SESSION WEEKLY

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A 'mega' opportunity? Food vs. fuel Rethinking property taxes Compensation's bridge over troubled water

HF4204 - HF4212

DAD

NEEDS



SESSION WEEKLY

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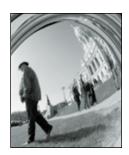
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On the cover: Electrician Todd Folta holds his 4-year-old son, Myles, as they listen to testimony during the April 22 meeting of the House Taxes Committee. The committee was discussing a bill that would help finance an expansion of the Mall of America in Bloomington.

A mega opportunity at what cost?

Public money sought for Mall of America expansion, jobs

By COURTNEY BLANCHARD

ow could 8,000 parking spaces at the Mall of America keep \$1,333 away from East Grand Forks? Even though it is a five-hour drive from Bloomington, a funding proposal to expand the mall could divert local government aid from the northwest Minnesota city and other cities across the state.

The proposal, HF2237, sponsored by Rep. Mike Nelson (DFL-Brooklyn Park), went before the House Taxes Committee on April 22.

The bill provides a funding mechanism for the MOA to start construction on Phase II.

Phase II has been in the works since the original plans for the mall came about 20 years ago. More than 5 million square feet would be planted to the north of the existing mall. The \$2 billion project would house four levels of shops, spas, hotels, theaters and a water park.

"The ability to draw tourists during tough economic times is even more important," said MOA Vice President Maureen Bausch. "The Mall of America has to stay fresh. It's what we do best. And to do that, we have to grow."

Supporters of the project say growth for the mall means the state gets more jobs and tourism. Others argue that the project could lead to property taxpayers chipping in for the mall because, if it's funded through the fiscal disparities pool and a tax increment finance district land swap, communities would miss out on increased LGA or tax base. Lawmakers are under pressure to decide if it's worth it.

Bill rundown

The bill proposes for the project to be funded, in part, by:

- using what would have gone into the fiscal disparities pool to fund a parking ramp, which would be owned by the City of Bloomington;
- transferring some land from a tax increment financing district that expires in 2015 to one that expires in 2018; and
- authorizing the City of Bloomington to impose a local sales tax on lodging, admissions and recreation, food and beverages and a general sales tax on the mall.

The bill has restrictions on how the public money could be used. Those include:

· that all tax increments go toward public

First Reading continued on page 4



PHOTO BY TOM OLMSCHEID

During the April 22 House Taxes Committee meeting, Rep. Mike Nelson, *second from right*, House sponsor of a proposal to finance a Mall of America expansion, listens to, *from left*, Kyle Makarios, political director for the North Central States Regional Council of Carpenters, David Ybarra, business manager for the Minneapolis Building & Construction Trades Council, and Rhys Ledger, strategic campaigns director at Teamsters Local 120. There were more than five hours of testimony about the proposal.

First Reading continued from page 3

infrastructure costs;

- using as much American-made steel as possible;
- paying full-time employees wages above the federal poverty level for a family of four (excludes part-time and seasonal employees and businesses with fewer than 50 employees);
- · keeping attractions affordable; and
- remaining neutral on labor negotiations with hotel workers.

After five hours of testimony, the bill was laid over for possible inclusion in the committee's omnibus tax bill.

In the Senate, sponsored by Sen. Tom Bakk (DFL-Cook), the language was incorporated April 3 into SF 2869, the omnibus tax bill. Even if the House doesn't include the proposal in its upcoming omnibus bill, the issue will show up at the tax bill conference committee.

Funding questions

Some lawmakers question how the project would help their districts. Rep. Sandy Wollschlager (DFL-Cannon Falls) said she walks down the street in her hometown and sees empty storefronts.

"The people are telling me that it doesn't benefit our district very much to help a big shopping mall that's already very successful and already getting dollars from me," she said.

Some critics assume that Phase II will be built with or without the state's help. If that were true, the bill would actually take money away from the general funds of cities across the state.

The bill would exempt the mall from paying property taxes into the fiscal disparities pool.

All businesses located in the seven-county Twin Cities metropolitan area pay into the pool, and the funds are redistributed to business property-poor cities. The mall's exempted share would pay for a parking ramp, but it would cause the metro cities to lose a chunk of property tax base.

The bill also contains a partial land swap between the TIF districts around the mall. A TIF district allows a community to pay debt on a development project with a future tax base.

Both provisions would shift the LGA formula because some of the metro cities would appear "poorer" due to lost tax base, according to the nonpartisan House Research Department. The formula shift would funnel money from Greater Minnesota cities like East Grand Forks to metro cities.

Most outstate cities would lose under \$1,000. Metro cities would gain some LGA, but take a bigger hit by losing property tax base. Altogether, metro cities would share a budget loss of \$1.2 million, according to estimates by House Research.

"Every little lever that you pull in the property tax system affects and bulges out somewhere else," said Rep. Paul Marquart (DFL-Dilworth).

The proposal to use the fiscal disparities pool also has critics among metro area businesses. Sam Grabarski, president of the Minneapolis Downtown Council, said mall competitors would be funding the parking ramp with their property tax dollars, allowing the mall to grow more successful and become a bigger competitor.

"That sort of imbalance is anathema to the retail industry," he said.

Job potential

Mall representatives insist that without the state's help, the project isn't feasible. In that

case, the state would miss out on one of the project's upsides — job creation.

About 7,000 contractors, electricians, plumbers, dry wall installers, concrete pourers and painters would be put to work.

For Carl Madsen of Minneapolis, that means he'd come out of a period of unemployment that could last 18 months. He's one of hundreds of union electricians waiting to get a job.

"I'm proud to be an electrician, but it's tough when you're sitting at home staring at the wall, and you're not working," he said.

If the proposal goes forward, workers from Delano, Virginia and Brainerd could be called to work on the project. For some lawmakers, the job potential seals the deal.

"I've witnessed, firsthand, what the downturn in the economy has done to my family," said Rep. Debra Hilstrom (DFL-Brooklyn Center). Her husband is a carpenter who was recently called back to work after a long period of unemployment.

"I think we have the ability to show the leadership and bring in these Minnesota jobs that this industry so desperately needs," she said.

It wouldn't be the first time a state subsidy has gone toward a large building project. This year, the Legislature passed two laws that will create construction jobs. The transportation finance law cleared the way for road projects, and the bonding law funds projects around the state, from a convention center in Duluth to improvements to state parks.

However, the MOA proposal is different from the transportation and bonding laws, Committee Chairwoman Rep. Ann Lenczewski (DFL-Bloomington) said.

"The bonding bill and the transportation bill are public money for public core government services. This proposal is public money for a private company," Lenczewski said.

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HIGHLIGHTS

Editor's note: The following Highlights are coverage of select bills heard in House committees and other House activities held April 17-24. Designations used in Highlight summaries: HF-House File; SF-Senate File; CH-Chapter; and *-the bill version considered by the House or the bill language signed by the governor.

BANKING

Debit cards OK for custodial accounts

Signed by the governor For those who manage a custodial account of a loved one, making purchases and transferring funds will be a little easier.

A new law signed by Gov. Tim Pawlenty April 17 allows the use of a debit or credit card to make payments from custodial trustee accounts. Until now account custodians were permitted to withdraw funds or make payments from the account by check only. This statute is part of the Uniform Custodial Trust Act, adopted in 1990.

Rep. Steve Simon (DFL-St. Louis Park), who sponsors the law with Sen. Ron Latz (DFL-St. Louis Park), said that with fewer retailers willing to accept checks, this "moves us into the 21st century." Supported by senior advocate groups, this change will also make it harder for others to get away with fraud and theft, Simon said.

The law is effective Aug. 1, 2008. HF3457/SF3070*/CH201

- C. GREEN

BUDGET

Reduction may mean new programs

Although there's no official agreement on how the \$935 million biennial deficit will be solved, that didn't stop a House-Senate working group from coming to consensus April 22 on funding priorities for the Military Affairs, Agriculture and Veterans Affairs departments.

"We just thought it best to move ahead," said Rep. Al Juhnke (DFL-Willmar), chairman of the House Agriculture, Rural Economies and Veterans Affairs Finance Division. "We think the quicker we can move this onto their desk the less likely it is they'll ask us to revisit stuff."

The House and Senate Agriculture and Veterans Working Group, led by Juhnke and

Sen. Jim Vickerman (DFL-Tracy), did not take official action, but informally agreed on budget suggestions and referred them to the conference committee discussing HF1812, the omnibus supplemental budget bill.

The governor has proposed more than \$6 million in combined biennial spending increases for the three departments. Through reallocation of some funds, the House and Senate proposal would actually cut more than \$2 million from the budgets during the same period, while at the same time allocating money for some new programming.

The greatest reduction, \$10.25 million, comes from a 2007 appropriation for higher education assistance grants to state veterans. Little of the money has been used because the federal government stepped in to fill gaps in the education assistance available through the G.I. Bill, which the state's program would have addressed.

No new money is allocated for Fiscal Year 2008. New allocations for Fiscal Year 2009 would include:

- \$3 million to meet veterans emergency financial needs through the State Soldiers Assistance Fund;
- \$2 million for a new livestock investment grant program;
- \$1 million for a new community-based casework services program that could include in-home counseling; and
- \$250,000 for a study to explore alternative models for the Minneapolis veterans home and ways to partner for home-based services for veterans.

— **L. S**снитz

Small steps taken by conferees

Conferees working to hammer out an agreement on the projected \$935 million biennial budget shortfall have laid more of a foundation for their work.

After "many hours of discussion" between Rep. Lyndon Carlson (DFL-Crystal) and Sen. Richard Cohen (DFL-St. Paul), co-chairs of the Omnibus Supplemental Budget Bill Conference Committee, a list of pure policy provisions was developed. Conferees agreed April 21 to send these provisions to other conference committees. "Leadership in each body said there will be policy bills for items moved out," Cohen said.

Among items moved out were: a House plan to end state participation in the federal No Child Left Behind program; a provision from both bodies to give state employees paid time off for blood donation; and a House plan to prohibit the use of state funds for sex-selection abortions or for health benefits that include sex-selection abortions.

HF1812 was loaded with policy provisions, while SF3813 was not.

Conferees also agreed April 23 on a few language items where the bodies had the same or similar language.

Finance-related provisions are to remain with the conference committee, although some members continue to insist that without monetary targets it would be hard for working groups to develop their proposals.

Finance Commissioner Tom Hanson met with conferees April 23 to discuss Gov. Tim Pawlenty's concerns and pledged to work with the legislators. "This is a starting point for discussions," he said.

Among Pawlenty's key concerns are:

- both plans avert from his proposal to use part of the Health Care Access Fund, and spend the fund to unsustainable future levels;
- changes to the tax treatment of corporations operating in designated tax havens would make the state less attractive to corporations that do business internationally;
- reductions in programs he believes increase academic rigor, such as Q-Comp; a reduction in state testing; and a program that provides students the opportunity to take exams for college credit; and
- Senate provisions that allow local governments to increase sales and use taxes, as well as mortgage and deed taxes. Pawlenty is concerned about additional burdens placed on taxpayers.

— М. Соок

Environment, energy proposals

A joint House and Senate working group met to discuss differences in the omnibus supplemental budget bill's environment and energy provisions April 22, but took no action.

After comparing the House and Senate language of HF1812, members of the Omnibus Supplemental Budget Environment and Natural Resources and Energy Working Group identified several discrepancies.

