Slawik](#) (DFL-Maplewood), led a bipartisan caucus with a mission to shape public policy as it relates to early childhood education. After a year of statewide hearings, the bill brought forward by the caucus was tabled.

"There were many difficult decisions — policy and political made on both sides of the aisle — that put us in a difficult spot," Meslow said. However, he remains hopeful that funding for early childhood programming will be addressed in conference committee.

With only \$6.6 million in supplemental funding available, [Rep. Barb Sykora](#)

(R-Excelsior), chair of the committee, is happy with the bill, which she sponsors.

"If you look at what we tried to do in this bill, in spite of the fact we had no money, we did some pretty good things," Sykora said.

[Rep. Mindy Greiling](#) (DFL-Roseville) called the programming provisions in the bill anemic. "This is a supplemental bill, and if the students were trying to get any supplements out of this bill, they would be fairly anemic ... and while the students are anemic with this supplemental bill, the early childhood students are down right on life-support."

Among the proposals in the bill is a \$750,000 allocation to fund a 10-year grant program for interested schools to improve the quality and student access to science, technology, engineering and mathematics instruction. The education commissioner would accept applications for the grants. The bill specifies that administrative expenditures be limited to 5 percent of the applicant's budget.

Also included in the bill is:


- a one-time allocation to help make the language of Mandarin available in state schools;
- an appropriation in fiscal year 2007 to enable fourth- and eighth-grade students to participate in an international comparative math and science assessment;
- funding for a school-to-school mentoring program; and
- a youth-works program conducted by ServeMinnesota.

The bill contains several provisions dealing with charter schools including an allocation of \$987,000 for charter schools organized in fiscal year 2005. It amends a 2003 law to allow these schools to receive state-paid start-up aid in fiscal year 2006. Also, the state could see more charter schools sponsored by private, nonprofit organizations. The bill provides for a new classification of sponsors, allowing up to five nonprofit organizations to come together to sponsor a charter school.

A provision addresses a request from the growing Elk River Area School District that wants to ask its voters if the district should be split. The omnibus bill would allow not only this district, but also any school board in the state to act on its own motion, or in response to a petition, to place a question on the ballot regarding school district detachment.

With election time coming up quickly, school districts would be required to adopt a policy prohibiting employees from using district funds or resources to advocate for electing or defeating a political candidate or ballot question.

Safety in schools is also addressed in the bill with provisions directing the state fire marshal to require schools to have at least five fire drills and five school lockdown drills annually, and allowing for school boards to immediately suspend, without pay, a teacher charged with a felony pending the conclusion of a discharge hearing.

The omnibus Senate education finance bill ([SF3770](#)), sponsored by [Sen. LeRoy Stumpf](#) (DFL-Plummer), awaits action by the Senate Finance Committee. 

What's in the bill:

The following are selected bills that have been incorporated, in part or in whole, into the omnibus education finance bill:

HF3231-Sykora
HF3332-Greiling
HF2492-Urdahl
HF3063-Buesgens
HF3851-Carlson
HF2988-Peterson, A.



PHOTO BY TOM OLMSCHIED

The House Education Finance Committee assembled an omnibus bill that is short on funds and long on policy.

Addressing transit needs

Funding would depend upon constitutional changes

By PATTY JANOVEC

The House Transportation Finance Committee approved its omnibus bill April 11, appropriating \$88.8 million in General Fund and Trunk Highway Fund money, and another \$43.4 million would be bonded from the trunk highway bond proceeds account.

An additional \$2.48 billion would be allocated for highway construction dependent upon the passage of a constitutional amendment to be put before voters this November that, in its current form, would allocate all motor vehicles sales tax to highways and transit by 2012.

The bill now goes to the House Taxes Committee.

[HF3761](#), sponsored by [Rep. Mary Liz Holberg](#) (R-Lakeville), would:

- allocate funds for construction, reconstruction and improvement of trunk highways;
- change the language for the Minnesota constitutional amendment to be put before voters in November regarding the motor vehicle sales tax revenue;
- include a study by the transportation commissioner to evaluate the current and long-range needs of the state's transportation system and investigate

- strategies to meet those needs; and
- allow for motor vehicle owners with impounded vehicles to retrieve goods from inside the vehicle without having to first pay impounding fees.

Of the \$83 million allocation to state road construction, the money would include payments to owners for land acquired for highway right-of-way, and payments to lessees and relocation subsidies. The bill would limit \$50 million to be used for projects identified in the federal [High Priority Projects Program](#), including those of regional significance.

Also appropriated would be \$750,000 for town road sign replacements. According to the

nonpartisan House Research Department, the Town Road Sign Replacement Program was established in 2005 to inventory, evaluate, replace and maintain signs along town roads to comply with uniform design and safety standards.

Among the projects that would be funded with the \$43.4 million in bonds are:

- \$18.2 million for a new district headquarters in Mankato;
- \$15 million for project delivery and payments to owners for land acquired for highway rights-of-way;
- \$10 million for the exterior renovation of the [Department of Transportation](#) building in St. Paul; and
- \$41,000 for costs associated with bond sale expenses.

If voters approve the constitutional amendment, \$2.45 billion would go to highway construction, with additional dollars to pay expenses associated with bond sales and \$35 million for program delivery and for right-of-way acquisition, lessees, interest subsidies and relocation expenses.

The governor's transportation proposal includes similar projects as the House, but allocates more General Fund dollars. It also includes funding for a Chaska truck station and [Department of Public Safety](#) facial



PHOTO BY TOM OLMSCHIED

Road and bridge projects, as well as transit, would see funding if the House Transportation Finance Committee's omnibus bill stays intact through the process.



