

SESSION WEEKLY

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SESSION WEEKLY

Session Weekly is a nonpartisan publication of Minnesota House of Representatives Public Information Services. During the 2009-2010 Legislative Session, each issue reports House action between Thursdays of each week, lists bill introductions and provides other information. No fee.

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Note:

We plan to publish the final issue of Session Weekly for 2010 once all bills have been acted upon by the governor. This session wrap-up issue will give readers a complete look at action taken during the session.

On the cover: Raindrops cover a State Office Building window that overlooks the Capitol May 11.

— Photo by: Tom Olmscheid

Nightmares on Main Street

Can a political compromise spare homeowners from disaster?

By Nick Busse

Paul Stutler has lived through what many would consider to be a homeowner's worst nightmare. Two years ago, Stutler, an Eagan resident, discovered major water intrusion problems in his home — the result of a defect left by the builder. Though state law required the builder to pay for the repairs, Stutler's home warranty claim was ignored, and he sued to get his house fixed. After months of legal wrangling, he got a settlement, but not before spending \$40,000 on attorney fees.

It's a familiar story in some cities. In places like Woodbury and Eagan, many a suburban dream home has turned out to be a nightmare. Through no fault of their own, homeowners find themselves burdened with hundreds of thousands of dollars in repairs, tens of thousands of dollars in attorney fees, years of emotional stress and sometimes an unlivable home.

Despite his financial loss, Stutler said he got off relatively easy.

"I know of a neighbor of mine in Eagan who has been ruined by this," he said.

Minnesota has a home warranty statute that's supposed to protect people like Stutler. It states that builders and contractors have to ensure that buildings are free of "major construction defects" due to code violations for 10 years after they're built. When a builder's faulty work results in major damage to the home, they're liable for the cost of the repairs.

The trouble comes when builders contest a homeowner's claim. The resulting lawsuit can drag out for years, costing both sides tens of thousands of dollars in legal fees. But while the

builders typically have insurance companies to cover the cost of a lawsuit, homeowners are on their own. Many say the odds are stacked against them.

Take Steve Palmer's example. After moving to Woodbury six years ago, Palmer discovered moisture problems in his home, and a forensic engineer found multiple code violations. The builder denied fault, and Palmer spent two-and-a-half years and \$50,000 pursuing litigation. In the end, rather than throw away more money on a trial, Palmer took what he calls "a really lame offer" for a settlement. The experience drained more than just his bank accounts.

"I missed business, I neglected my family... My marriage is suffering because of it, my finances, everything. I mean, my life is in shambles," Palmer said.

Homeowner help

With days left to go before the Legislature adjourns, lawmakers are on the verge of passing long-awaited legislation that would — hopefully — provide some help to people like Stutler and Palmer.

Sponsored by Rep. Marsha Swails (DFL-Woodbury) and Sen. Kathy Saltzman (DFL-

First Reading continued on page 4



PHOTO BY TOM OLMSCHIED

Paul Stutler stands in front of his Eagan home that suffered severe water damage.

First Reading continued from page 3

Woodbury), HF3386*/SF2832 is designed to help people avoid costly home warranty lawsuits. The bill provides an early evaluation process that would be set up through the Department of Labor and Industry. Under the plan, a neutral party would evaluate a homeowner's claim against a builder to determine who is at fault, what the repairs will likely cost, etc. The idea is to help homeowners and builders better understand their respective situations — and their odds of winning a lawsuit — before they go to court.

Charles Durenberger, the department's enforcement services manager for construction codes and licensing, said he believes it would knock out many lawsuits before they get off the ground.

"If nothing else, we'll get rid of those cases at the two extremes — the one extreme where the builder is just digging in his heels and being unreasonable, and the other extreme where the homeowner's expectations are maybe farther out than they should be," he said.

The bill passed the House and Senate with overwhelming bipartisan majorities. It currently awaits action by Gov. Tim Pawlenty, who is expected to sign it into law.

For Swails, it's a victory. She comes from a district plagued by home warranty issues, and has spent the last four years trying to get legislation passed to help homeowners.

"There's quite a bit of work left to be done, but this is a good step forward," she said.

The bill doesn't go as far as many would like, however. Swails herself said it represents a significant compromise from the legislation she really wants. And Stutler, Palmer and others argue it's too much of a compromise.

Looking for justice

Homeowners who have been through litigation say the state's home warranty law has no real teeth, and that builders and their insurance companies try to game the system. Builders and insurers intentionally drag out the process, they say, hoping the aggrieved homeowners will either give up or settle for less than the cost of the repairs. It's a charge the builders deny, but Stutler said their incentive is clear.