Much of the discussion centered on a House proposal that would forbid the Pollution Control Agency from issuing a permit for a new solid waste landfill unless certain conditions are met. Under the provision, a special test would be required to determine whether contaminants could leach from the landfill into groundwater supplies. This comes from HF3997/SF3703, sponsored by Rep. Julie Bunn (DFL-Lake Elmo) and Sen. Kathy

Saltzman (DFL-Woodbury).

Jim Lungstrom, an engineer with the PCA's Solid Waste Permitting Unit, testified that while the test in question might prove useful when combined with other screening methods, the agency would rather find a more comprehensive approach to the issue. He added that the PCA plans on completing an internal review of its solid waste landfill policies this fall.

Another point of contention is a Senate proposal to cut \$3 million from the E85 Everywhere ethanol pump grant program. Working group co-chair Sen. Ellen Anderson (DFL-St. Paul) said that she and her Senate colleagues feel it would be "pretty safe" to reduce the program's funding because it has unspent money from previous years. Mike Bull, deputy director of the Office of Energy Security, disagreed.

"We're at a point now where consumers are facing \$4-a-gallon gasoline prices and we want to make sure consumers have every opportunity to make choices that benefit them," Bull said.

In regard to the bill's environment and energy fiscal provisions, Anderson said the House and Senate bills were overall quite similar, despite numerous individual differences.

"We were amazed at how close we really are," Anderson said.

The working group did not announce when or if it would meet again.

- N. BUSSE

BUSINESS

CPA, other accountancy changes

Signed by the governor

There will be a few adjustments to the Board of Accountancy, thanks to a new law signed by Gov. Tim Pawlenty April 17.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ann Rest (DFL-New Hope), the law changes the way the board operates and moves up opportunities for those wanting to become a certified public accountant.

The new law brings Minnesota statute in line with the Uniform Accountancy Act; requires that no fewer than two of the seven members of the Board of Accountancy be owners or employees of a qualifying certified public accountant firm; and eliminates the requirement for the board to have a judicially noticed seal.

It also allows anyone in their last semester of college to take the exam to qualify as a CPA.

Once a certificate of qualification is given,

the law states the certificate would be good for three years, a change from the previous process that required a yearly renewal.

There is an increase in the annual fee to practice as a CPA firm from \$35 to \$68, and the initial CPA permit fee will be \$100 for firms with one or more offices located in another state.

The law is effective April 18, 2008. HF2811/SF2402*/CH195

- C. GREEN

Electronic document return OK'd

Signed by the governor

Described as a housekeeping bill for the Office of the Secretary of State relating to business services, a new law signed by Gov. Tim Pawlenty April 17 allows for documents

to be returned by electronic methods and through facsimile transmission.

The law also addresses issues relating to foreign corporations, including modifications to the notice required for corporations that change their name, dissolve or merge. The corporation will no longer need to file the information with the secretary of state, but certify to the office that they possess documents relating to any change.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Patricia Torres Ray (DFL-Mpls), the law has various effective dates.

HF3543/SF3397*/CH203

— L. Sснитz

CONSUMERS

More notification required

A largely technical new law updates work completed in 2007 on debt management plans and the regulation of debt management providers. If a creditor is added or deleted

from a debt service agreement at the request of the debtor or if the debtor voluntarily increases payment, the debtor must be provided an updated payment schedule within seven days.

If the payment amount to the creditor increases by \$10 or less and the total payment amount to all creditors increases by \$20 or less as a result the debtor providing incomplete or incorrect information regarding the amount of debt owed, the debt management service must notify the consumer of the increase within seven days.

The bill would also add the Bureau Veritas Certification North America, Inc. and BSI Management Systems America, Inc. to the list of acceptable accrediting agencies for debt management providers.

Signed into law April 21 by Gov. Tim Pawlenty, it is effective April 22, 2008.

Rep. Jim Davnie (DFL-Mpls) and Sen. Linda Scheid (DFL-Brooklyn Park) are the sponsors.

HF3287/SF2930*/CH210

— T. HAMMELL

CRIME

Protection for buying tickets online

The so-called "Hannah Montana" bill is closer to becoming law.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Ron Latz (DFL-St. Louis Park), HF2911/SF3139* would make it a gross misdemeanor to sell, distribute or use software to get around security and move to the front of an Internet ticket buver line.

That's what happened last summer with the Miley Cyrus/Hannah Montana "Best of Both Worlds" tour, when parents went online to get tickets only to find that the concerts were already sold out. Tickets were subsequently resold for as much as 10 times the original price.

Approved as amended by the House 119-12 April 21 and re-approved by the Senate 63-0 April 23, it now awaits action by the governor.

When the Hannah Montana tickets went on sale, some using the ticket buying software bought all the tickets within a matter of seconds, leaving everyone else to buy tickets at inflated prices. "That is wrong. That is the 21st century version of bullying," Atkins said. "We wouldn't allow it at the bus stop or on the playground, and we ought not to allow it on the Internet."

The bill would not affect last year's law that repealed Minnesota ticket scalping statutes. - C. GREEN

Police representation at hearings

Signad	Up to now, when a police
Signed by	officer attended a disciplinary
the	hearing to give a formal
governor	statement, he or she could
	choose to bring either an
	attorney or a union

representative. They can soon have both.

A new law, sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Leo Foley (DFL-Coon Rapids), puts this in statute. Signed by Gov. Tim Pawlenty April 17, the law takes effect Aug. 1, 2008.

Jim Michaels, a labor attorney working with the Police Officers Federation of Minneapolis, told a House committee that since the Peace

Signed
by
the
governor

STILL HAS HIS SWING



PHOTOS BY ANDREW VONBANK

Former Minnesota Twins star Tony Oliva takes a practice swing of the gavel with House Speaker Margaret Anderson Kelliher while visiting the House Chamber April 17. The Cuban national, and 1964 and 1965 American League batting champion, was invited to the floor session to lend support to a resolution urging the president and Congress to end trade, financial and travel restrictions to Cuba.

Officers Bill of Rights was enacted in 1991 there has been increased scrutiny in the conduct of police officers.

There are agencies that allow police officers to have an attorney and union representative at these hearings, Michaels said, but others force officers to choose. Because different situations require different representation, police officers should have all of the options available, he said.

"Police investigations can be very complex. They can be internal; they can be criminal; they can be civil," said John Delmonico, president of the Police Officers Federation of Minneapolis. He said the legislation would give cops "the option to have the best possible representation."

HF3483/SF3362*/CH205

No social networks for predators

- C. GREEN

Predatory offenders may have more places to stay away from.

HF3505, sponsored by Rep. Karla Bigham (DFL-Cottage Grove), would prohibit registered predatory offenders from accessing social networking Web sites, such as MySpace and Facebook.

Approved by the House Finance Committee April 18, the bill now moves to the House floor.

A companion, SF3172, sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action by the Senate Judiciary Committee.

The bill would deny access to Web sites that are set up for the "purposes of friendship" and allow anyone under age 18 to become a member or have a personal Web page.

Deputy Attorney General David Voigt said similar bills have been introduced in other states, and New Jersey has passed a law prohibiting all Internet access for registered predators.

Concerns were raised by Rep. Bruce

Anderson (R-Buffalo Township) about future constitutional challenges, and Rep. Tom Rukavina (DFL-Virginia) said the bill was taking too much discretion out of the hands of judges.

Rukavina said that although the state has made strides in getting people out the prison system, the state may have become overzealous. "When we put this stuff in statute we take away a judge's ability to be just. So we have no justice left in the system. And that's what's happening with some of these laws that we've been passing recently."

Bigham said the bill is a continuation of last year's legislative efforts to catch predators trying to take advantage of minors over the Internet.

- C. GREEN

EDUCATION

Tougher teacher background checks

A little asterisk could mean big problems for some teaching applicants.

Sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Sen. Kathy Saltzman (DFL-Woodbury), HF2657/SF2597* would require hiring authorities to check the Department of Education Web site for an asterisk, meaning that person has been disciplined for sexual misconduct with a student.

If an asterisk is found, the authority would have to check with the Board of Teaching to see what the substance of the discipline was before hiring that teacher.

Teachers could be hired before the check is completed, but could be terminated if past misconduct is found. Teachers could also be terminated for providing misinformation.

An amendment successfully added by Rep. Tom Emmer (R-Delano) would give schools an option that Duluth, St. Paul and Minneapolis already have — the option to suspend a teacher without pay if they have been charged with a felony. This could only be done if the underlying conduct that led to the charge is grounds for immediate discharge.

"If it's good for Minneapolis, St. Paul and Duluth, it should be the same with all other school districts," Emmer said.

The teacher would be entitled to a hearing and the board would have to reimburse the teacher if the final decision does not result in a penalty or in suspension, termination or discharge of the teacher.

Rep. Mark Buesgens (R-Jordan) said the bill is unnecessary, but would vote for it based on the Emmer amendment.

"It fundamentally says that we, as a state, cannot trust the locally selected officials to do the right thing for their children," he said.

"I'm just hoping to have an added level of security and a consistent policy throughout the state," Bigham said.

It was approved 129-1 by the House April 21. The Senate refused to concur two days later, and a conference committee has been requested. The original bill was passed 66-0 by the Senate April 3.

— T. HAMMELL

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ELECTIONS

Absentee voter modification

Signed by the governor Legislation to make overseas voting easier for Minnesotans serving abroad received approval from Gov. Tim Pawlenty on April 17. Sponsored by Rep. Jeremy

Kalin (DFL-North Branch) and Sen. Sharon Erickson Ropes (DFL-Winona), the law allows electronic transmission of absentee ballots, in certain circumstances, as a way to reduce barriers facing military members and other Americans abroad who have not always succeeded in having their votes counted.

Kalin said the law is needed to make sure that those serving our country are guaranteed the right to vote, which he called a "cornerstone of democracy."

The law is effective for elections held after June 1, 2008.

HF1259/SF1218*/CH190

- B. HOGENSON

EMPLOYMENT

Labor contracts OK'd, salary cap gone

Signed by the governor State labor agreements and compensation plans for employees in the executive branch were ratified with a stroke of a pen by Gov. Tim Pawlenty April 17.

The agreements and compensation plans were given interim approval by the joint legislative Subcommittee on Employee Relations.

The law, sponsored by Rep. Karla Bigham (DFL-Cottage Grove) and Senate President James Metzen (DFL-South St. Paul), ratifies labor agreements between the state and the following exclusive representatives of state employees: AFSCME Council 5, Minnesota Association of Professional Employees, State Residential School Education Association, Minnesota Government Engineers Council, Middle Management Association, Minnesota Law Enforcement Association and the Inter Faculty Organization. These are effective April 18, 2008.

Also effective that day are compensation plans for unrepresented and managerial state employees, the Minnesota State Board of Investment, employees and administrators in the Minnesota State Colleges and Universities system, and Office of Higher Education employees.

A provision limiting the salary of the Minnesota Zoological Garden administrator

to 130 percent of the governor's salary is also repealed, effective April 18, 2008.

The law also requires the legislative auditor to establish a compensation plan for employees of the auditor. This provision takes effect Jan. 1, 2009.

HF3138*/SF2620/CH194

— **B. H**ogenson

ENERGY

Cap-and-trade bill passed

The House passed a bill that would pave the way for adoption of a regional cap-and-trade system to reduce greenhouse gas emissions.

After several hours of debate on 19 proposed amendments, HF3195, sponsored by Rep. Kate Knuth (DFL-New Brighton), was approved 91-38 on April 23. Received April 24 by the Senate, it awaits action by the Senate Rules and Administration Committee. Sen. Ellen Anderson (DFL-St. Paul) is the Senate sponsor.