PHOTO BY SARAH STACKE

Three “neighborhood electric vehicles” (NEVs) were parked outside the Capitol April 6. Manufactured by Princeton-based E-ride, these small, battery-powered cars can travel at speeds up to 35 mph, and recharge overnight in a standard household outlet.

recognition technology, which the House proposal does not fund.

Wordsmithing

One amendment added to the bill would change the language of the constitutional amendment put before voters this November.

As of now, voters will be asked if revenues from the existing tax on the sale of motor vehicles be dedicated so that no more than 60 percent can be used for highway purposes and a minimum 40 percent for public transit assistance.

[Rep. Ron Abrams](#) (R-Minnetonka) said a change would make it easier for voters to understand what they are voting on.

Another provision successfully added by Abrams would dedicate all sales taxes collected on motor vehicle leases to highway and transit funds.

“Just by calling it what it really is, which is a motor vehicle sales tax, we have more money for roads, we have more money for transit,” Abrams said.

In an attempt to collate much of the information the Department of Transportation has already, [Rep. Frank Hornstein](#) (DFL-Mpls) successfully offered an amendment requiring the department to study long-range transportation needs and report to the Legislature no later than Jan. 12, 2007.

It is really collating the information in a usable form to determine needs and funding,

said Hornstein.

The study would include an evaluation of the current and future needs of the state’s highway systems and bridges; comparison of the estimates of revenues raised by current transportation funding sources, with long-term needs of the state’s transportation system; and identification of options for maintenance and improvement of the state’s

transportation system with specific reference to factors such as changes in vehicle fuel economy, availability of alternative modes of transportation and the nation’s attempts to decrease dependence on foreign oil.

A companion bill (SF3764), sponsored by [Sen. Steve Murphy](#) (DFL-Red Wing), awaits action in the Senate Finance Committee.



Constitutional amendment language debate

Just about everyone agrees that the state is facing serious transportation funding needs into the future. Part of the solution will be to ask the voters in November if all the motor vehicle sales taxes should be dedicated to only transportation by 2012.

The way the question is currently worded, at least 40 percent of the monies would go towards public transit assistance and not more than 60 percent for highway purposes.

“When we put an amendment on the constitution it’s about as close to casting something in stone as we can get in government,” said [Rep. Morrie Lanning](#) (R-Moorhead). However, he said current language constitutes putting in a sliding scale, a moving target, and is very confusing for voters.

Lanning is sponsoring a bill ([HF3048](#)) that would modify the language so a full 60/40 split would be maintained.

“Current language is misleading,” said [Rep. Bob Gunther](#) (R-Fairmont). He sponsors [HF2915](#) that would essentially have the same effect as Lanning’s proposal.

The language creates a complete lack of

flexibility by putting it into the constitution at all, said Gunther. “If there’s a way I could get rid of the constitutional amendment, I’ll guarantee you that would be the tact I would be taking.”

The prerogative is with the Legislature to adjust the language set to be before the voters, said [Rep. Bernie Lieder](#) (DFL-Crookston). “If you’re going to lock in the numbers hard and fast, you’re really going to have a problem down the road,” he said.

“Let the Legislature have its flexibility with all the other laws and tax policies that we act upon,” said Lanning.

[Rep. Dan Larson](#) (DFL-Bloomington) disagreed. “It seems to me that our constitutional requirement that we provide an education system in Minnesota doesn’t spell out the dollar amount, doesn’t tell us ultimately what that means, except that the Legislature has a great deal of latitude to provide that.”

Currently monetary portions for transportation are divided among several areas including the Highway User Tax Distribution Fund, the Metropolitan Council and the Department of Transportation.

No longer a simple package

Future of environmental funding plan is anyone's guess

By IRENE VOTH

For a time, it was *the* vehicle to move constitutional amendments forward this session. But on April 10 and 11, the “dedicated funding bill” or “Hackbarth bill” now bearing a Senate number, was stripped of two of its three constitutional amendments and approved by the House Ways and Means Committee.

Sponsored by [Rep. Tom Hackbarth](#) (R-Cedar) and [Sen. Dallas Sams](#) (DFL-Staples), [HF1909/SF2734*](#), the much debated and amended bill that has at its heart the preservation of Minnesota's fish and wildlife habitat and access to that habitat for hunting and fishing, now awaits action by the House Rules and Legislative Administration Committee. The remaining constitutional amendment would dedicate three-eighths of 1 percent of current sales and use tax receipts to four areas: fish and wildlife; parks, trails and zoos; cleaning up the state's waters; and arts, humanities, museums and public broadcasting.

Legislative twists and turns

The bill has taken so many twists and turns, it would challenge the tracking talents of even the most dedicated hunting dog. What will happen when it reaches the House floor is anyone's guess, because at least one person is not pleased at some of its current content.

The bill has taken so many twists and turns, it would challenge the tracking talents of even the most dedicated hunting dog.

Gov. Tim Pawlenty made this statement following the Senate's passage of the bill April 3: “While I appreciate the Senate's willingness to vote on this important issue, I hope the bill will be more focused in its final version. Conservation and clean water are too important to be watered down by other issues. While the arts and public broadcasting are

important, they do not rise to the level of being in need of dedicated constitutional support.”

One of the amendments stripped by the House Ways and Means Committee would have defined marriage as the union between one man and one woman.

The so-called “gay marriage bill,” [HF6](#), sponsored by [Rep. Dan Severson](#) (R-Sauk Rapids), was passed last year by the House, but failed to gain approval from the Senate Judiciary Committee April 4. [Sen. Michele Bachmann](#) (R-Stillwater) is the Senate sponsor.