"Families are getting wiped out because the insurance companies are doing a cold, hard economic calculation: 'I can outlast these guys,'" he said.

Last year, Swails proposed a fix to that problem. She sponsored legislation that would have required builders to pay a homeowner's

legal costs when a homeowner prevailed in a home warranty lawsuit. To her, it seemed like a reasonable way to remove the builders' incentive for procrastination and level the playing field for the homeowners.

"There are hundreds of examples in statute where the prevailing party is awarded attorneys fees," Swails said. "For this not to be applied to homeowners, to me, feels unjust."

Hearings were held. Palmer and many others testified in support of the bill, sharing their horror stories with lawmakers. Finally, after months of work, the House and Senate passed the bill and sent it to Pawlenty's desk shortly before adjourning the 2009 legislative session.

Pawlenty vetoed the bill. In a letter to lawmakers, he said the legislation would have further burdened an industry that was already devastated by the housing market crash.

"You gotta be kidding me," Palmer said, recounting his reaction upon hearing the news.

Frustrating as it was for Palmer and the others, Pawlenty and many Republican lawmakers saw the bill as potentially opening the door to a wave of frivolous lawsuits.

Pam Perri Weaver, executive vice president of the Builders Association of Minnesota, said awarding attorney fees would encourage attorneys to be more aggressive about pursuing litigation. She claims cases like Stutler's and Palmer's only show one side of the problem. The other side is that builders have to fend off frivolous lawsuits that drive up insurance premiums and increase the overall cost of housing, she said.

"I think that there are already far too many attorneys in this process, and I don't think attorney fees (legislation) will solve this problem. I think it'll make matters worse," she said.

Not over yet

It's hard to say which side is right, since there's no real hard data on home warranty claims in the state. Stutler said that's one of the problems.

Last fall, Stutler, Palmer and other homeowners gathered with lawmakers in a Department of Labor and Industry conference room for a series of meetings to hash out a compromise on home warranty legislation. Across the table from them were builders, insurers and attorneys. Durenberger presided over the meetings.

As the talks progressed (or didn't, depending on whom you ask), Stutler said both sides

made assertions that no one could confirm or deny because the data simply doesn't exist.

"A lot of the discussion in that room was basically people telling other people that they knew better than they did. And that makes for a very poor discussion to start with," Stutler said.

With little hard evidence to construct legislation around, the group eventually came up with the compromise laid out in the Swails legislation.

Reviews of the bill were mixed. Builders and insurers were satisfied, believing it would save time and money. Homeowners weren't so sure. Stutler said the legislation probably would have helped him in his situation, but others are skeptical.

Ed Seifert, a Shoreview resident who also sat in on the stakeholder meetings, said he felt the process was stacked against homeowners and in favor of the industry. He said homeowners were outnumbered, and that none of the industry lobbyists wanted to talk about attorney fees, which he still considers "the simplest, easiest fix to the problem."

"It wasn't that I really had any problem with the (group's) recommendation. It's just that, in my opinion, it really doesn't do much of anything for homeowners," Seifert said.

Swails admits that more work is needed, and said those advocating for tougher reforms will soon have another day in court, so to speak. She and Durenberger plan to hold more stakeholder meetings later this year to look for a more comprehensive solution.

"Just because we didn't solve the entire problem doesn't mean it's not going to get solved; it just means we have a lot of work ahead of us. And I'm game," Swails said.

Both Swails and Durenberger believe the ultimate solution will hinge on some version of the attorney fees legislation that was vetoed by Pawlenty. What a compromise on attorney fees might look like is unclear, though some have floated the idea of limiting the types of lawsuits that would qualify. Weaver, speaking for the builders, said only that "it's possible" some form of the attorney fees legislation would be acceptable to the industry.

In the meantime, Durenberger said courts in Hennepin and Ramsey counties have taken it upon themselves to compress their schedules for construction defect cases. The effort by these counties, in addition to Swails' bill (assuming the governor signs it), should at least help "make a dent" in the amount of costly home warranty litigation, Durenberger said. 🙏

Dear Readers,

The Legislature is constitutionally required to adjourn by midnight, May 17. As this issue of Session Weekly goes to press, there remain several outstanding issues.

We plan to publish the final issue of Session Weekly for 2010 once all bills have been acted upon by the governor. This session wrap-up issue will give readers a complete look at action taken during the session.

For daily updates as session comes to a close, visit the Session Daily website at www.house.mn/hinfo/sdaily.asp or follow us on Twitter at twitter.com/MNHouseInfo.