As described by Knuth, the bill represents "a step in the process" of implementing a regional cap-and-trade system currently being negotiated by Gov. Tim Pawlenty and several other Midwestern governors. Those negotiations are expected to produce a model rule by November.

"The governor has taken a very important step, and we appreciate him showing leadership," Knuth said.

In a cap-and-trade system, a limit would be placed on carbon dioxide and other greenhouse gas emissions; power companies and other emitters would then be issued emission allowances that they could buy, sell or trade with one another.

The bill would give legislators a role in the process by requiring their approval of any regional agreement. It would also provide for a pair of studies — one on how to govern a cap-and-trade system and another examining the "economic, environmental, and public health costs and benefits" of cap-and-trade.

Several Republicans raised objections to the bill on the basis that man-made global warming — the problem the bill seeks to address — has not been scientifically proven to exist.

"Folks, just because you saw Al Gore's movie doesn't make you a global climatologist and an expert," said Rep. Pat Garofalo (R-Farmington), alluding to the former vice president's climate change documentary, "An Inconvenient Truth." Garofalo described concern over climate change as "a sad devotion to a false religion."

Other members voiced concern that a cap-and-trade system would burden power

companies with regulations that would put Minnesota at a competitive disadvantage with its neighbors.

"If we're going to get the economy moving again, we can't set Minnesota apart," said Rep. Kurt Zellers (R-Maple Grove).

Other members praised Knuth for her leadership on the issue, and said the bill represented a step forward on an issue that many Minnesotans consider important.

"Our priorities should be that we should pollute as little as possible, period," said Rep. Dennis Ozment (R-Rosemount).

— N. BUSSE

Energy omnibus bill passed

The House passed an omnibus energy policy bill April 23 with provisions designed to boost solar and wind power and tighten greenhouse gas regulations.

HF3661/SF3337*, sponsored by Rep. Bill Hilty (DFL-Finlayson) and Sen. Yvonne Prettner Solon (DFL-Duluth), was approved 109-22. The Senate did not concur with the House amendments, and a conference committee has been requested. The Senate passed its version 52-14 on April 3.

The bill contains policy initiatives incorporated from other bills, including:

- requiring producers and purchasers of industrial and commercial gasses with a high "global warming potential" to report data on their sales and use in the state to the Pollution Control Agency;
- requiring the PCA and Commerce Department to report to the Legislature regularly on progress being made in meeting the state's greenhouse gas emissions reduction goals;
- authorizing the Commerce Department to coordinate and arrange bulk purchases of wind turbines and related equipment for individuals, community-based energy developers and public entities;
- requiring that one-eighth of 1 percent of the state's 25-percent-by-2025 renewable energy standard be generated by solarelectric power; and
- exempting wind and solar projects from having to obtain a certificate of need if the Public Utilities Commission deems them a "reasonable and prudent approach" to implementing the renewable energy standard.

Hilty amended the bill to remove a controversial provision that would have banned the sale of small containers of automotive air conditioner refrigerant.

Rep. Tom Hackbarth (R-Cedar) offered an amendment that would have lifted the moratorium on construction of new nuclear power plants in the state. It was defeated 52-79. Hilty, who chairs the House Energy Finance and Policy Division, promised Hackbarth and other nuclear power supporters that his division would be holding hearings on the issue in the near future.

— N. BUSSE

ENVIRONMENT

Toxic chemical ban proposed

A toxic chemical used as a fire retardant would be phased out in Minnesota, under a proposal approved April 18 by a House committee.

HF934, sponsored by Rep. Karen Clark (DFL-Mpls), would ban the manufacture or sale of decabromodiphenyl ether, also known as "deca-BDE." The compound is commonly used in televisions, computers, mattresses, cables and other consumer products to help prevent fires. A Pollution Control Agency report released in January identified several environmental and health concerns associated with the chemical.

The House Finance Committee approved the bill and referred it to the House Ways and Means Committee. A companion, SF651, sponsored by Sen. Sandy Pappas (DFL-St. Paul), was approved 47-16 April 21 by the Senate.

Under the bill's provisions, the manufacture or sale of products containing more than onetenth of 1 percent (by mass) of deca-BDE would be prohibited as of July 1, 2010. The restrictions would not apply to used products or products that are already in existence before that date.

Clark noted that Minnesota has already banned two other similar chemicals penta-BDE and octa-BDE. She said local and national firefighters' unions support the legislation, and added that several safer alternatives to the chemical exist.

"We're not in any way trying to compromise our safety. In fact, we feel this makes it much safer from a public health standpoint," she said.

Clark also said the European Union recently enacted a similar phase-out of the chemical that will take effect in June.

— N. BUSSE

Shoreline troubles brewing

A simmering conflict between the Department of Natural Resources and lakefront property owners is creeping its way into the Legislature.

The DNR is updating statewide rules on shoreline development, with the goal of producing standards that will protect fish habitat and promote clean and unimpaired waters. The department hopes to address the



Visitors to the State Capitol are reflected in the chrome hubcap of a 1955 Ford. More than 50 vintage cars lined the Capitol Mall April 22 as part of the Minnesota Street Rod Association's annual Run to the Hill.

problem of degradation of natural shorelines by shoreline property owners who eradicate native aquatic plants to provide themselves easier swimming and boating access to the lakes, and to improve the view.

REFLECTING VISITOR

"From a habitat and water quality standpoint, the department believes that's really problematic," said Steve Hirsch, assistant director of the DNR's Division of Ecological Resources.

Hirsch testified April 22 in opposition to HF4157, sponsored by Rep. Tim Faust (DFL-Mora), which would carve out a guaranteed percentage of shoreline area for each lakefront property owner to clear out aquatic plants and provide themselves access to the water. Faust said the bill represents a "very reasonable compromise" between property owners' needs and those of the DNR. Several members of the House Environment and Natural Resources Committee disagreed. "People think for some reason because they buy a fancy place on the lake that they own that section of the lake, and I'd just like to refute that theory," said Rep. Tony Cornish (R-Good Thunder). He argued that property owners who eliminate aquatic plants for their own aesthetic purposes are doing so against the best interests of other Minnesotans who have a lawful right to enjoy the lake.

"The more weeds and things that you take out, the more it degrades the lake, the less fishing opportunity there is," Cornish said.

But property owners like Bill Pool, who owns 125 feet of shoreline on Daggett Lake near Cross Lake, say the DNR's decision-making process is arbitrary and often confusing.

"As a property owner, you're really at a loss as to how to deal with the DNR," Pool said.

Moreover, Pool and others say that invasive species like Eurasian water milfoil and curly-leaf pondweed are encroaching along

shorelines, and they want to eliminate them.

"We don't care about the native species, but, in fact, our bay is being choked out by curly-leaf pondweed. And so, effectively, we just want a way to get our boat out of the bay," Pool said.

The hearing on Faust's bill was informational only; no action was taken. A companion, SF3433, sponsored by Sen. Tom Bakk (DFL-Cook), awaits action by the Senate Environment and Natural Resources Committee.

- N. BUSSE

Star Lakes and Star Rivers

Lake associations that do a good job of managing the state's water bodies could have their lakes and rivers designated "Star Lakes" and "Star Rivers," if a bill sponsored by Rep. Frank Moe (DFL-Bemidji) becomes law.

HF3437 would permit the Board of Water and Soil Resources to grant the special designation to lakes and rivers that are governed by comprehensive, environmentally sound management plans. The House Finance Committee approved the bill April 22. It now awaits action by the full House.

Under the bill's provisions, lake associations whose water bodies meet necessary requirements could erect signs advertising the waters as "Star Lakes" or "Star Rivers." Moe said the bill would help lake associations market their lakes for real estate or tourism purposes while encouraging conservation.

To earn the designation, the associations' water management plans would have to fulfill a number of criteria, including:

- helping increase native vegetation presence along shorelines;
- preventing, reducing or eliminating invasive aquatic species;
- · maintaining a diverse and healthy fish population;
- mitigating water pollution and impairment; and
- · involving residents and local authorities in the planning process.

The lake associations themselves would also have to meet a number of requirements, including that they participate in the Pollution Control Agency's citizen water quality monitoring program and maintain a "membership or participation of at least 50 percent of the private shoreline owners."

Designations would have to be renewed after five years by submitting an updated water management plan. The "Star Lakes" and "Star Rivers" signs would be furnished by the Department of Transportation, but the lake associations would have to reimburse the department for the cost of the signs.

Moe noted that the House version of

the omnibus supplemental budget bill (HF1812) includes \$50,000 a year for BWSR to administer the program; however, the board has claimed that the true cost of the program could be more than three times the amount provided in the bill.

A companion, SF2943, sponsored by Sen. Mary Olson (DFL-Bemidji), awaits action by the Senate Finance Committee.

- N. BUSSE

GOVERNMENT

by

the

Paying out claims

State help is on the way for an Signed Inver Grove Heights couple to resolve a problem they didn't create. governor

Theirs is one of four claims against the state totaling

\$86,657 that will be paid out, under a law signed April 24 by Gov. Tim Pawlenty. It is effective April 25, 2008.

In 2004, construction on the home of John and Judy McEachran was quickly halted when debris containing asbestos was unearthed. The debris came from a bridge that was demolished by the Department of Transportation and legally dumped on the site.

Material removal cost approximately \$142,000. The Pollution Control Agency contributed \$60,000 and the city \$15,000. This law pays the remainder. "Payment of the claim is not an admission of liability on the part of the State of Minnesota for these costs," the law states.

Other claims in the law are:

- \$11,905 to Robert Burton for permanent injuries suffered while performing work as an inmate at the Moose Lake correctional facility:
- \$3,737 for sentence-to-service claims under \$500 each and other claims already paid by the Corrections Department;
- \$2,005 from the General Fund and \$1,000 from the petroleum tank release cleanup fund to reimburse a Roseville couple for costs related to a mistaken order to search for an unsealed well on their property; and
- \$1,005 to Minogheezhig Sandman-Shelifoe for loss of property caused by staff errors at the Rush City correctional facility.

Rep. Dennis Ozment (R-Rosemount) and Sen. Ron Latz (DFL-St. Louis Park) sponsor the law.

HF3360/SF3021*/CH226

— М. Соок

DOER transfer completed

Ciana d	The remaining loose ends		
Signed by	resulting from last year's		
the	elimination of the Department		
governor	of Employee Relations have		
governor	been neatly tied up.		

Rep. Gene Pelowski Jr. (DFL-

Winona), who sponsors the law with Sen. Ann Rest (DFL-New Hope), said it clarifies the dissolution of DOER, transfers all of the titles to the Department of Finance and clarifies the duties of one deputy commissioner.

Signed April 17 by Gov. Tim Pawlenty, it takes effect Aug. 1, 2008.

In 2007 the Legislature passed a law abolishing DOER and transferring its duties to other state agencies. The law required the transfer to be completed by June 1, 2008.

HF3309/SF3202*/CH204

- B. HOGENSON

New transportation commissioner

Tom Sorel has been picked by Gov. Tim Pawlenty to be the state's new transportation commissioner, and it appears he will be confirmed by the Senate.

Sorel has been with the Federal Highway Administration for 30 years, most recently as head of the division office in Minnesota. His first day with the Transportation Department is scheduled to be April 28.

"With 30 years of transportation experience and a civil engineering background, Tom Sorel is the right person to lead MnDOT," Pawlenty said. "Tom Sorel will provide the leadership, as we continue to build a modern and efficient transportation system for Minnesota."