The other stripped amendment was an attempt to change the language of a proposed constitutional amendment to dedicate the revenue from motor vehicle sales tax to

transportation. Set to go before the voters in the 2006 general election, the approved language, referred to as “MVST,” states that the revenues will be divided between highways and transit, with at least 40 percent for transit and no more than 60 percent for highways. The stripped amendment would have changed the percentages to a fixed 20 percent for transit and 80 percent for highways.

If at first you don't succeed

When introduced last year, HF1909 proposed a constitutional amendment to dedicate one-eighth of 1 percent of the existing sales and use tax for fish and wildlife habitat preservation. The amendment was to go to the voters in the 2006 general election. Amended in the first two committees that considered it, the bill was returned to its original form March 16, 2006. But as the House Taxes Committee began its deliberations, it didn't stay that way.

Even Hackbarth changed it, adding a provision for hunter and angler access.

“We're losing hunting and fishing opportunities all the time with additional development, and I think it's high time that we do put an access program in place in the state of Minnesota. I wish the [Department of Natural Resources](#) would have been on top of things and would have done this a number of years ago,” Hackbarth said.

Some committee members took issue with the tax dedication in Hackbarth's amendment, and by the time the bill left the committee, it featured a tax increase, the marriage amendment, the MVST 20/80 amendment and dedicated funding for arts and humanities.

“If we could just get my bill — my game and fish bill — to a conference committee,” Hackbarth said as the bill made its way to the House State Government Finance Committee March 29.

Although returned to a simpler form in that committee, it was incorporated into its Senate companion as it went next to the House Ways and Means Committee.

So Hackbarth will try again.


“I hope to bring a bill to the floor that I can support,” he said, explaining his plan to have it leave the House Rules and Legislative Administration Committee as simply the one-eighth of 1 percent dedicated funding for habitat and access. 



PHOTO BY TOM OLMSCHIED

With Rep. Tom Hackbarth, the bill's sponsor looking on, Tom Jes, left, a concerned citizen from Plymouth, testifies before the House Taxes Committee March 16 on a game and fish heritage enhancement and clean water proposal that would dedicate a portion of the state sales tax to environmental issues.

A state of opportunity

Omnibus bill hopes to position state as a biotech leader

By BAO ONG

If successful, the House Jobs and Economic Opportunity Policy and Finance Committee's omnibus bill would position Minnesota as a state heavily invested in biotechnology. It would also implement the governor's executive order to consolidate the [Department of Labor and Industry](#) while also addressing a variety of human services-related programs, bringing back a boxing commission and establishing pilot projects to study issues ranging from economic development in Greater Minnesota to plug-in hybrid electric vehicles.

[HF4062](#), sponsored by [Rep. Bob Gunther](#) (R-Fairmont), is the committee's \$750,000 omnibus bill. Gunther reminded committee members, that this was a non-funding year. "I wish I could fund every program," said Gunther. "But that's not going to happen. We'll have to work with what we have."

Approved by the committee April 11, it now awaits action by the House Ways and Means Committee.

Throughout the session, the committee stood behind the biggest initiative: biotechnology. The bill calls for the [Department of Employment and Economic Development](#) (DEED) to run the proposed biotechnology initiatives — with about \$18 million diverted from the health care access fund to the department to help bioscience business development programs. The committee is banking on the initiative program to drive jobs and economic development throughout Minnesota.

The state already has substantial biotechnology programs between the state, University of Minnesota and Mayo Clinic. But supporters of the committee's biotechnology initiative

said funding the BioBusiness Alliance of Minnesota program would help grow and create bioscience jobs throughout Minnesota and position the state as a global bio-business leader.

[Rep. Tony Sertich](#) (DFL-Chisholm) expressed concern about appropriating \$18 million from the health care access fund directed for initiatives he said were important. "I don't know if this is the right pot of money."

[Rep. Karen Clark](#) (DFL-Mpls) agreed with Sertich that biotechnology development was important, but that there were "pitfalls" to the bill. At numerous committee hearings, Clark pressed to have some sort of accountability measure for manufacturers. She said that having biotech manufacturers in Minnesota is great but if their products are too expensive for people, it would be no good to consumers.

Another economic development part of the bill would appropriate \$50,000 from the General Fund to reestablish the Minnesota Boxing Commission, which was eliminated in 2001. Currently, official boxing matches cannot take place in the state because there is no commission to oversee standards. For example, a commission would adopt rules

to ensure boxers and referees receive proper physical examinations prior to fights.

There were also successful amendments made to the bill.

A 13-member task force would study the viability of increasing the number of plug-in hybrid electrical vehicles on Minnesota roads. The intent of the task force is also to possibly bring more business to the Ford Motor Company plant in St. Paul.

Another major portion of the omnibus bill deals with consolidating various code enforcement and licensing functions in the Department of Labor and Industry. This part of the bill meets Gov. Tim Pawlenty's executive order made last year. It addresses such issues as administrative action and penalties, the department commissioner's role and license fees.

However, a number of human services-related programs did not make it into the bill.

The most contentious and emotional debate surrounded funding the Minnesota Family Investment Program (MFIP), using more Temporary Assistance for Needy Families funds for child care assistance programs and establishing a task force to study day laborers.

In written testimony, Tiffani Townsend said her three children are suffering because her Supplemental Security Income was being cut. About \$125 per month is being taken away from her kids' MFIP cash grant, wrote Townsend, who added that the governor's monthly income is twice the annual income of a family on welfare. Other supporters of increasing MFIP funding, such as Clark,

said there have not been increases since the 1980s.