Session Weekly staff.

Editor's note: The following Highlights are coverage of select bills heard in House committees and other House activities held May 6-13. 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.

CONSUMERS**Keeping laws up with new tobacco**

**Signed
by
the
governor**

Minnesota's laws are on the way to keeping up with new tobacco products.

From strips that melt in your mouth to orbs that look like Tic Tacs, users can get a nicotine bump anytime, anywhere and undetected. Supporters of new regulations fear these products could lure in a whole new generation of tobacco users.

Rep. Jim Davnie (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls) sponsor the Tobacco Modernization and Compliance Act of 2010, signed into law May 10 by Gov. Tim Pawlenty. This will close the loophole on products that supporters say target younger generations.

Effective Aug. 1, 2010, the law expands the definition of tobacco products to include these new products and would regulate them as cigarettes and cigars. It will also apply

to electronic cigarettes and candy- or fruit-flavored "little cigars" that are similar in size to cigarettes, but because of their design are not as regulated.

A penalty for sale and/or possession of the products is spelled out in the law. It will be a petty misdemeanor for those under the age of 18 to possess, purchase or attempt to purchase a product containing or delivering nicotine or lobelia intended for human consumption, or any part of such a product, that is not tobacco.

HF3467/SF3055*/CH305

— L. SCHUTZ

CRIME**A felony for skimming tool**

**Signed
by
the
governor**

The criminal code is changing because of technology.

Effective Aug. 1, 2010, a new law will make it a felony for someone to possess a

BUDGET TALK

PHOTO BY TOM OLMSCHIED

Rep. Ann Lenczewski, right, chairwoman of the House Taxes Committee, confers with House Finance Committee Chairman Rep. Lyndon Carlson, Sr. during a May 10 hearing of the House Finance Committee.

scanning device or reencoder used to acquire information from payment cards, a driver's license or state-issued identification card with "the intent to commit a crime, aid, or abet any unlawful activity."

Skimmers record information off the card's magnetic strip. Supporters note that these devices can go unnoticed by a consumer because they are about the size of a Bic lighter. For example, someone in the food or hospitality industry could hide one in their hand and run the strip through the skimmer without your knowledge.

Another common device retrieves someone's information at a cash machine. The skimmer looks like the outlet, albeit about one-quarter of an inch thicker. When a user inserts their card, the device and the ATM read the information.

Criminals will frequently make a new credit card with the acquired information.

Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul) sponsor the law, signed May 10 by Gov. Tim Pawlenty.

HF2470/SF2493*/CH293

— M. Cook

EDUCATION

Early childhood omnibus bill passes

The State Advisory Council on Early Childhood Education and Care would appoint a task force to study and make recommendations on creating an Office of Early Learning, through a bill on its way to the governor's desk.

The omnibus early childhood bill, HF2760/SF2505*, sponsored by Rep. Nora Slawik (DFL-Maplewood) and Sen. Terri Bonoff (DFL-Minnetonka), would add the commissioner of health or a designated representative to the council. The bill lists who would serve on the task force, including representatives of state agencies serving young children, nonprofit organizers in the early childhood area, members of the council and representatives from the early childhood caucus.

The task force would consider a series of objectives related to delivering, measuring and improving quality of early childhood services. If established, an office could streamline oversight of education and child care services now administered by three departments: education, health and human services.

The council would also make recommendations on creating a statewide school readiness report card, and developing a plan to screen and assess 3 year olds and entering kindergarteners for school-readiness.

Slawik said the bill was crafted with

BUDGET VOTE



PHOTO BY TOM OLMSCHEID

House Majority Leader Tony Sertich, from left, Rep. Andrew Falk and John Pollard, executive assistant to the majority leader, watch the voting board as members vote on a budget-balancing plan May 10.

bipartisan support and is backed by the commitment of private foundations and community funders to support most of its proposals.

It would also direct \$500,000 in federal funds toward helping child care providers get training and improve the quality of their facilities in preparation for a statewide quality rating system.

Rep. Keith Downey (R-Edina) urged a no vote, saying while he supports some of its objectives, it would be “unwise to embark on a study that’s looking to expand the role of government” when the legislative focus is on “reducing the size and scope of state government.”

The state has established a goal that all eligible children will be ready for kindergarten by 2020. Task force recommendations would consider best ways to screen children for developmental characteristics that could indicate readiness or the need for interventions in the case of developmental delays.

The conference committee report, adopted 103-30 by the House and 57-10 by the Senate on May 10, moved proposed screening and assessment plans to 2012.