Sorel, who has a degree in civil engineering and a master of business administration, has served as a major project team leader in Washington, D.C., and director of planning and program development and chief of technology services in Albany, N.Y. He also led the effort to build infrastructure for the 2002 Olympics in Salt Lake City.

"I'm a servant leader with a passion for transportation and innovation," he said. "That's the philosophy that has served me well, and that's a philosophy that I hope to bring to the department."

Two of his goals are to rebuild the public trust and confidence with the department and to regenerate a "spirit of innovation and creativity" in the state. He is willing to look at all transportation options, including light rail.

Sen. Steve Murphy (DFL-Red Wing), chairman of the Senate Transportation Committee, said it is "likely" that Sorel would receive Senate confirmation.

Other finalists for the position were Robert Johns, director of the Center for Transportation Studies at the University of Minnesota, and Assistant to the Commissioner Bob McFarlin, who has been leading the department since Lt. Gov. Carol Molnau failed to receive a confirmation vote from the Senate.

"Each brings different strengths to the table," Pawlenty said. "It was very close."

Pawlenty credited McFarlin for serving with "a great deal of effectiveness, and class, and dignity, and grace," since Molnau's Feb. 28 ouster.

"Bob has done a good job of setting the table, and now we just need to sit down and eat," Murphy said.

— **М. С**оок

HEALTH & HUMAN SERVICES

Smaller new mental health facility

A proposal for a psychiatric hospital in Woodbury has been scaled back.

Rep. Marsha Swails (DFL-Woodbury) sponsors HF3539 that would allow for the construction of a specialty psychiatric hospital in Woodbury. Initially the bill called for 144 new beds, but was scaled back to 66 beds before being approved by the House Health Care and Human Services Finance Division April 22.

The scope of patients to be served was also changed from adults and children to only those under age 21 on the date of admission. The facility would be subject to the Federal Emergency Medical Treatment and Active Labor Act and Centers for Medicaid and Medicare certification. The change is to address previous concerns about additional state costs that a larger facility would create.

Health care plans continually expand and provide high-profit margin services, but neglect those that bring in fewer dollars, like mental health, Swails said. She noted that hospitals in the Twin Cities metropolitan area have increased cardiac services capacity to about 160 percent of the national average. Because of fewer services, children in the state are continually transferred far from home or out of state for mental health services, she said.

The Department of Health believes the new facility would not be in the public's best interest. The interest review report says providing more hospital beds might not translate into better access or services, said James Golden, director of the Health Policy Division.

The supply and demand for beds results in 10 percent of adults and 10 percent of adolescents going to Greater Minnesota for help, said Rep. Julie Bunn (DFL-Lake Elmo). "Ten percent of our children and adolescents going to outstate locations or even to another state for services is just unacceptable."

The bill now goes to the House Finance Committee.

A companion bill, SF3429, sponsored by Sen. Kathy Saltzman (DFL-Woodbury), was tabled March 19 by the Senate Health, Housing and Family Security Committee.

- P. Ostberg

Children restraint procedures

A bill that would lay out guidelines to mental health providers on restraint procedures for children in day treatment facilities awaits gubernatorial action.

Sponsored by Rep. Neva Walker (DFL-Mpls) and Sen. Linda Berglin (DFL-Mpls), HF3377/SF3049* would require each agency to have a plan for when restrictive procedures and seclusion might be used on children, and under what conditions procedures would be used, including the use of mechanical restraints.

Amended and passed 120-12 by the House April 17, the Senate concurred on a 61-1 vote April 21.

The bill also specifies the need for oversight by a treatment center mental health professional when restraining measures are used. Parental consent would be requested at the time of program enrollment for the use of restrictive measures, and immediate notification of a parent would be required if a procedure is used.

Unlike day treatment programs that are not covered by certain rules, the use of restraint in both inpatient hospital programs and residential treatment facilities is strictly regulated, Glenace Edwall, director of the Department of Human Services Children's Mental Health Division, told a House committee.

A successfully offered amendment from Rep. Diane Loeffler (DFL-Mpls) would create a working group to develop recommendations on how to meet the acute mental health needs of children and adults and to reduce the number of unnecessary patient days in acute care facilities.

"A greater focus on front end services and post-hospital recovery programs can offer more appropriate care to people with mental health challenges as well as reduce the demands on our scarce hospital beds," she said.

An amendment successfully offered by Rep. Bruce Anderson (R-Buffalo Township) would allow the human services commissioner to annually collect certain data from substance abuse treatment providers that receive appropriations from the Consolidated Chemical Dependency Treatment Fund. The data would include the number of client readmissions six months after release from inpatient treatment and the cost of treatment per person.

- P. Ostberg

Medical reserve protections

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Minnesota Responds Medical Reserve Corps will have workers' compensation and liability coverage when volunteering for disasters, under a new law signed April 17

by Gov. Tim Pawlenty.

Sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Linda Higgins (DFL-Mpls), the law, funded by a federal grant, gives certain registered health professionals the coverage. If they are called to a disaster outside their jurisdiction by the health commissioner, they are also covered by state workers' compensation and liability policies.

The law is effective April 18, 2008.

According to a Health Department fact sheet: "Recent disasters have highlighted inconsistencies in volunteer protections leading to uncertainty among volunteers and local coordinators."

As of 2007 there are more than 7,000 volunteers in the program, and "people want to volunteer during a disaster, but recognize they need clear liability and workers compensation protections because of the inherent dangers in deployment during disasters," the fact sheet states.

Under the new law, when the corps participates under the Interstate Emergency Management Assistance Compact, a political subdivision or its officers and employees are not liable for any act or omission made in good faith for the maintenance or use of any equipment or supplies used in connection with the assistance.

The law also allows for health professionals from other states who are registered in the Emergency System for Advance Registration of Volunteer Health Professionals to practice in Minnesota while an emergency declaration is in effect.

Participating boards of health in the corps can enter into written aid agreements for deployment of paid employees and receive funding for emergency preparedness or pandemic influenza planning from the state or federal government, under the law.

HF3654/SF3135*/CH202

- P. Ostberg

If you will be visiting the Capitol in the near future, call the Capitol Historic Site Program at 651-296-2881 to schedule a tour.

Physical therapy changes

Signed by the governor Licensed health care professionals and physical therapists will see definition and licensure changes, under a new law signed by Gov. Tim Pawlenty April 17.

Sponsored by Rep. Paul Thissen (DFL-Mpls) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law defines a licensed health care professional or licensed health care provider as "a person licensed in good standing in Minnesota to practice medicine, osteopathy, chiropractic, podiatry, dentistry, or advanced practice nursing."

The law is effective Aug 1, 2008.

Rep. Steve Gottwalt (R-St. Cloud) said the change allows "in a common sense way" physical therapy treatment to continue without having to go back to a primary care doctor and pay an additional co-pay.

Physical therapists will be licensed to treat a patient for an initial period of 90 days, an extension from the 30 days in current law. Physical therapists will also be able to continue to treat patients with a referral from certain advanced practice nurses made in collaboration with a physician, chiropractor, podiatrist or dentist. The 90-day limitation would not apply to prevention, wellness, education or exercise.

Physical therapists licensed less than one year will be prohibited from treating a patient without a referral, under the new law. They will also be required to practice one year with a physical therapist who has more than one year of experience, or under a physician's orders or referrals as verified by the board's records.

The Board of Physical Therapy is required to report to the Legislature by Jan. 15, 2010, any disciplinary actions taken against physical therapists whose conduct resulted in physical harm to a patient, but only if that conduct was a result of the changes made in this law.

The law repeals several provisions including definitions of "licensed health care professional" and "initiation of treatment." HF1189/SF1018*/CH199

1F1189/5F1018*/CH199

— P. Ostberg

Steele County transfer

Steele County would be able to lease, sell or transfer a county nursing home to a nonprofit corporation, under a bill approved by the House Health Care and Human Services Finance Division April 22.

HF4014, sponsored by Rep. Patti Fritz (DFL-Faribault), now goes to the House Finance Committee.

County Commissioner Tom Shea said the county is one of seven in the state that still owns and operates a nursing home. Given the current funding for nursing homes, they don't have a sustainable facility, he said. They are trying to develop a model for long-term care in the community and are proposing a community nonprofit to own and operate the home. The facility would be connected to a hospital and clinic services.

The bill would allow for a pilot program to license and certify up to 80 beds transferred from the 108-bed facility to a new site. The remaining 28 beds would be eliminated. The change would require local approval by the governing body of Steele County.

A companion bill, SF3715, sponsored by Sen. Dick Day (R-Owatonna), awaits action by the full Senate.

— P. Ostberg

Health conference committee

Differing health care inflation rates and how to spend General Fund dollars are keeping the Health Care Reform Conference Committee at odds.

Members reviewed HF3391, sponsored by Rep. Thomas Huntley (DFL-Duluth), and SF3099, sponsored by Sen. Linda Berglin (DFL-Mpls), April 24 and have yet to come to terms on provisions or how to fund the overall health care reform the bill proposes. Both bodies presented their policy provisions and funding mechanisms.

Each is based on differing inflation rates to account for increased state program enrollees and overall health care costs. The rates were provided by the Health and Human Services departments.

While the inflation rates differ, both proposals use health care home models to manage state program enrollees with chronic diseases.

Berglin noted the Senate had an agreement with Gov. Tim Pawlenty to not provide for additional qualifying enrollees in MinnesotaCare without first having costcontainment measures. Huntley responded that the House never had such an agreement. The House does include expansion by increasing MinnesotaCare enrollees who would qualify under federal poverty guidelines.

HF3391 would fund the changes through the Health Care Access Fund and shift costs to the General Fund in later years. Concerns have been raised about shifting costs that future Legislatures would then be tied to for allocating money. SF3099 would use Health Care Access Fund money to create a health improvement fund that would recapture saved funds for small-business health plans and health care homes.

Berglin said that if General Fund money is to be used to fund programs in future years,

the Senate has ideas on how it should be spent. "I don't think things like this are helping us get any closer together" on a compromise, she said.

Rep. Jim Abeler (R-Anoka) suggested that the departments work on the inflation numbers over the weekend, so the conference committee can iron out funding provisions next week.

- P. OSTBERG

INDUSTRY

'Good faith' now law

C	An idea that almost killed last
Signed	year's omnibus public safety
by	finance law is now law.
the	During a May 3, 2007, floor
governor	debate, House Minority Leader

Marty Seifert (R-Marshall) read a letter from Gov. Tim Pawlenty that said, "This bill will be vetoed swiftly because of the provision related to 'good faith' insurance." The provision was removed and the bill was signed.

A year later, the "good faith" provision is law.

Effective Aug. 1, 2008, the new law states that a policyholder can sue their insurance company for not settling a claim in "good faith," meaning they can prove that the insurance company did not have a reasonable basis for denying a claim. The insurance company must also have known that it had no reasonable claim, or acted with "reckless disregard" for the lack of reason.

Sponsored by Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Tarryl Clark (DFL-St. Cloud), it was signed by the governor April 18.

Removed by a conference committee was a requirement that said the law would be repealed if insurance rates increase more than 20 percent as a result of the law. It was presented as an amendment by Rep. Kurt Zellers (R-Maple Grove) on the House floor.

The conference committee also adjusted compensation limits. An award cap for the insured is now \$250,000, while reimbursement for attorneys' fees is capped at \$100,000. Before the conference committee met, the caps in the bill were \$100,000 and \$40,000, respectively.