At the conclusion of the committee's final meeting, a few members thanked Gunther for his efforts to hold hearings on bills from both parties. They praised him for being fair even when he did not always agree with certain bills.

Gunther said he only wished he were Rumpelstiltskin, a fairy tale character who spun hay into gold, so he could fund every program.



PHOTO BY TOM OLMSCHIED

The House Jobs and Economic Opportunity Policy and Finance Committee approved its omnibus bill April 11.



How well are we prepared?

Possibility of Avian flu pandemic leaves some with questions

By IRENE VOTH

Six days after the House Agriculture and Rural Development Committee was assured that the state has adequate measures in place to defend its poultry population against a potential Avian influenza epidemic, House Democrats said the state may be prepared to defend the poultry population, but not its residents.

During a press conference April 11, [Rep. Thomas Huntley](#) (DFL-Duluth) said Minnesota officials told the [Department of Homeland Security](#) that the state is not ready to deal with a flu pandemic. He also said the federal government is warning that it will not rescue states that have not prepared.

The Democrats listed three steps they believe the state should take to assure it is prepared:

- accelerate the \$31.5 million in funding Gov. Tim Pawlenty has proposed over the next three years to fund flu pandemic preparations;
- create and conduct an information campaign to prepare citizens; and
- establish a strict timetable for getting local and state plans in place and evaluating preparedness.

"I respectfully disagree with the Democrats," said Committee Chair [Rep. Greg Davids](#) (R-Preston), adding that none of the Democrats were present April 5 when the committee heard from four people who are on the front line of the state's defense against Avian flu.

"You never feel comfortable when you have the possibility of something like this — this is a very, very serious issue," Davids said at that time. Yet the meeting gave him assurance that "the state is in very good hands. They're on top of this," he said.

During the committee hearing, representatives from the state's poultry associations and state agencies spoke about issues regarding producer and consumer Avian flu education, the poultry surveillance, testing, policies and practices that have been in place for a long time, as well as measures the state is putting in place to deal with a possible poultry outbreak.

Steve Olson, executive director for the Minnesota Turkey Growers Association and the Broiler and Egg Association of Minnesota, explained there are two forms of Avian flu: low pathogenic, which is found worldwide and constitutes the majority of outbreaks in poultry; and the other which is highly pathogenic and can affect poultry very suddenly, causing severe illness and rapid death. While humans can contract the virus through contact with birds or their droppings, Olson said no Avian flu virus has evolved to the point that it can be transmitted from human to human.

"As a matter of fact, according to some research that was released by the University of Wisconsin about a week and a half ago, it shows that when humans are infected, the virus resides so deep in the respiratory system that it is not transmitted by coughs or sneezes, as most viruses are," he said, adding that several mutations would have to occur in the virus before it could be easily transmitted among humans.

No raw duck blood soup, please

Kevin Elfering, dairy and food inspections director for the [Department of Agriculture](#), emphasized that Avian flu is not a food safety issue in the United States, and no one need stop purchasing and cooking poultry for fear of contracting the disease.

"In some parts of the world, if they have birds die, they're probably still going to consume those. Here in the United States if we have birds die, they're usually going to be destroyed. We don't consume things like raw duck blood soup," Elfering said.

While it is possible that Avian flu could adversely affect the poultry business in Minnesota, it's not highly probable — since most poultry is raised indoors, in barns, away from wild birds and migrating water fowl, which may carry the virus. Olson said allowing the virus to circulate among birds is what allows a low pathogenic form to mutate into a highly pathogenic form.

The testifiers spoke of the collaborative efforts being made to educate Minnesotans who raise poultry outdoors, since their birds

Vaccination availability

Legislation intended to make sure annual flu vaccines are available early in the flu season to the people who need them most awaits action on the floor of both the House and Senate.

"It's a fairness issue," [Rep. Bud Heidgerken](#) (R-Freeport) told the House Health Policy and Finance Committee March 28. Heidgerken said he is sponsoring [HF3458](#) because it is frustrating to learn that healthy people can get flu shots early in the flu season at public immunization events in the more populated areas, while health care providers serving people in high-risk groups in Greater Minnesota receive inadequate supplies of the vaccine or receive their supplies very late in the season.

The bill, and its companion, [SF3169](#), sponsored by [Sen. David Tomassoni](#) (DFL-Chisholm), states that unless the health commissioner determines in any year that there is a sufficient supply of the vaccine and has posted this determination on the Department of Health [Web site](#), public immunization events could not be held until Nov. 1.

According to Margaret Roddy, assistant manager of the department's [Immunization, Tuberculosis and International Health Section](#), this delay would likely result in the vaccine being more widely distributed before the public immunization events begin. It would also give public health officials time to examine and implement a redistribution plan if necessary.

(I. Voth)

are far more likely to be exposed to the virus through feeding with wild birds or contact with their droppings. They plan to increase surveillance of live bird markets, which are held in the Twin Cities and other areas, and to monitor small slaughter plants.

Dr. Bill Hartmann, executive director of the [Board of Animal Health](#) outlined the steps the state would take in the event of an Avian flu outbreak in poultry. This could involve tracing movement in and out of the infected flocks, testing, quarantining, depopulation and deposition of the poultry carcasses, and other steps similar to the bovine tuberculosis response, which it set in motion in 2005. If the disease affects people, the [Department of Health](#) would become the primary agency in Minnesota, he said.

Minnesota ranks first among states in turkey production, with 200 growers. It ranks eighth in egg production, with 2.9 billion eggs per year, Olson said, adding that the yearly total of the state's poultry products is nearly \$1 billion.