— K. BERGGREN

No teachers’ insurance pool

**Vetoed
by
the
governor**

For the third time in four years, Gov. Tim Pawlenty vetoed legislation that would have established a statewide insurance pool for teachers and school employees.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. D. Scott Dibble (DFL-Mpls), the bill would have required all school districts that are not self-insured to purchase health coverage through a state-run insurance program.

In his May 10 veto message, Pawlenty wrote that the bill would not address the underlying factors that are driving up the cost of health care in Minnesota. He also faulted Education Minnesota, the teachers’ union that supports the bill, for not being amenable to the governor’s education reform proposals.

“I offered to more favorably consider this bill if the teachers’ union and legislators would pass bold reform initiatives,” Pawlenty wrote.

Speaking on the House floor May 6, Hosch argued the plan would help keep health care costs down for schools, allowing them to put more money into classrooms. He said the bill could save school districts \$1 billion over 10 years.

“If we can save \$1 billion for our local school districts ... we are doing better for our children; we are doing better for our local

school districts; and, yes, we are doing better for all school employees,” Hosch said.

Opponents said it’s unclear what the fiscal impact would be on individual school districts. Rep. Steve Gottwalt (R-St. Cloud) said the plan would benefit some school districts over others.

“The larger school districts will pay more in their health insurance by doing this because they’re going to take on unhealthier people in other districts,” Gottwalt said.

HF866/SF915*/CH322

— N. BUSSE

ELECTIONS

Affidavit of candidacy requirements

**Signed
by
the
governor**

Those running in a legislative election must live in the district for at least six months prior to filing for the seat. A new law creates an administrative remedy to remove a person seeking candidacy from the ballot if it is determined they reside outside district boundaries.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Sandy Pappas (DFL-St. Paul), the law’s impetus is from a court case in Kahn’s district where an opponent actually resided in a different district, but was still able to be on the primary ballot.

Signed May 11 by Gov. Tim Pawlenty, the new law allows for a filing officer to determine whether a candidate’s residential address is within the district. If they are not, the officer must immediately notify a candidate and remove them from the ballot.

Under the law, an affidavit of candidacy requires a candidate’s residential address and telephone number. A candidate’s residential address may be considered private data if a police report has been submitted or an order of protection completed.

The law also:

- permits a candidate to access apartments or dormitories in their district;
- clarifies who is considered a candidate, including if they have filed an affidavit of candidacy for elected office; and
- makes a technical clarification to an absentee ballot that members of a ballot board may declare “accepted.”

Candidates for office and resident address changes are effective May 18, 2010. Political candidate access to apartments is effective May 12, 2010, and the ballot board technical change is effective June 25, 2010.

HF655*/SF531/CH314

— P. OSTBERG

Determining ward boundaries

**Signed
by
the
governor**

Cities previously had to wait to redraw district boundaries until the Legislature had completed its redistricting process. Under a new law, cities that elect council members by

wards can reestablish boundaries in a year ending in “1,” but no later than 14 days before the first day that affidavits of candidacy can be filed for city council members.

Sponsored by Rep. Phyllis Kahn (DFL-Mpls) and Sen. Sandy Pappas (DFL-St. Paul), the new law allows the boundaries to be modified before and after the Legislature has redistricted. Once the Legislature has redistricted, no modification in ward boundaries may result in a 5 percent change of the ward population.

In cities of the first class “where council members are elected to serve four-year terms that are not staggered, if the population of any ward changes by 5 percent or more, all council members must be elected to new terms at the first municipal general election after the boundaries have been redefined.”

If no election would occur in the year ending in “2” or “3,” a municipal general election must be held in one of those years.

Kahn said the timing of council elections can be particularly problematic for cities such as Minneapolis and St. Paul when elections happen before the Legislature has completed redistricting.

Signed May 11 by Gov. Tim Pawlenty, the law is effective May 12, 2010.

HF653*/SF834/CH313

— P. OSTBERG

Coercing candidates bill ‘unneeded’

**Vetoed
by
the
governor**

Several White Bear Lake City Council candidates received an anonymous threatening e-mail message last year. The source claimed they would publish damaging information about the candidates if they continued to run for the council positions.

Sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. Sandy Rummel (DFL-White Bear Lake), a bill that would have prohibited coercing a candidate running for office was vetoed by Gov. Tim Pawlenty May 10.

Pawlenty said in his veto letter that the bill is “unneeded” because state law already addresses the “behavior this bill seeks to prohibit” through criminal penalties.