HF3115/SF2822*/CH208

- C. GREEN

To find out who represents you at the Capitol . . . Call House Public Information Services at 651-296-2146 or 800-657-3550

LOCAL GOVERNMENT

Riverfront nonprofit established

The City of Minneapolis may be able to establish a nonprofit corporation for riverfront revitalization.

Rep. Diane Loeffler (DFL-Mpls), who sponsors HF3692/SF3303* with Sen. Linda Higgins (DFL-Mpls), said the bill would create a Minneapolis riverfront organization to coordinate planning, outreach and development opportunities along the Mississippi River.

The bill specifies that the initial board of directors must have between 10 and 24 members, including two representatives each from the City of Minneapolis and the Minneapolis Park and Recreation Board, with no more than half representing government entities.

The city would be authorized to provide office space, administrative support and funding to establish the corporation, and allow for gifts, donations, money, property and other assets to be transferred to the corporation. Additionally the bill allows political subdivisions to make gifts and grants to the corporation and declares that use of government resources is for a public purpose.

A report is required to the Legislature by Jan. 15, 2010.

Passed 99-33 by the House April 21, it was returned to the Senate, as amended, for concurrence. The amendment changed the date that compliance by the city and park board must be completed from Dec. 31, 2008, to July 1, 2008.

- B. HOGENSON

Legal description corrected

Signed by the governor

Mountain Recreational Area Authority in Duluth, it has been operating under faulty legal descriptions.

Since the creation of the Spirit

A new law, signed April 17 by Gov. Tim Pawlenty, resolves the legal confusion. It is effective April 18, 2008.

Sponsored by Rep. Mike Jaros (DFL-Duluth) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law amends the legal description of the boundaries of the land administered by the authority. It is incorrectly listed in the special legislation that created the authority.

Jaros said the law has no tax implications. HF3454/SF3084*/CH198

- B. HOGENSON

Conflict of interest clarifications



A new law is designed to attract and retain volunteers to serve on municipal economic development authorities.

It further defines actions to be considered a conflict of interest,

and it establishes procedures to address such conflicts for authority members. The law makes the rules similar to those for members of a housing and redevelopment authority, whereby a member can declare a potential conflict of interest, abstain from discussion and abstain from voting.

The law, signed April 17 by Gov. Tim Pawlenty and effective the next day, stems from a case in Grand Rapids where what a board thought was standard operating procedure could have resulted in a gross misdemeanor for several members.

Instead of abstaining, a member had to resign because he owned a window store in

town. The EDA was assembling a loan fund to expedite some economic development, and there was a chance he could ultimately sell windows to a company that obtained an EDA loan.

Supporters said current rules make it hard to fill EDA seats, even if there are many people in the local business community who have the right skill-set and would like to participate.

Rep. Loren Solberg (DFL-Grand Rapids) and Sen. Tom Saxhaug (DFL-Grand Rapids) sponsor the law.

HF3295/SF2806*/CH197

— М. Соок

Memorial Day observances

Signed by the governor The county expenditure limit for Memorial Day observances has been increased.

Sponsored by Rep. Laura Brod (R-New Prague) and Sen. Jim Vickerman (DFL-Tracy), a



PHOTO BY ANDREW VONBANK

"Mr. Otter," a.k.a. Patrick Moore, executive director of Clean Up the River Environment (CURE), shows his support for clean energy during an April 17 press conference regarding the Minnesota River. new law will increase the amount a county board is authorized to spend on a Memorial Day observance to \$3,500. It is the first increase since the amount was increased from \$1,500 to \$2,000 in 1984.

The law also increases from \$100 to \$300 the amount a county board may appropriate to each post of a recognized military service organization or society to help pay for Memorial Day exercises — the first increase since 1979.

Signed April 17 by Gov. Tim Pawlenty, the law amends existing statutes dating back to 1911 and 1921, respectively. Prior to those statutes taking effect, counties were not authorized to appropriate funds for Memorial Day exercises.

The new law takes effect July 1, 2008. HF2599*/SF2463/CH192

- B. HOGENSON

Annexation changes become law

Signed by the governor Legislation born out of the work of the Municipal Boundary Adjustment Advisory Task Force is now law.

Sponsored by Rep. Paul Marquart (DFL-Dilworth)

and Sen. Rick Olseen (DFL-Harris), the new law, in part, states that joint resolutions for orderly annexation, consolidations and mergers of towns and municipalities should be encouraged.

"Even though most of the recommended changes may be technical in nature, some of those changes do have substantive impacts on boundary adjustment processes, and, more important, they reflect an ongoing commitment by task force members to find common ground through a mutual exchange of ideas," according to the group's interim report.

The task force is expected to have its final work completed by Jan. 15, 2009. The group was originally established by law in 2006. That law was amended in 2007 to extend its life and the group met last interim.

The law, signed April 17 by Gov. Tim Pawlenty, is effective the next day.

HF3357*/SF3208/CH196

- B. HOGENSON

Appointed office in Rock County

Signed by the governor The office of auditor-treasurer in Rock County is one step away from becoming an appointed position.

Signed April 21 by Gov. Tim

Pawlenty, a new law allows Rock County to make the office an appointed position. Under current law, a county may make the office of auditor-treasurer appointive if approved by a referendum.

The law would become effective with an

80 percent vote of approval by the county board.

The decision will be subject to a reverse referendum, and the current officeholder will be allowed to serve the remainder of the current term.

Rep. Doug Magnus (R-Slayton) and Sen. Jim Vickerman (DFL-Tracy) sponsor the law.

HF3831/SF3474*/CH209

- B. HOGENSON

Law defines political subdivision

Signed by the governor

Political subdivisions are now more clearly defined to allow more consistency in the state auditor's oversight role. Gov. Tim Pawlenty signed a

new law April 17 that, according

to Rep. Debra Hilstrom (DFL-Brooklyn Center), removes archaic language in state law relating to the role of the state auditor.

Sponsored by Hilstrom and Sen. Claire Robling (R-Jordan), the law defines political subdivision to mean "a county, home rule charter or statutory city, town, school district, metropolitan or regional agency, public corporation, political subdivision or special district."

It also removes from the political subdivision definition metropolitan or regional agencies audited by the legislative auditor, including the Metropolitan Airports Commission, Metropolitan Sports Facilities Commission and Metropolitan Mosquito Control Commission.

The law takes effect Aug. 1, 2008. HF1309/SF1436*/CH200

- B. HOGENSON

Bids and drainage authority rules

Signed by the governor Rules for contracting bids and drainage authorities are amended, under a new law signed by Gov. Tim Pawlenty on April 17.

Sponsored by Rep. Paul Marquart (DFL-Dilworth) and Sen. Rick Olseen (DFL-Harris), the law increases the threshold amounts for the various methods of entering into contracts under the Uniform Municipal Contracting Law and makes related changes to the statute governing drainage authorities.

The threshold amount for sealed bids under the UMCL increases from \$50,000 to \$100,000, and the maximum amount for using quotations or open market solicitations increases from \$10,000 to \$25,000.

The law removes the specific dollar amount under which advertising for bids is required for drainage authorities; removes the dollar amount over which the drainage authorities may not levy an assessment for repairs or maintenance; and strikes the specific dollar amount threshold for bids and repair and reconstruction for drainage systems after a disaster. Each provision is tied to the updated UMCL regulations.

The law is effective Aug. 1, 2008. HF3646/SF3622*/CH207

- B. HOGENSON

No park board purchases

Veteral	A bill that would have allowed
Vetoed	park district boards to purchase
by the	land within a city's borders was
governor	vetoed April 17 by Gov. Tim
governor	Pawlenty.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Dan Larson (DFL-Bloomington), the bill would have allowed a park district board to buy land within a city's boundaries without a city council resolution in support of the purchase, if the purchase is in accordance with the city's adopted comprehensive plan.

In his veto message, Pawlenty noted his support of the existing law governing property purchases within a city.

"Existing law provides local governments an opportunity to review and vote on a park district board's acquisition of real property within a city," Pawlenty wrote. "This requirement maximizes local input over land issues that directly impact land within the city."

HF3114*/SF2820/CH193

- B. HOGENSON

MILITARY

Military reservist loans, benefits

A plan to help businesses financially impacted by someone called to active service, and another to help veterans struggling to find work received House approval.

Sponsored by Rep. Tom Rukavina (DFL-Virginia), HF3722 would establish a revolving loan account in the Department of Employment and Economic Development, and would permit the commissioner to make one-time, interest-free loans of up to \$20,000 to eligible businesses that "have sustained or are likely to sustain substantial economic injury" by the call to active service of at least 180 days by an essential employee.

It also adds to the definition of a dislocated worker a veteran who has been "discharged or released from active duty under honorable conditions within the last 36 months and is unemployed or is employed in a job which pays less than what the veteran could verifiably earn."

Each program would be funded with \$500,000 in Fiscal Year 2009 from the General Fund. Rukavina said both provisions have been proposed by the governor.

Approved 130-0 by the House April 23, it now awaits action in the Senate, where Sen. David Tomassoni (DFL-Chisholm) is the sponsor.

"The dollars are in different parts of the budget bill (HF1812), but I'm just worried that, perhaps, if something happens, I wanted to be able to guarantee that these programs would be able to start," Rukavina said.

— **М.** Соок

SAFETY

Restrictions on dangerous dogs

When a dangerous dog bites someone, too often the victim is a child or someone unable to defend themselves.

Rep. Michael Paymar (DFL-St. Paul) said the real issue is dangerous owners of dogs, more often than the dogs themselves.

HF2906/SF2876*, sponsored by Paymar and Sen. Ellen Anderson (DFL-St. Paul), would strengthen restrictions on dangerous dog owners. Approved as amended by the House April 21 130-0, the Senate did not concur and has requested a conference committee to work out the differences.

Paymar said the bill would give animal control authorities the tools to protect the public from dog attacks. Animal control professionals agree that most dangerous dogs are "created by irresponsible ownership," he said.

The bill would increase the surety bond required by an owner of a dangerous dog from \$50,000 to \$300,000, and prohibit dog ownership for anyone who has repeatedly been convicted of crimes involving dangerous dogs.

Owners would also have to notify animal control if the dog is moved to a new location, and all dangerous dogs would have to be sterilized.

Rep. John Lesch (DFL-St. Paul) proposed an amendment that would repeal a statute prohibiting municipalities from enacting ordinances to ban specific dog breeds. Lesch, who offered a similar provision in committee earlier this year, said that there is evidence that specific breeds cause more physical and emotional harm than other dogs, and that municipalities should have the ability to decide if and when these dogs are allowed in their communities.

Understanding the current opposition to the proposal, and the need for further discussion, Lesch withdrew his amendment.

But, he said, the idea will not go away. "As long as kids continue to be mauled and killed, it will come back."

- C. GREEN

Protection order changes

An Order for Protection or restraining order could be issued for up to 50 years, under a bill awaiting action by a conference committee.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Tarryl Clark (DFL-St. Cloud), HF1625/SF3492* would extend the duration of Orders for Protection and restraining orders after multiple violations or continued threats.

Prior to the 133-0 vote April 17, a technical amendment was successfully offered by Hosch to correct a cross-reference. The Senate refused to concur April 21, and a conference committee has been requested. The Senate passed the original bill 64-1 April 3.

To get the maximum issuance, the respondent would need to have had at least two previous OFPs or restraining orders, or if the previous orders were violated by the respondent. The original Hosch bill had a permanent protection order, but after a court decision the 50-year cap was implemented.