Research to the rescue

House researchers help turn good ideas into good legislation

By Nick Busse

When Rep. Kathy Tingelstad (R-Andover) decided state laws on adoption and post-adoption services were in need of some reform, she had a few ideas on how to make things better.

To do it, however, she needed a little help.

Enter House researcher Lynn Aves. As a member of the nonpartisan [House Research Department](#), Aves' job is to help House members craft effective legislation by providing them with politically neutral research and counsel. When Tingelstad contacted her, Aves went to work gathering data, conferring with interested parties and drafting language for what ended up being multiple bills on the subject.

"What they're really best at is taking a legislator's idea and really kind of putting the ideas on paper," Tingelstad said.

Those familiar with the day-to-day operations of the House likely recognize how indispensable House researchers are — answering legislators' questions, reporting information and statistics, and serving as on-the-spot advisors in committee meetings, among other things. It would be tempting to call them the unsung heroes of the legislative process, although according to Director Patrick McCormack, to do so would be to overlook the low-key and strictly impartial nature of the job.

"A good day for us is when a legislator has what they need to make their point. We don't want the spotlight. We want the legislator to feel like they've got what they need to make the case," McCormack said, adding jokingly, "Frankly, we're all a bunch of introverts."

Serving in a nonpartisan way

Established in 1967, the department is designed to serve the House as a whole rather than particular parties or individuals. In addition to helping House members make informed legislative decisions by conducting and summarizing research, House researchers have to ensure that bills conform to the existing statutes and that other legislators

understand them. That can be a challenge — especially when you have more than 4,100 bills filed in a single biennium.

"This time of year, we end up attempting to make everybody happy and failing," McCormack said. "We try hard. We do hundreds and hundreds of pieces of work every day, and we try to communicate to members when we can't get something for them. We try to be very clear that with 134 members and with the number of issues on the table, we're not going to get to everything."

House researchers have varied backgrounds;

nonpartisan code of ethics.

"We make a real point that everyone who works in this office is able to work for all 134 members, and do that in a confidential manner," McCormack said.

Sam Rankin, a 31-year House Research veteran who retired in November, said that while the office has always had to wrestle with partisan pressures, members have been overwhelmingly respectful of researchers.

"The vast majority of committee chairs and House members have bent over backwards to understand our nonpartisan role and have

"A good day for us is when a legislator has what they need to make their point."

— Patrick McCormack,
House Research director



PHOTO BY ANDREW VONBANK

House researchers John Helland, right, and Colbey Sullivan confer during the April 11 meeting of the House Agriculture, Environment and Natural Resources Finance Committee.

many are attorneys, while others have advanced degrees in subjects like economics or sociology. According to McCormack, most of them are generalists, meaning they're capable of working effectively on issues involving numerous areas of public policy, and can communicate effectively with government agencies, lobbyists, legislators and the public. Most importantly, they observe a strict

been awfully good to work for in that respect," Rankin said. "They have not used us in ways that we found inappropriate."

Rankin said that during his time at the Legislature, he observed some gradual changes in his department as well as in the institution itself. He says the office became slightly more

Research continued on page 22

In the spotlight

Bring filmmakers back to Minnesota

By BAO ONG

Rep. Tony Sertich's (DFL-Chisholm) chances of getting Hollywood actress Charlize Theron's phone number may increase if a bill establishing a film production tax credit passes.

Sertich appeared as a grimy miner eyeing a group of young women for about four seconds as an extra in the Warner Bros.-produced "North Country." When Gov. Tim Pawlenty went to meet the leggy blonde Theron, Sertich said he jokingly asked the governor to get her number for him — it never happened.

The "North Country" crew spent nearly three weeks in early 2005 filming on the Iron Range. The rest of the movie was filmed in New Mexico, which has generous financial incentives for filmmakers. What Sertich did see was nearly \$3 million funneled into the local economy when producers hired Minnesotans, and also needed lodging in the area and food at local restaurants.

"There may be two or three people in front of the camera when you watch the movie," said Sertich, who studied theatre in

college. "But behind the camera were 20 or so Minnesotans."

[HF3226](#), sponsored by [Rep. Mike Charron](#) (R-Woodbury), would establish a 15 percent income tax credit for film production costs in Minnesota. It requests \$5 million in appropriations. Filmmakers spending money on such things as buying lumber to build sets, hiring extras, paying for meals or paying for hotel bills would receive the tax credit.

Charron said the bill would keep Minnesota competitive with other states, especially surrounding states like Iowa, Wisconsin and Illinois.

Approved by the House Jobs and Economic Opportunity Policy and Finance Committee, the bill awaits action by the House Taxes Committee. A companion bill ([SF2208](#)), sponsored by [Sen. Richard Cohen](#) (DFL-St. Paul), has been included in the omnibus tax bill and awaits action by the Senate.

In 1997, Minnesota was the first state to offer a production incentive to lure the film industry away from Los Angeles and New York City. During the ensuing five years,

Snowbate results
1998—2002
(for feature films, TV movies and national TV series)

	Snowbate reimbursement	Total spent in Minnesota
FY1998	\$359,045	\$11,514,871
FY1999	\$285,606	\$6,929,425
FY2000	\$475,000	\$12,629,263
FY2001	\$475,154	\$16,837,274
FY2002	\$475,000	\$10,068,496

Source: Minnesota Film and TV Board
Note: Each fiscal year runs from July 1 to June 30.

the "Snowbate" incentive program attracted nearly \$58 million in production expenditures to the state, according to the Minnesota Film and TV Board. The same board also reports that 68 feature films, ranging from "The Mighty Ducks" to "Grumpy Old Men" to " Fargo" were all shot in Minnesota.