The bill would have made coercion an offense subject to an administrative hearings process under the Fair Campaign Practices Act. After a completed process, a person could

also have faced criminal charges.

Current law prohibits someone from rewarding, or promising to reward an individual, for either becoming or not becoming a candidate. It is also illegal to threaten someone to get them to vote a certain way.

HF2510/SF2226*/CH291

— P. OSTBERG

ENVIRONMENT

Spending plan for lottery receipts

An additional \$11,000 of available funds left on the table by the Legislative-Citizen Commission on Minnesota Resources for 2011 projects has been added to a spending bill by a conference committee.

HF2624*/SF2462 would appropriate \$25.62 million in state lottery proceeds that were deposited into the Environment and Natural Resources Trust Fund. Projects are vetted through the LCCMR, which then makes recommendations to the Legislature about which environmental projects to fund. The dedicated funds were approved by voters in a 1988 constitutional amendment and are spent for the purpose of “protection, conservation, preservation and enhancement of the state’s air, water, land, fish, wildlife and other natural resources.”

After listening to concerns from project proposers, state department heads and considering a letter from Gov. Tim Pawlenty, a conference committee shifted some funding allocations and increased the total appropriations for 2011.

Rep. Jean Wagenius (DFL-Mpls) and Sen. Ellen Anderson (DFL-St. Paul) sponsor the bill, which was re-passed by the House 95-36 May 12 and by the Senate 59-7.

All of the LCCMR’s recommended projects would receive funding, plus additional money would be appropriated for several state park improvements. Rep. Tom Rukavina’s (DFL-Virginia) House floor amendment would have shifted land acquisition money over to state park improvements. That set up a major difference between the Senate and House bills. In a May 4 letter to conferees, Gov. Tim Pawlenty said he was concerned that the House position to shift from land acquisition to park improvements “undermines current commitments made by the state for the purchase of priority in-holdings within the state park system.”

A conference committee reached an alternative solution to use the unallocated \$11,000 plus \$247,000 from previous trust fund appropriations that were never spent to create \$258,000 for state park improvements. That way, the Department of Natural

Resources could still reimburse the Parks and Trails Council for various land acquisitions the council purchased on the DNR’s behalf.

The bill also would provide funding for:

- \$1.75 million to acquire and preserve land as Scientific and Natural Areas (SNAs);
- \$1.47 million for combat aquatic and ter-

restrial invasive species, such as buckthorn, garlic mustard, emerald ash borer, and round goby; and

- \$3.364 million for renewable energy research, development and education projects, including several environmental learning centers.

MINORITY ARRIVES



PHOTO BY TOM OLMSCHEID

House Minority Leader Kurt Zellers and Rep. Sarah Anderson arrive at Gov. Tim Pawlenty’s office May 12 to join the other legislative leaders to work on a solution to the state’s budget shortfall.

A combination of projects to train teachers and educate students about the environment would be funded, such as Project Get Outdoors operated by the DNR and Get Outside-Urban Woodland for City Kids outdoor classroom at Como Regional Park in St. Paul.

A proposed \$143,000 appropriation to the University of Minnesota for a life cycle analysis of low carbon energy technologies available to implement in Minnesota was vetoed by the governor last year, was revised by the applicant and resubmitted to the LCCMR again this year.

— S. HEGARTY

Drainage laws modified

**Signed
by
the
governor**

Effective Aug. 1, 2010, the Board of Water and Soil Resources is directed to work with stakeholders and to convene informal working groups to develop recommendations for updating drainage laws.

In addition, the new law directs where a person may petition for the rerouting, diverting or impounding of drainage water. If a proposed drainage system is under the jurisdiction of the county drainage authority, the petition must be filed with the county auditor. If a system is in a joint authority's jurisdiction, the petition must be filed with the county with the largest area in the drainage system. A copy of the petition must be submitted to the auditor of each county and be available to the public.

The petitioner should identify funding sources to acquire the land rights needed to construct a drainage project and supply a map that identifies affected areas. The petitioner will be required to pay the county auditor the actual cost of placing public hearing notices, rather than the previous set amount. If the estimated cost of the drainage project is more than \$25,000, a public notice will be required in a trade newspaper. The existing \$3,000 threshold was established in 1947.

The drainage authority will be able to order a drainage lien assessed to properties that benefit from a project to be paid in one or two installments if the cost is under \$500. Current law set the maximum for liens at less than \$50.

Rep. Rick Hansen (DFL-South St. Paul) and Sen. Dan Sparks (DFL-Austin) sponsor the law. Gov. Tim Pawlenty signed it May 10.