Hosch said the bill comes from a constituent who continues to deal with an abusive relationship that started 11 years earlier. "She was in the process of trying to issue her fourth harassment order against this individual," he said. "This individual continually stalked her, harassed her, abused her, and she was trying to issue this harassment order, but could not find him to serve him with this harassment order." Because he did not have a permanent address she essentially became a stalker in trying to serve the order.

"Because this individual violated previous harassment orders and Orders for Protection on 53 different occasions, it made sense to me that we have to have a process that allows for a harassment order or Order for Protection to be issued more a longer period of time if the judge deemed fit," Hosch said.

The bill would also:

- · include e-mail and electronic messaging in no-contact provisions;
- allow a respondent to petition for a modification of an order after five years or original issuance; and
- require that a relief petitioner must state if there was a previous order filed against the respondent.

"This gets to the crux of the issue to make sure that we know if a particular individual has had previous orders against them," Hosch said.

— М. Соок

Duluth district agreements

TAXES

An issue flaring up in Duluth traveled south for an appearance at the House Taxes Committee April 17.

Testifiers came to talk about the Duluth School Board's Red Plan to build new schools and sell old ones. It's financed by a lease purchase authority, which does not require voter approval.

HF4127, sponsored by Rep. Mike Jaros (DFL-Duluth), would halt the plan by requiring that voters approve any plans for lease purchase financing for future building projects. The bill was laid over for possible inclusion in the committee's omnibus bill.

The controversy around the Red Plan stems partly from the large scope of the project. Property taxpayers were asked to shoulder nearly \$95 million in bonds without voter approval this year. But others question whether the district should use a lease purchasing authority, which is directed to finance projects "relating to a comprehensive plan for elimination of segregation," according to the Department of Revenue.

Nancy Nilsen, chairwoman of the Duluth School Board, said the plan was developed with community input. She said by the time the board approved it, a majority of the public supported the Red Plan.

School officials say new schools are badly needed because a declining student population and nearly century-old buildings have compounded into a drab learning environment.

"We have science labs that are frankly an embarrassment to our community. If I took you into them, I'd have to tell you they were science labs because you couldn't tell by walking into the room," Superintendent Keith Dixon said.

Jaros said the district is the third-poorest in the state, and cannot afford the project, which could top \$400 million. He said it was hard for him to introduce the bill, but he thought it was necessary.

"I was hoping we could work it out locally," he said. "The school district is closing some good schools, putting in new schools and some old ones that I think can be fixed."

Sen. Tom Bakk (DFL-Cook) sponsors the companion, SF3832, which awaits action by the Senate Taxes Committee.

- C. BLANCHARD

If you have Internet access, visit the Legislature's Web page at: www.leg.mn

MAC property tax authority

The Metropolitan Airports Commission could lose the ability to levy some property taxes.

Currently MAC can levy property taxes on the seven metropolitan area counties for debt, operations and maintenance, police and fire services, and parking and roadway maintenance. However, it hasn't used the authority since the 1980s, according to the Department of Revenue.

HF2467, sponsored by Rep. Paul Thissen (DFL-Mpls), would strip the MAC of some levy authority. The MAC could continue issuing revenue bonds and levy for taxes to pay for general obligation bonds issued before May 1, 2007.

Thissen said the Legislature should make some financing decisions that are currently made by the MAC. Even though the MAC hasn't levied property taxes in a long time, he said there is a possibility that they could in the future, especially given recent developments.

"The kind of final default are the taxpayers of Bloomington, Minneapolis and Hennepin County, and all the counties in the metro area," he said.

Steve Busch, director of finance for MAC, said the levy is actually repaid to the counties, and was created to be a "safety deposit box." It's a good idea for MAC to have that authority, he said "in the event of something that we needed to do to issue those bonds, whatever it be, a merger or a catastrophe."

The bill was laid over April 17 for possible inclusion in the House Taxes Committee's omnibus bill.

Sen. Dan Larson (DFL-Bloomington) sponsors the Senate companion, SF2277, which awaits action by the Senate Property Tax Division.

- C. BLANCHARD

TECHNOLOGY

New broadband expansion task force

Signed by the governor Widespread broadband technology in Minnesota is closer to fruition with a new law signed by Gov. Tim Pawlenty April 18.

Sponsored by Rep. Sandra Masin (DFL-Eagan) and Sen. Yvonne Prettner Solon (DFL-Duluth), the law establishes an Ultra High-Speed Broadband Task Force to develop a strategy for broadband development statewide.

Masin described the law as something that would bring Minnesota into the 21st century.

It calls for the governor to appoint 21 members to the task force, including representatives from wireless service providers, telephone companies, educational institutions, libraries, various state agencies and Internet users from both rural and urban areas. The task force expires March 1, 2010.

A report and recommendations would be due to the Legislature by Nov. 1, 2009, that:

- identifies a level of broadband service, including connection speeds, reasonably needed by 2015;
- describes a set of policies and actions needed to achieve that goal, and estimated costs of doing so;
- identifies areas in the state that lack infrastructure necessary to support broadband service; and
- evaluates strategies and financing mechanisms used elsewhere to support broadband development.

The law is effective April 18, 2008. HF2107/SF1918*/CH212

— **L. S**снитz

TOURISM

Convention, event center study

Minnesota's two largest cities compete with each other for convention business, but each also knows the benefit visitors can have on the city, region and state.

Minneapolis and St. Paul may need to further work together to study convention and event facilities and their impact on the community.

Approved April 18 on a divided voice vote by the House Finance Committee, HF4189 awaits action by the House Taxes Committee.

"These facilities are key business and tourism venues that generate opportunities for businesses that act as vendors in these facilities and are key tourism attractions keeping Minnesota on the national, and even international, radar," said Rep. Jim Davnie (DFL-Mpls), the bill's sponsor. "Unfortunately insufficient state support and the lack of adequate planning and development in the establishment of these facilities has created a situation where they are increasingly a burden on the local communities, both their general fund and taxpayers.

"We also need to anticipate the future needs of these event centers and convention centers and the needs to maintain them as key resources for Minnesota's economy and place in the nation."

The bill would require the cities to provide a report to the 2009 Legislature that at least addresses:

· sources and revenues for the past decade;

- completed capital improvements, and those proposed in the next five years;
- projected revenues for the next five years;
- current and projected impact on each city's general fund; and
- the regional economic impact of the facilities.

The study is also to address recommendations regarding state or regional funding.

Minneapolis Finance Officer Pat Born said the cities have had discussions in recent years about working together to deal with "the financial responsibilities and stresses that we both have."

Ann Mulholland, St. Paul deputy mayor, said the Saint Paul RiverCentre operating revenue now goes toward paying down bonds issued for construction. "Our competitors around the country are able to put operating dollars into maintenance, marketing and into growing their districts."

A companion, SF3842, sponsored by Sen. Mee Moua (DFL-St. Paul), awaits action by the Senate Finance Committee.

— М. Соок

TRANSPORTATION

Transportation policy II gets approval

"The Sequel" has received a green light. With the 2007 transportation policy bill awaiting gubernatorial action, the 2008 version received House approval April 24.

Sponsored by Rep. Frank Hornstein (DFL-Mpls), HF3800 includes changes related to



PHOTO BY TOM OLMSCHEID

Rep. Frank Hornstein presents an overview of the omnibus transportation policy bill April 24. The bill passed 82-44.

pupil transportation, vehicle registration, towed vehicle contents, graduated driver licensing, traffic regulations, use of wireless devices while driving, railroad walkway safety and regulations for movers of household goods. It contains close to 30 member provisions.

"There is a deep concern to safety issues in this bill," he said.

Following the 82-44 vote, the bill is Senate bound, where Sen. Steve Murphy (DFL-Red Wing) is the sponsor. A conference committee is expected to work out differences between the bills.

One part of the bill takes aim at distracted drivers by restricting a person behind the wheel from using a wireless communications device to compose, read or send electronic messages while the vehicle is moving or part of the flow of traffic. Exceptions are provided if it is in a voice-activated or other hands-free mode; for obtaining emergency assistance; if the person believes their life or safety is in immediate danger; and in an authorized emergency vehicle while performing official duties. Hornstein sponsored this provision in HF3726.

Based off HF2628, sponsored by Rep. Kim Norton (DFL-Rochester), the bill places types of passenger and driving time restrictions on provisional license holders. Minnesota is one of four states without any such restrictions.

"This helps support parents who give their car keys and hope and pray their kids come home safe at the end of the night," she said. "This lets them get experience before heading out with a large number of kids."

The bill would require that during the first six months of a provisional license, the young person would be permitted to have one person under age 20 in the car with them, not counting immediate family. That would increase to three in the ensuing six months. Immediate family is defined as "permanent members of the same household who are related by blood, adoption, or marriage."

During the first six months of provisional licensure, the bill would also prohibit a person under age 18 from driving between midnight and 5 a.m. except when the driver is going between the person's home and job or school event where no transportation is provided, the driver is driving due to a job or the driver is accompanied by a licensed driver or state identification card holder who is at least 20.

Rep. Torrey Westrom (R-Elbow Lake) unsuccessfully tried to eliminate the restrictions, saying government shouldn't tell parents they don't know well enough to say when their child can drive. "It should be left up to the parent and the situation at hand, not a blanket provision or one-size-fits-all." One of the more controversial measures considered on the House floor would allow those whose vehicle is impounded to retrieve some essential contents under certain circumstances without paying for vehicle retrieval.

The bill states that units of government or impound operators shall establish reasonable procedures for content retrieval. This comes from the original HF3800, sponsored by Hornstein. "It's a matter of simple compassion, and our belief of a broader good in the community," he said.

The content is limited to medicine and medical-related items and equipment; eyeglasses; clothing; educational materials; legal documents, including driver's license, identification and passports; insurance documents; and documents indicating eligibility for public benefit programs. It does not include things like stereo systems, athletic equipment or video games left in the vehicle.

Opponents, including Rep. Randy Demmer (R-Hayfield) and Rep. Tom Hackbarth (R-Cedar), are concerned that this would allow people to easily dump vehicles they no longer want without paying any sort of fee. "You're asking the towing company to be this mini-welfare program to tow the car for nothing, keep the car, have to go through a whole bunch of paperwork, strip the car down through a lot of work to get the car to the junkyard," Hackbarth said. "You're asking them to bite the bullet."

Towers are getting a high price for scrap metal from junked cars right now, countered Rep. Melissa Hortman (DFL-Brooklyn Park).

— М. Соок

New Prague registrar office to move



continue going to the same deputy registrar, albeit in a new location. A new law will permit the

New Prague residents can

State Bank of New Prague to continue hosting the service. The problem was that by relocating four blocks away, the bank crossed from Scott County into Le Sueur County. State law does not allow a deputy registrar office to move across a county line without a variance. The move must take place by Dec. 31, 2008.

Rep. Laura Brod (R-New Prague) and Sen. Kevin Dahle (DFL-Northfield) sponsor the law, which is effective April 18, 2008. Gov. Tim Pawlenty signed the law one day earlier.

HF3128/SF2755*/CH206

UPA policy authorization sought

The funding is set and the plans are drawn. Policy legislation is now needed — and soon.

Sponsored by Rep. Frank Hornstein (DFL-Mpls), HF3725 would provide authority and make conforming changes related to the Urban Partnership Agreement, a federal program providing money to help reduce traffic congestion in parts of the Twin Cities metropolitan area.

Approved April 18 by the House Finance Committee, the bill awaits action by the House Ways and Means Committee. A companion, SF3058, sponsored by Sen. Ann Rest (DFL-New Hope), awaits action by the full Senate.