However, former Gov. Jesse Ventura eliminated the tax break in 2001 during the state's budget crisis. The Snowbate statute stands but funding no longer exists.

Cindy Jepsen, a lobbyist for the trade organization Shoot in Minnesota, said she does not know if the bill would receive a hearing in the House Taxes Committee this session. Supporters may introduce a rebate incentive through the old Snowbate program if the bill is not heard, said Minnesota Film and TV Board Executive Director Lucinda Winter.

Charron, a professor and chair of the Concordia University theatre department in St. Paul, said Minnesota is now only one of five states in the country that does not have an incentive program. He asked the House Jobs and Economic Opportunity Policy and Finance Committee how the state could let "Miracle," a story about how Minnesotan Herb Brooks lead the 1980 U.S. hockey team to an improbable gold medal at the Winter Olympics, be filmed outside the state.

Local filmmaker Patrick Coyle said the Snowbate program allowed him to work on "Detective Fiction," which showed at the prestigious Sundance Film Festival. "I want to live and work in the state I love," he said.

Dave Halls, Shoot in Minnesota executive director, said the state has a reputation for a strong crew base because of all the major films



PHOTO BY ANDREW VONBANK

Part of the 1996 film "Jingle All The Way" was shot in Minnesota.

Spotlight continued on page 22

Come to the Capitol

Directions, Parking, Tours, Visiting the Legislature, Dining

Directions

The Capitol complex is north of I-94, just minutes from downtown St. Paul. It is accessible from the east and west on I-94, and from the north and south on I-35E.

- I-94 eastbound: Exit at Marion Street. Turn left. Go to Aurora Avenue and turn right.
- I-94 westbound: Exit at Marion Street. Turn right. Go to Aurora Avenue and turn right.
- I-35E northbound: Exit at Kellogg Boulevard. Turn left. Go to John Ireland Boulevard and turn right.
- I-35E southbound: Exit at University Avenue. Turn right. Go to Rice Street and turn left.

Parking

Public metered parking is available in Lot Q, north of the Capitol at Cedar Street and Sherburne Avenue; Lot AA, across Rice Street from the State Office Building on Aurora Avenue; Lot F, directly behind the Transportation Building; Lot H, west of the Veterans Service Building; Lot K, across from the Armory on Cedar Street (enter from 12th Street); Lot L, east of the Judicial Center; in the 14th Street Lot at the corner of North Robert Street and 14th Street; and on the orange level of the Centennial Office Building Ramp at Cedar Street and Rev. Dr. Martin Luther King Jr. Blvd. There are a few metered parking spots in front of the Capitol along Aurora Avenue.

Capitol Security personnel will issue tickets for expired meters.

All-day parking permits may be purchased for \$4 from Plant Management on the ground floor of the Administration Building at 50 Sherburne Ave., north of the Capitol, across University Avenue. Cash or checks are accepted. For more information, call (651) 297-2307.

Outdoor disability parking is available in most public lots within the State Capitol Complex. However, most spots can be found in Lot N, Lot F and Lot H. Disability parking is also available on the orange level of the Centennial Office Parking Ramp.

The main disability entrance to the Capitol is on the northwest side of the building just off Lot N. There also are drop-off entrances on the south side under the front steps on the south side and on the northeast side of the building.

Since parking is limited during legislative sessions, taking the public bus could be an option. Call the Transit Information Center at (612) 373-3333 for schedule and route information.

Visiting the Legislature

During session, all House and Senate floor sessions are open to the public. No pass is required for spectators to sit in the galleries of either chamber. The House usually meets at 3 p.m. Monday and Thursday, and the Senate generally

meets at 11:30 a.m. Monday and at 9 a.m. Thursday during the first few weeks of session. As the session nears the end, however, both bodies may meet several times a week, often into the night.

Visitors interested in observing these sessions may call House Public Information Services, (651) 296-2146, or Senate Information, (651) 296-0504, with questions.

Committee meetings are open to the public, as well. Visitors wanting to attend a committee meeting may call the committee hotlines for prerecorded messages with the meeting times and agendas for each day: House (651) 296-9283 or Senate, (651) 296-8088.

If group members want to meet with their individual legislators or testify before a committee arrangements should be made at least a week in advance.

Sometimes groups plan a "legislative day" at the Capitol. For information on reserving a room for group conferences, call the State Office Building room scheduler at (651) 296-5408 or the Capitol room scheduler at (651) 296-0866.

Tours

Tours of the Capitol are offered through the Capitol Historic Site Program of the Minnesota Historical Society.

Tour guides lead the 45-minute tours on the hour Monday through Friday between 9 a.m.

and 4 p.m. (last tour leaves at 3 p.m.); Saturday between 10 a.m. and 3 p.m. (last tour leaves at 2 p.m.); and Sunday between 1 p.m. and 4 p.m. (last tour leaves at 3 p.m.). The tours begin at the Capitol information desk. Brochures in about 20 foreign languages also are available there.

Tour rates vary. Generally, 45-minute tours for drop-in visitors to the Capitol are free of charge.

Historical society officials ask that groups of 10 or more call at least two weeks in advance to reserve a tour time.