HF162/SF364*/CH298

— S. HEGARTY

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.

FAMILY

Guardian ad litem board creation

**Signed
by
the
governor**

Oversight of a group that advocates for the best interests of children in protection and parental rights cases will change.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), a new law transfers the guardian ad litem function from the judicial branch to an independent board. State appropriations currently directed to the courts to oversee the program will also be transferred.

Modeled after the Public Defense Board, which supervises Minnesota's public defender system, the law aims to eliminate the conflict of interest between guardians, who represent the best interest of the child, but are appointed and paid for by the court system.

The seven-member board will be comprised of four gubernatorial appointees and three members appointed by the Supreme Court, one of whom must have former guardian ad litem experience. An active judge cannot serve, but a retired one can. Registered lobbyists cannot be appointed.

Guardian ad litem conduct an independent investigation to determine the facts relevant to the situation of a child and family, including observing the child in the home setting and considering the child's wishes. They then present written reports and recommendations concerning the child's best interests to the court.

The law, signed May 11 by Gov. Tim Pawlenty, takes effect July 1, 2010.

HF2990/SF2880*/CH309

— M. COOK

Partner rights passed

Partners in same-sex relationships would have a greater say in carrying out each other's final wishes, under a bill passed by the House 78-55 May 11.

Sponsored by Rep. Erin Murphy (DFL-St. Paul) and Sen. Yvonne Prettner Solon (DFL-Duluth), HF454/SF341* would give a surviving domestic partner the right to control the disposition of their deceased partner's remains. The surviving partner could also sue to recover medical or funeral costs in the case of a wrongful death.

The bill defines domestic partners as same-sex couples who are in a "committed interdependent relationship" with each other and have assumed responsibility for each other's basic welfare, financial obligations and well-being.

Murphy said the bill would give same-sex couples the same after-death rights as married couples.

Republicans criticized Democrats for choosing to take up the bill when lawmakers are under a budget crunch.

"We have a fiscal emergency and yet we sit here today doing divisive politics," said Rep. Laura Brod (R-New Prague). "I think what we ought to be doing is talking about how we're going to solve our budget deficit."

"This is not intended to divide us," Murphy said. "This is a narrowly-drawn piece of legislation focused on ending discrimination in our law."

The bill was amended to include minor language changes. It now goes back to the full Senate, which passed it 41-24 May 4, for concurrence.

— L. RADOMSKI

GAME & FISH

Conferees on policy, lands bill

Excess land for sale by the Department of Natural Resources, also known as the lands bill, was added to the omnibus game and fish bill, and passed May 12 by the House.

The Senate did not agree with the changes, and a conference committee has been requested to work out the differences.

Sponsored by Rep. David Dill (DFL-Crane Lake) and Sen. Satveer Chaudhary (DFL-Fridley), HF3124/SF2900* would authorize the sale and purchase of varying sizes of property in multiple counties. One of those includes an 80-acre parcel in Hastings that Rep. Denny McNamara (R-Hastings) said is no longer desirable as a Wildlife Management Area and is better suited for development.

A provision that would allow the DNR to sell land for less than its appraised value drew criticism. Rep. Steve Drazkowski (R-Mazeppa) suggested the DNR hold out for a while longer until the economy improves.

Dill said the provision was included because it would apply to land that did not sell at its appraised value and needs to be liquidated.

The bill also contains several modifications to hunting and fishing laws, including the removal of height restrictions on permanent deer stands and permitting a private landowner, or a person authorized by the landowner, to hunt bear on the person's land using a drum with bait.

A few amendments succeeded on the House floor.

Rep. Andrew Falk (DFL-Murdock) added a provision to allow the DNR to remove beavers, in addition to removing their dams, if they cause water to back up and threaten access

to public roads; Rep. Cy Thao (DFL-St. Paul) added an amendment to allow spears to be used for hunting big game during the big game firearms season; and Rep. Denise Ditttrich (DFL-Champlin) succeeded in restricting the harvest of small mouth bass in four spawning areas until the Monday following the third Sunday in June.

In order to deter poaching of trophy deer, restitution payments would be increased to between \$2,000 and \$5,000. And those who accidentally kill a deer with a motor vehicle would be given an option to keep the deer.

To address agricultural concerns, a new provision would allow a county to offer a bounty on the taking of coyotes.

— S. HEGARTY

HOUSING

Landlord-tenant changes enacted

**Signed
by
the
governor**

Landlord advocates and tenant advocates have agreed to a compromise on some issues that have been a source of contention.