Hornstein said the bill must be signed into law by May 12, or the state risks losing some of the \$133.3 million in federal money for the project, which is expected to help with congestion along Interstate 35W and Cedar Avenue between downtown Minneapolis and the southern suburbs. A quintet of regions was selected to receive federal funding as part of the program. Hornstein said New York failed to meet its deadline and lost "several hundred million dollars."

Bernie Arseneau, director of the Transportation Department's Office of Traffic, Safety and Operations, said the \$49 million state match has been identified. "It's in place through a couple of different means already through this session."

According to MnDOT, the plan includes:

- the use of priced dynamic shoulder lanes, similar to the Interstate 394 MnPASS, on I-35W from 46th Street to downtown Minneapolis;
- the addition of a high-occupancy toll lane from 66th Street to 46th Street;
- conversion of the high-occupancy vehicle lane to a high-occupancy toll lane on I-35W from 66th Street to Burnsville Parkway;
- Cedar Avenue Bus Rapid Transit between downtown Minneapolis and Lakeville built ahead of the current schedule; and
- additional park-and-ride lots and bus service along the I-35W corridor.

Arseneau said the shoulder lanes would provide maximum roadway usage during congestion periods. He said lane control signals would direct traffic. "This will be really the first corridor nationally and, frankly, internationally that includes the congestion pricing and these lane control signals."

— М. Соок

Refurbishing the system

Property tax plan proffered to base payment on income

By COURTNEY BLANCHARD

n an effort to outmaneuver rising property taxes, DFL lawmakers introduced a plan to overhaul the property tax refund system. The proposal would eliminate three property tax refund programs and pool the funds to form a new Homestead Credit State Refund based on ability to pay.

House Property Tax Relief and Local Sales Tax Division Chairman Rep. Paul Marquart (DFL-Dilworth) sponsors the proposal, HF1222. The division referred the bill to the House Taxes Committee, April 23, where it is expected to be incorporated into the upcoming omnibus tax bill. There is no direct Senate companion.

The bill doesn't bring new money into the refund system. Instead the proposal would phase out the homestead market value credit and repeal the property tax refund for homeowners and the property tax deduction for state income taxes.

The proposal would:

- direct a \$30 million increase in local government aid to cities, \$20 million to counties and \$3 million to townships, with the funds coming from a tax on foreign operating corporations passed this year;
- create a new homestead credit refund for homeowners that make up to \$200,000 per year and pay more than 2 percent of their income in property taxes;
- provide a tax credit for those who purchase a vacant home and fix it up;
- grant up to \$250,000 in aid to communities with a high number of foreclosures;



Leesa Paalman, a University of Minnesota intern for Rep. Paul Marquart, updates a sign outside Marquart's office April 23 showing the increase in the state's property taxes since 2002. Marquart chairs the House Property Tax Relief and Local Sales Tax Division.

- allow assessors to consider the effect of nearby vacant houses on the value of a house;
- change how local government aid is distributed to communities, based on suggestions from a "unity plan" developed by local government officials across the state;
- change the Green Acres Program, which allows farm land near developing areas to get a property tax break;
- increase the eligibility for a property tax deferral program for senior citizens;
- create a deferral program for seasonal recreational property;
- allow new ways for homeowners to challenge assessments and involve the Department of Revenue;
- create a way to phase-in higher property taxes when a home is rebuilt due to a disaster;
- create tax credits on agricultural land and cattle herds in bovine tuberculosis management zones;
- increase the class rates on machinery owned by public utilities;
- prohibit local option sales taxes for three years, except for Clearwater, North Mankato and Winona, cities where voters have already approved a potential tax increase and are waiting on legislative approval for implementation; and
- commission a study on how nonprofit organizations are classified as a charity and issue a moratorium on assessors to act upon a recent court ruling, (Under the Rainbow Child Care Center v. Goodhue County.)

Supporters say the new homestead credit would provide refunds to homeowners with the highest property tax burden relative to their income, giving relief to those who are hurting the most.

"We have to make choices. We have to set priorities," Marquart said. "We're redirecting, restructuring those dollars to do the most good."

The governor didn't support a similar plan last year, partly because it called for bringing in new money. Marquart deemed this year's proposal "governor-friendly," because it provides direct relief to property taxpayers without increasing taxes or using new revenue.

Some Republicans were skeptical of the proposal. Rep. Morrie Lanning (R-Moorhead)

Property taxes continued on page 23

Bill over troubled water

House and Senate stalled on building a bridge to survivor compensation

BY BRIAN HOGENSON

ne of the first issues addressed by the Legislature when session began was how to compensate those who were victimized by the collapse of the Interstate 35W bridge. Legislation sponsored by Rep. Ryan Winkler (DFL-Golden Valley) and Sen. Ron Latz (DFL-St. Louis Park), and supported by Gov. Tim Pawlenty, was passed by the House and Senate early in the session. It looked like compensation for the victims was running on a smooth track toward the finish line.

The legislation, however, has hit a series of potholes in conference committee, culminating with the House conferees leaving the April 14 meeting over what they viewed as a Senate proposal that offered no compromise on the major differences between the House and Senate bills.

"The speed with which the House and Senate generated their bills created anticipation that there would be meaningful legislative response to this disaster," said Jim Schwebel, one of the attorneys representing victims pro-bono. "It's surprising to me that it's gotten sidetracked."

Another attorney providing pro-bono representation for victims said the impasse is taking a toll on people who have already suffered substantially since the bridge over the Mississippi River collapsed on Aug. 1, 2007, killing 13 and injuring 85 others.

"They are more frustrated now than I think they have ever been," Chris Messerly said. "I get calls daily from victims expressing their frustration."

In addition to the inability to come to agreement on legislation, House and Senate conferees are unable to reach agreement on why the committee is stalled.

Latz said the ball is in the court of Winkler and the House. "If the House chooses not to come back, the House is responsible for nothing being done," he said. "We have a very serious offer on the table that we believe meets the needs of survivors."

Winkler is confident the committee will get something done. He said being able to reach agreement on the total compensation fund appropriation could be a possible step in getting negotiations moving again. The Senate bill would appropriate \$25 million, while the House appropriation would be \$40 million. The governor has set aside \$40 million.

"There's disagreement as to what the best approach is," Winkler said. "We'll see who's willing to negotiate."

According to Winkler, the three biggest issues to be worked out are:

- whether to create a permanent statutory framework for catastrophe response that will leave a template in place for future legislatures;
- the total amount to be appropriated to the survivor compensation fund; and
- whether to remove the individual state liability cap for victims.

The Senate has remained firm both in its opposition to creating a permanent statutory framework and its unwillingness to waive the liability cap. Compounding the disagreements are the different lenses the House and Senate are using to view the situation. According to Winkler, the House bill is part of an overall emergency framework, while the Senate is viewing it as a tort claim against the state, similar to what may arise from a car accident involving a state vehicle.

The Senate offer waives the \$1 million aggregate cap that sets a ceiling for what the state will pay out for a single incident, retroactively increases the individual cap to the current figure of \$400,000 and refuses to make payments to victims unless subrogation rights are waived by employers.

"We make sure that the money they get cannot be used to reduce payments from other benefit sources," Latz said.

The offer also waives three state requirements in order to give victims easier access to health benefits through the Minnesota Comprehensive Health Association.

Latz said that helping victims with longterm medical expenses is the most important goal that survivors and lawyers have expressed to him.

Messerly said the victims he is representing support the House side "because of the fact that the victims are unified in not wanting to hurt the most seriously harmed."

The Senate has done very little to compromise, according to Messerly, "most notably their stance on a hard and inflexible cap of \$400,000, which they are aware would hurt the most seriously harmed."

Schwebel said that it is not unusual for things to stall in conference committee, and he does not view the differences as insurmountable.

"It is unusual for the tactic of some to just walk out and stop negotiating," Schwebel said. "It would be a terrible reflection on the Legislature if they let this session wind to an end with no action being taken."

Regulating patient safety

Hospitals sometimes choose between more nurses or rationing care

By PATTY OSTBERG

here's a famous "I Love Lucy" episode where Lucille Ball is working in a candy factory. Her job is to grab and wrap each candy piece as it goes by on a conveyer belt, but Lucy just can't keep up. The candies go by faster and faster, and she eats some, wraps some and drops some. This is what it's like on the job daily for hospital nurses, Linda Slattengren, president of the Minnesota Nurses Association, told the House Health and Human Services Committee April 22.

The conveyer belt has sped up to where nurses are just maintaining a level of productivity restricting their ability to have adequate staffing, she said. "I personally have not seen such deterioration of care as exists in our hospitals today," said Slattengren, who has more than three decades of nursing experience.

Rep. Erin Murphy (DFL-St. Paul) sponsors HF3042 that would require a specific number of nurses directly related to the number of patients in a hospital unit. "This bill will yield excellent care for patients in our hospitals in Minnesota," she said.

The committee hearing was informational, but Murphy plans to work on the issue for next session.

A companion bill, SF2742, sponsored by Sen. Sharon Erickson Ropes (DFL-Winona), was tabled March 5 by the Senate Health, Housing and Family Security Committee.

Nurse to patient ratios

The bill would define assignment limits as "the maximum number of patients for whom one direct care registered nurse can be responsible during a shift." The number of nurses per unit would be reflective of patient acuity, the severity of patients' illnesses or medical conditions. Carol Diemert, nursing practice specialist with the Minnesota Nurses Association, said if a nurse's patient load is four, adding one patient would increase the risk of death by 7 percent, and adding another would increase it by 14 percent.

Cairne Eytcheson, a registered nurse for the Fairmont Medical Center, said 2006 Minnesota Nurses Association records show

that shifts in contract hospitals were not fully staffed 47 percent of the time. The problem arises when a unit is staffed at the beginning of a shift, but fails to add more nurses as more people are admitted, she said.

"It's a roulette if you're

a patient in a hospital setting as to whether or not your acuity needs will be addressed on any particular shift on any given day," Slattengren said.

Allowing staffing levels to be decided by individual hospitals is a recipe for disaster, Slattengren said. Currently, when more nurses are needed, it often takes several phone calls to get through the bureaucracy and diversions that are used to discourage staffing additions, she said. The Mayo Clinic uses a system that examines every shift and the needs to determine staffing, and it allows for nurses to call in assistance. "We staff exactly to what the patients' need and we do not want to enter into any type of discussion of an actual ratio number," said Diane Twedell, director of education and development at the clinic's Department of Nursing.

The Mayo Clinic and Mayo Health System oppose mandated nurse to patient ratios, Twedell said. Ratios have been enacted in California and there is no evidence of a relation between staffing ratios and improved patient outcomes, Twedell said. "Public policy must be guided by sound research evidence."

It impacts all

"I should not have to sleep in my

wife's room to ensure her safety.

Isn't this the covenant as the

hospital's primary responsibility?"

- Scott Parker, Minneapolis

Scott Parker of Minneapolis testified that while his wife was undergoing rehabilitation at Bethesda Hospital in St. Paul, she fell getting out of bed after no nurses showed up to help. He stayed in her room to ensure her safety, and time and again was left waiting when he would call for a night nurse. "I should not have to

sleep in my wife's room to ensure her safety. Isn't this the covenant as the hospital's primary responsibility?"

Rep. Maria Ruud (DFL-Minnetonka) said as a former nurse, she could empathize with the concerns expressed.

Because of demands, she said there were nights where she walked away thinking, "I hope I didn't kill anybody tonight." She, too, stayed every night at a hospital when her son had emergency surgery because of staffing issues. "It got to the point where the nursing staff would ask my husband, 'Is your wife on tonight?""