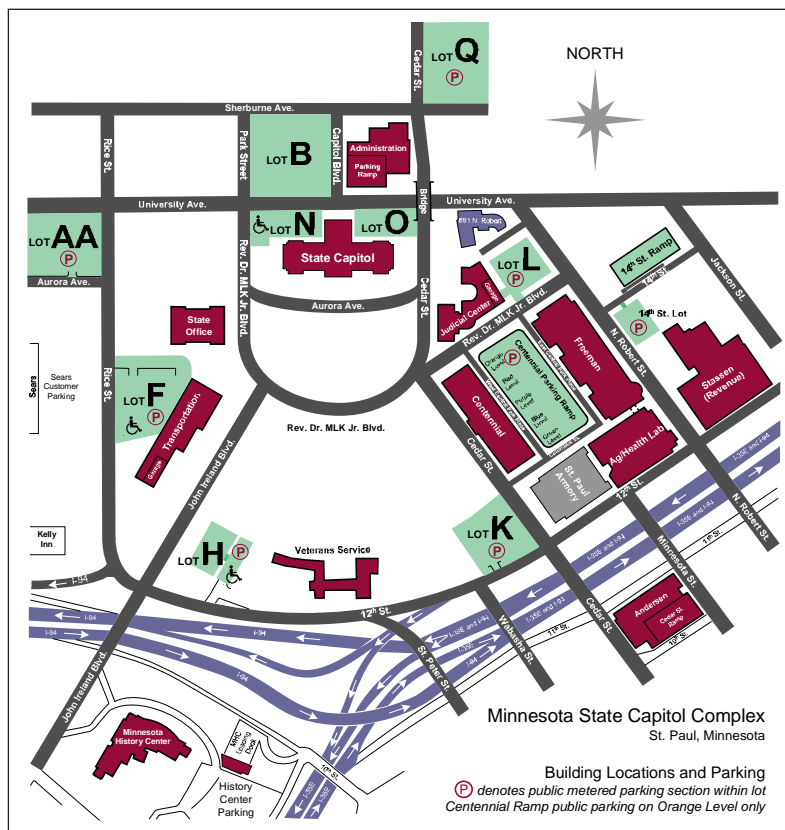
The society offers a number of specialized tours for educational groups ranging from pre-school students to high school seniors. Also, special tour events are scheduled throughout the year. Themes include "Art and Artists of the State Capitol" and "Shadows and Spirits of the State Capitol." Some of these events require admission fees. A special events guide is available upon request.

For more information about the tours and fee structure or to make a reservation, call the Capitol Historic Site Program at (651) 296-2881.

Dining

Year-round cafeterias can be found on the ground floor of the Transportation and the Centennial buildings.

The small State Office Building cafeteria and the Rathskeller in the State Capitol are open only when the Legislature is in session.



Edited map courtesy Minnesota Department of Administration, Plant Management Division

Research continued from page 19

professional and service-oriented while its clientele grew increasingly contentious and divided.

The workload, McCormack says, has also changed over time.

"The number of bills we draft and the revisor drafts, and the number of amendments, is approaching an all-time high," McCormack said. "So we're spending, during session, a lot more time just processing the bills and amendments."

Not that the workload in House Research has ever been particularly light; Rankin recalls working 109 ½ hours in one seven-day period in the 1980s. But the job's rewards, he said, are worth it.

"There have been lots of really, really fun, good times too, when you see a piece of good public policy that gets put together and becomes law," he said. "And it's sort of interesting to see language that you have written that is unique to your style of writing actually become the law of the state, and you read it in the statute books. You remember, 'Gee, I wrote that.'"

Although House Research staff members write much of the language that ends up in state statute, Rankin said they never feel jealous of the attention legislators get for making the laws.

"The credit certainly belongs to the elected members, never to us. That's a condition of employment, essentially, and well it should be." 🏛️

Spotlight continued from page 20

completed in Minnesota. He said these workers will find other work or leave if filmmakers do not film in Minnesota. "We had some very lean years from the late-90s until now," said Halls, who also works as an assistant director on films and television in Minnesota. "But we cannot hang on much longer."

Although [Rep. Andy Westerberg](#) (R-Blaine) said he agreed with the premise of the bill, he wanted to know if viewers would know where the film was shot. Typically, a credit runs at the end of a film. It would not necessarily be clearly apparent or labeled at the start of a film.

Winter said when "A Prairie Home Companion" was filmed in St. Paul last year, it brought in \$1.6 million to \$2 million to the local economy.

"Maybe folks will see now the clean money that's really made here," said Sertich. "It's a very clean industry; they come in, they spend money, and they leave town." 🏛️

RALLYING POINT



PHOTO BY TOM OLMSCHIED

An estimated crowd of 30,000 marched April 9 from the St. Paul Cathedral to the Capitol to rally in support of immigration rights.

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Monday, April 10

HF4116-Davids (R)

Agriculture & Rural Development
University of Minnesota licensing and Minnesota market impact study provided and Horticulture Department appropriations reduced.

HF4117-Dempsey (R)

Transportation Finance
Trunk Highways 61/50 corridor study provided, bonds issued and money appropriated.

HF4118-Zellers (R)

Taxes
Contraband cigarettes disposition provided.

HF4119-Vandever (R)

Taxes
County wheelage tax authorized and referendum required.

HF4120-Olson (R)

Jobs & Economic Opportunity Policy & Finance
County-paid cremation costs provided for MFIP recipients.

HF4121-Erhardt (R)

Transportation Finance
Trunk highway bond debt service appropriations limit established.

HF4122-Vandever (R)

Taxes
Market value of certain nonconforming properties limited and ownership of property defined as not relevant for certain purposes.

HF4123-Erickson (R)

Education Policy & Reform
Teacher preparation program report card established for colleges and universities.