Provisions in a new law, sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. D. Scott Dibble (DFL-Mpls), include:

- landlords cannot charge a late fee for rent unless agreed to in writing, and the late fee cannot exceed 8 percent of the overdue rent payment;
- landlords must provide receipts if the rent or other payments are paid in cash;
- if a lease provides for attorney fees for a landlord that prevails in an action or summary proceeding, a tenant could also be awarded attorney fees if they prevail;
- a landlord who breaks the law related to utility building and single-metered buildings is liable to the tenant the greater of \$1,000 or twice the actual damages plus reasonable attorney fees;
- new notice requirements for eviction actions when a tenant remains in a property after the redemption time has expired;
- a penalty up to \$500 plus reasonable attorney fees is established for tenants who lie on their application; and
- additions to the prohibited activities of a landlord with respect to an applicant's screening fee, including a prohibition from using, cashing, or depositing a screening fee "until all prior applicants have been screened and rejected, or offered the unit and declined to enter into a rental agreement."

Most of the law, signed May 11 by Gov. Tim Pawlenty, takes effect Aug. 1, 2010. The late fee provision takes effect for leases entered

into beginning Jan. 1, 2011; the attorney fees provision is effective for leases entered into beginning Aug. 1, 2011, and for leases renewed on or after Aug. 1, 2012.

HF2668*/SF2595/CH315

— M. COOK

HUMAN SERVICES

Children's cavity prevention

**Signed
by
the
governor**

Primary care providers are encouraged to provide basic cavity prevention services to children and teens on Medical Assistance, under a new law signed by Gov. Tim Pawlenty

May 11.

Sponsored by Rep. Kim Norton (DFL-Rochester) and Sen. Kathy Sheran (DFL-Mankato), the law specifies cavity prevention services that may be offered to children and teens during check-ups or episodic visits. These include a general visual examination of a child's mouth, as well as a risk assessment based on factors established by the American Academy of Pediatrics and the American Academy of Pediatric Dentistry. With parental consent, providers may administer a fluoride varnish to children ages 1 and older who are assessed as being high-risk.

Providers who choose to provide cavity prevention services will need to give a child's parent or legal guardian information on caries etiology and prevention, and discuss the importance of finding a dentist. These actions must be documented in the child's medical record.

The law takes effect Aug. 1, 2010.

HF984/SF633*/CH307

— L. RADOMSKI

Mental health policies modified

**Signed
by
the
governor**

Children's mental health policies are modified in a new law signed by Gov. Tim Pawlenty May 11.

Most of the new language relates to children from American Indian tribes who receive treatment for mental health concerns. The law gives Indian Health Service, and certain tribal health facilities the responsibility for determining a child's level of care when one of those entities will be paying for it. It also specifies that a representative from a child's tribe must be invited to be part of a "juvenile treatment screening team" that includes social workers, juvenile justice professionals and others.

Sponsored by Rep. Larry Hosch (DFL-St. Joseph) and Sen. Linda Berglin (DFL-Mpls), the law also directs the Department of Human

Services to come up with a new rate structure for payment of mental health diagnostic assessments.

It takes effect Aug. 1, 2010.

HF2926/SF2912*/CH303

— L. RADOMSKI

Changes to MSOP policies

**Signed
by
the
governor**

Changes are in store for the transfer, temporary discharge and release of people civilly committed to facilities under the Minnesota Sex Offender Program.

A new law modifies the statute that governs treatment of sexually dangerous persons and sexual psychopathic personalities. Sponsored by Rep. Terry Morrow (DFL-St. Peter) and Sen. Tony Lourey (DFL-Kerrick), the law does the following:

- describes procedures for notifying a victim of a pending petition for commitment, provisional discharge, discharge or temporary release of a sexually dangerous person or sexual psychopathic personality, as well as the victim's right to submit a written statement;
- prohibits a person committed as a sexually dangerous person or sexual psychopathic personality from being transferred, provisionally discharged or discharged without a hearing and the approval of a judicial appeal panel and special review board;
- sets grounds for revocation of provisional discharge, as well as procedures for appeal;
- outlines the responsibilities of MSOP for providing supervision, aftercare and case management for sexually dangerous persons and sexual psychopathic personalities after release; and
- gives the Department of Human Services responsibility for placing an individual on a judicial hold due to a petition for civil commitment as a sexually dangerous person or sexual psychopathic personality in the appropriate secure treatment facility.

Signed by Gov. Tim Pawlenty May 10, the law takes effect Aug. 1, 2010.