"This is the start of a longer conversation," said Rep. Paul Thissen (DFL-Mpls), noting patient quality and safety have to be at the heart of the issue.

20 Session Weekly

A good day for cows and biofuels

Food versus fuel debate highlights ag and veterans affairs omnibus bill debate

BY LEE ANN SCHUTZ

provision viewed by supporters as another step along the state's road to increased biofuel production turned into a discussion about any connection between biofuels and the increasing cost of food.

HF3902/SF3683*, the omnibus agriculture and veterans affairs policy bill, sponsored by Rep. Al Juhnke (DFL-Willmar) and Sen. Jim Vickerman (DFL-Tracy), lays the groundwork for increasing the biodiesel mandate incrementally from the current 2 percent blend to 20 percent by 2015.

After passage by the Senate 60-0 April 21, the House language was attached to the Senate file through a delete-all amendment. Passed by the House 121-7 April 24, the bill now goes back to the Senate for concurrence.

An unlikely mix of provisions relating to pesticide use, biofuel mandates, industrialized hemp, livestock producer grants and veterans issues are contained in the bill. Funding for many of the programs is included in HF1812, the omnibus supplemental budget bill now in conference committee.

A food versus biofuel discussion ensued on the House floor, with a series of unsuccessful amendments offered by Rep. Ken Tschumper (DFL-La Crescent), who called the use of food products for biofuels a serious "big picture issue."

"We have to strike a new balance between addressing global warming and the food issue. It would be a mistake to implement the new mandate," he said.

Under the bill, the state's current 2 percent biofuel diesel blend mandate would increase to 5 percent beginning May 1, 2009, and 5 percent each of the next two years to cap at 20 percent by May 1, 2015. Once the new blend requirement is reached, it would be effective May through September only, with the minimum content for the remainder of the year set at 15 percent.

"We have soybean prices that are two, two

and a half times higher than a few years ago. ... this is going to create artificial demand and pull other lands (wetlands and rain forests) into production (for biofuels)," Tschumper said.

Rep. Tina Liebling (DFL-Rochester) called the discussion "extremely important."

"We're not saying that we should ban biofuels," she said. "Maybe we are not ready to mandate it, or increase the mandate. If the jury is still out on whether this is a good thing, maybe we should hold off on a mandate."

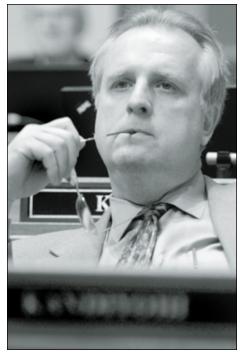


PHOTO BY TOM OLMSCHEID

Rep. Al Juhnke watches a voting board in the House Chamber, as members vote on an amendment to the omnibus agriculture and veterans affairs bill April 24. The bill passed 121-7.

Looking for peace in the valley

A highly contentious debate in committee over whether an animal should need a referral from a veterinarian to receive chiropractic care spilled over on to the House floor.

The bill would give definition to the practice of animal chiropractic as well as course training and licensing requirements. The original language did not call for a referral, but only notification to the animal's veterinarian about any treatment. The Senate position, however, called for a referral.

To bring "peace in the valley," Rep. Lyle Koenen (DFL-Clara City) offered an amendment to the bill calling for a referral, and requiring that chiropractors provide a separate room in their facilities for treatment of animals.

Rep. Tim Faust (DFL-Mora) asked that the amendment be split as he opposed the referral requirement. "It still has a higher standard for animals than humans. I can go to a chiropractor without a doctor's approval. They should be at the same standard as humans or less," Faust said. After his motion to split the amendment was accepted, each part of the amendment was approved.

Rep. Torrey Westrom (R-Elbow Lake) suggested that if the bill goes to conference committee, a four- or five-year sunset date should be considered, so that the provisions' implications can be reviewed.

Other provisions

The bill also calls for grants to eligible livestock producers wanting to invest in their operations. It piggybacks on provisions proposed for inclusion in the omnibus supplemental budget bill that would provide grants to producers up to \$50,000 for improvements to their operations.

Rep. Dean Urdahl (R-Grove City), who has tried for six years to get a dairy investment program enacted, called it "a good day for cows and livestock in Minnesota." Referring

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Back to Bemidji

Moe takes a break from politics to focus on life at home

BY NICK BUSSE

There are things Rep. Frank Moe (DFL-Bemidji) will miss about being a lawmaker, and things that he won't. One thing he'll miss is serving with people who are so dedicated to public service that they're willing to spend every day of every week for five months a year away from their loved ones.

One thing he won't miss is spending so much time away from his own loved one.

"Many people know this is a very difficult job for us and our families," Moe said. "During the session, only to be home for a day or two on the weekends is very difficult, and very hard on our spouses."

Moe and his wife, Sherri, run a pair of businesses — a flower shop in Walker called Grey's Floral and a sled-dog operation called Moetown Kennels, where Moe gives rides and occasionally collects prize money from races. Managing a retail business and 22 dogs is work enough for two people; when the Legislature is in session, all that responsibility falls on Moe's wife. Moe said he wants to spend more time at home, doing his share of the work — and at the District 4A DFL convention last weekend, he announced his intention not to run for re-election.

"I had the good fortune of serving the district and the state for four years," Moe said. "It was a lot to ask of my wife, and now it's time for me to go home and pull my own weight there."

Moe leaves in his wake some noteworthy achievements. He brought home tens of millions of bonding dollars for projects in his district — most recently, \$20 million for a Bemidji Regional Event Center.

He has also been a driving force in environmental legislation. He's particularly proud of a law he sponsored that will protect native wild rice species from genetically modified rice strains. In order to get it passed, Moe said he had to work with a variety of interests ranging from Native American groups to sportsmen. It was a challenge, but the end result was groundbreaking, nationleading legislation.

"Environment and conservation policy has been the area in which I've really felt like I've been a good voice not just for my district but for Minnesota," he said.

Although he's worked on some big policy issues, Moe said the most rewarding part of the job is helping constituents by solving smaller, more concrete problems — like helping adjust the local government aid formula so that Cass Lake didn't have to lay off a couple of police officers.

"I think if you do this job right, 90 percent of what you actually do is constituent services," Moe said.

Although he's not running for re-election, Moe said he plans to stay active in the community and the DFL, and may run for office again someday — maybe.

"Who knows? I'm not closing the door on anything," he said.

After session, he plans to focus on school. He recently received a fellowship from the Bush Foundation, which he will use to complete his doctorate in education from the University of Minnesota.

"I don't know at the end of next year when I'm done with the degree what it will mean," Moe said.

One thing Moe is certain of is his newfound respect for members on both sides of the aisle — and for the sacrifices they make to serve in the House.

"My favorite aspect of being a legislator is working with a truly remarkable crowd of people. Oftentimes we disagree, and maybe vehemently, but I look around this chamber and I see 134 people who are also not with their families today — or maybe this week if they're Greater Minnesota reps — and so they all have that same commitment to service that I have. Sometimes I think some members are way off base, but then I remember that ... they're willing to be away from their home and their family and their business to be here," Moe said.

STEPPING DOWN

Advice to successor: "Listen to the

people you represent and do what

Rep. Frank Moe

District 4A — Bemidji Terms: 2 (elected 2004)

they ask you to do."

DFL



PHOTO BY TOM OLMSCHEID

Beach balls were flying in the House Commerce and Labor Committee Feb. 26 when Rep. Frank Moe, center, members of the Congress of Minnesota Resorts, along with staff and committee members pose for pictures. Earlier the resort owners testified seeking legislation that would stem the decline of resorts in Minnesota.

Monday, April 21

HF4204-Lenczewski (DFL)

Taxes

Housing and redevelopment authorities maximum levy increased.

HF4205-Sailer (DFL)

Finance

Pollution Control Agency charges prohibited for services regarding voluntary response actions on contaminated land.

HF4206-Dean (R)

Biosciences & Emerging Technology State stem cell research policy established.

HF4207-Atkins (DFL)

Commerce & Labor

Agreements between the state and airline companies required full enforcement.

Wednesday, April 23

HF4208-Zellers (R)

Taxes

International economic development zone provisions modified and corporate franchise tax repealed.

HF4209-Davnie (DFL)

Taxes School district judgments tax levy expanded.

HF4210-Davnie (DFL)

Taxes

Minneapolis; homeless TIF district area increased.

HF4211-Kahn (DFL) Housing Policy & Finance &

Public Health Finance Division Heating facilities in rental property required and penalties provided.

Thursday, April 24

HF4212-Gottwalt (R)

E-12 Education

Charter school students allowed to participate in extracurricular activities in their resident school district.

Property taxes continued from page 18

said he agrees with the concept that property taxes should be based more upon the ability to pay, but that such an overhaul could be confusing to taxpayers. He successfully introduced an amendment to extend the

phase-out of the market value credit.

Rep. Ron Erhardt (R-Edina) pointed out that high-income homeowners would lose their state property tax refunds.

"You're hitting up the high-income, the high-valued homeowners, to satisfy and equalize here. Before, at least you were transparent. You came at it and said you were going to raise the fourth bracket and buy down everybody at their expense. I think you're doing the same thing now, but you're not being as open about it."

Agriculture continued from page 21

to the state's declining dairy industry, he thanked Juhnke for his efforts to avoid "disaster in the pasture."

The bill also calls for several study groups to explore more efficient delivery of veterans services, including:

• a veterans health care advisory group to

provide the Department of Veterans Affairs with advice and recommendations on providing veterans with quality longterm care;

- a study group to conduct strategic planning for existing and future state veterans homes, including the Minneapolis veterans home;
- a county veterans service group to review the 2008 report from the Office of Legislative Auditor on the county veterans services offices; and a
- study of issues related to veterans employment within state government.

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MINNESOTA INDEX

Minnesota nonprofits

Nonprofit organizations in state in 2006	
In 1996	
Percent of 2006 total that are charitable organizations	
Percent that are private foundations	
Percent that are other non-501(c)(3) exempt organizations	
Nonprofit employers in Minnesota in 2006	
Employment locations operated by these employers	
Percent increase in number of locations from 2005	
Employers and locations in 2002 In 1997	
Percent of nonprofit employment locations in seven-county Twin Cities	
metropolitan area in 2006	52
Percent in southeast Minnesota	
Number of nonprofit jobs in Minnesota in 2006	
Approximate percent of the state's workforce	
Percent of state workforce in 2001 that worked for a nonprofit	
Percent in 1998	
Percent annual increase in nonprofit workforce during last decade	
Overall growth in employment in state during same time, as percent	
Approximate percent of nonprofit sector jobs in the health care industry	
Percent employed by social assistance industry	
Wages paid, in billions, by state nonprofit employers in 2006	
Percent of all wages in state	
Percent increase since 2005, adjusted for inflation	
Average weekly wage in 2006 for nonprofit employees	
For government employees	
For for-profit employees	
For nonprofit health care industry	
For nonprofit social assistance industry	
For nonprofit education industry	
For nonprofit arts, entertainment and recreation industry	
Percent of revenues that nonprofits spent on program services in 2006 Percent on management and fundraising	
Revenues reported by nonprofit health organizations in 2006, in billions	
Billions for human service organizations	
Of the state 501(c)(3) and (4) organizations required to file returns with the l	
Billions in revenues in fiscal year 2006	
Billions in expenditures	
	- C. Blanchard

Source: 2007 Minnesota Nonprofit Economy Report, Minnesota Council of Nonprofits, October 2007; National Center for Charitable Statistics.

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