HF4124-Ellison (DFL)

Public Safety Policy & Finance
Corrections open appropriation created for federal funding received for the Social Security Administration incentive payments to provide for discharge planning for inmates with mental illness.

HF4125-Solberg (DFL)

Taxes
Aitkin tax increment financing district authorized to capture the state general tax for certain parcels and fund uses expanded.

HF4126-Hortman (DFL)

Transportation Finance
Trunk Highway 252 expansion between Trunk Highway 610 and Interstate 94 planning funding provided, bonds issued and money appropriated.

HF4127-Lenczewski (DFL)

Transportation Finance
Light rail transit use in the Interstate 494 corridor feasibility study required and money appropriated.

HF4128-Anderson, B. (R)

Transportation Finance
Trunk Highway 55 corridor transit service funding provided and money appropriated.

HF4129-Otremba (DFL)

Taxes
Agricultural land abutting public water property valuation provided.

HF4130-Solberg (DFL)

Taxes
Public safety radio communication products and services exempted from sales tax.

HF4131-Erhardt (R)

Transportation Finance
Metropolitan transportation area defined, sales tax imposed and funds distributed.

HF4132-Beard (R)

Local Government
Lower Minnesota River Watershed District authorized to acquire, maintain, operate, improve and enlarge dredge material site; bonds issued; and fees authorized.

Tuesday, April 11

HF4133-Erickson (R)

Education Policy & Reform
School districts required to provide special instruction and services at non-public school sites for a child with disabilities who is enrolled in a non-public school.

HF4134-Vandever (R)

Taxes
Metropolitan area transit levy authorized, distribution of motor vehicle sales tax revenues modified, bonds issued, money appropriated and constitutional amendment modified.

HF4135-Blaine (R)

Governmental Operations & Veterans Affairs
Trade license and certificate renewal provisions updated relating to persons in the armed forces during war or national emergencies.

HF4136-Blaine (R)

Taxes
Sustainable forest incentive payments increased.

HF4137-Blaine (R)

Taxes
Milk and water sold through vending machines exempted from sales tax.

HF4138-Bernardy (DFL)

Transportation Finance
Trunk Highway 10 improvements funding provided and money appropriated.

HF4139-Greiling (DFL)

Taxes
Education levies reduced and foreign operating corporation income treatment modified under the corporate franchise tax.

HF4140-Greiling (DFL)

Education Policy and Reform
All-day kindergarten provided and transitional tuition authorized.

HF4141-Gunther (R)

Taxes
Fire aid distribution formula market value definition modified.

HF4142-Krinkie (R)

Taxes
Property tax rebate provided.

Wednesday, April 12

HF4143-Abrams (R)

Taxes
Depreciation deduction income tax election provided.

HF4144-Sviggum (R)

Education Policy & Reform
Education Department required to examine educational programs throughout Minnesota to determine if a general and uniform system of public schools exists, report required and money appropriated.

HF4145-Simpson (R)

Taxes
Job opportunity building zones extended.

HF4146-Paulsen (R)

Civil Law & Elections
Presidential electors designated and duties specified.

HF4147-Peterson, N. (R)

Taxes
Cigarette and tobacco taxes increased, health impact fund and fee repealed and funds transferred.

HF4148-Abrams (R)

Rules & Legislative Administration
Greater Minnesota transit account established within the transit fund, motor vehicle sales tax revenue allocation modified and proposed constitutional amendment amended.

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MINNESOTA INDEX

Taxes

Billions in state and local taxes collected in fiscal year 2005.....	\$20.09
Billions of property value (excluding the value of exempt property) in Minnesota in 2004.....	\$399.2
Total property taxes statewide, in billions	\$5.34
Of 2004 property taxes paid, percent paid for by residential homestead owners.....	44.9
Percent paid by commercial/industrial property owners.....	32.9
Percent paid by agricultural land owners	5.7
Of 2004 property taxes, percent that went to the county	32
Percent that went to cities	26.5
Percent that went to school districts	23.9
Percent that went to the state	11.6
Year Truth in Taxation, a process to enhance public participation in the state's tax system, began	1988
Percent of Minnesotans, according to a 2005 survey, that believe they pay "much more tax" than residents of other states.....	25
Percent that say Minnesotans pay "more tax"	43
Percent that say Minnesotans pay "less tax"	4
Percent of Minnesotans, according to a 2005 survey, that are "very satisfied" or "satisfied" with the fairness of the state's tax system based on their ability to pay	40
Percent "dissatisfied" or "very dissatisfied" with the fairness of the state's tax system based on the extent to which all taxpayers are treated equally	52
If they could reduce one tax, percent of Minnesotans, according to a 2005 survey, that would reduce their local property tax	47
Percent that would reduce their state income tax.....	35
Percentage for each in 2003.....	40
Percent of Minnesotans, according to a 2005 survey, that are "satisfied" or "very satisfied" with the amount they pay in sales taxes	56
Percent "dissatisfied" or "very dissatisfied"	30
Year Minnesota adopted a state sales tax (3 percent)	1967
States that adopted such a tax after Minnesota	1
Times the state sales tax have subsequently been raised	4
Year it was raised to the current 6.5 percent.....	1991
Year the Legislature enacted a prohibition against new or increased local taxes on sales or income.....	1971

Sources: [Taxpayer Satisfaction With The State's Tax System](#), Department of Revenue, July 2005; [Overview of Property Taxes](#), A Presentation to the House Committee on Taxes, Jan. 11, 2005, [House Research](#) and [Fiscal Analysis](#) departments; [Minnesota's Local Sales and Use Taxes](#), Department of Revenue, February 2004.

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