HF3300/SF2713*/CH300

— L. RADOMSKI

DHS technical changes

**Signed
by
the
governor**

Technical changes to Department of Human Services programs make up the bulk of a new law signed by Gov. Tim Pawlenty May 11.

Sponsored by Rep. Thomas Huntley (DFL-Duluth) and Sen. Linda Berglin (DFL-Mpls), the law makes the

TAX CONFERENCE



PHOTO BY TOM OLMSCHIED

House tax conferees, from left, Rep. Dean Urdahl, Rep. Lyle Koenen, Rep. Ann Lenczewski, Rep. Paul Marquart and Rep. Diane Loeffler meet with Senate conferees in Room 15 of the Capitol May 12.

following selected changes to current law:

- expands the availability of state grants awarded to community-based health care initiatives, modifies requirements for participation in these programs and extends the grants' sunset date;
- removes a requirement that an infant under age 1 must reside in his or her mother's household to receive coverage under Medical Assistance;
- exempts federally qualified health centers and rural health clinics from certain limitations on participation in Medical Assistance, General Assistance Medical Care and MinnesotaCare;
- modifies dental services covered by Medical Assistance, including adding coverage of medically necessary services for pregnant woman and orthodontia for children; and
- specifies that the department may not set income standards below those for July 2009 when updating eligibility requirements for Medical Assistance.

The law takes effect July 1, 2010.

HF3237/SF3027*/CH310

— L. RADOMSKI

Changes to MFIP, childcare

**Signed
by
the
governor**

Policy and technical changes to child care funding and the Minnesota Family Investment Program make up the bulk of a new law.

MFIP is a Department of Human Services program that provides food and cash assistance to working families. Under the new law, qualifying households with four to 10 members will see a slight increase in their food benefits. The law also modifies requirements for people with newborns and eligibility criteria for hardship extensions, among other changes.

Signed by Gov. Tim Pawlenty May 10, the law takes effect July 1, 2010.

Sponsored by Rep. Jeff Hayden (DFL-Mpls) and Rep. Patricia Torres Ray (DFL-Mpls), the law also has implications for child care and child welfare. It modifies rules for administering child care grants and removes a requirement that child care resource and referral programs provide loans for childhood development, education and training. It also includes language extending foster

care benefits to age 21, which is part of a law (HF3039/SF2690*/CH269) signed April 22 by the governor.

HF3088/SF2855*/CH301

— L. RADOMSKI

LAW

Unsworn declarations act enacted

**Signed
by
the
governor**

The Uniform Unsworn Foreign Declarations Act allows a person physically outside the United States who needs something notarized to do an unsworn foreign declaration.

Such a declaration is subject to perjury penalties and would be useful in cases where a person cannot get access to a notary.

Rep. Melissa Hortman (DFL-Brooklyn Park), who sponsors the law with Sen. Mee Moua (DFL-St. Paul), said the act exists because of increased security following Sept. 11, making it harder to get to United States consulates abroad.

Proposed for adoption by the National

Conference of Commissioners on Uniform State Laws, a new law provides that if Minnesota law requires a sworn declaration for something, an unsworn foreign declaration would have the same effect. A similar federal law already exists.

Unsworn declarations cannot be used for depositions, oaths of office, an oath required to be given before a specified official other than a notary public, declarations recorded under certain real estate laws, oaths related to self-proved wills and power of attorney.

Signed May 10 by Gov. Tim Pawlenty, the law takes effect Aug. 1, 2010.

HF3318*/SF2984/CH295

— M. COOK

LOCAL GOVERNMENT

Assessors may testify on appraisals

The property tax court has been waiting more than a year for the Legislature to act on a bill that could help resolve hundreds of appeals cases on hold, according to Rep. Gail Kulick Jackson (DFL-Milaca).

Awaiting action by the governor is HF3147/SF2885*, a bill she sponsors with Sen. Lisa Fobbe (DFL-Zimmerman). Passed 110-24 by the House May 11, and 56-11 by the Senate March 29, it clarifies the intent of a 1993 law by specifically authorizing county assessors to perform property appraisals, prepare reports and testify before any court as an expert within the jurisdiction.

Jackson said that since a strict reading of the law in a 2009 appeals case, *Shoppes of Woodbury v. Washington County*, courts have been prevented from accepting county assessors' expert testimony regarding property appraisals. Hiring outside appraisers is a costly alternative, adding an estimated \$25,000 to the county's cost.

"It's clear the tax court wants us to do something, and that many cases are on hold," said Jackson.

Rep. Laura Brod (R-New Prague) unsuccessfully offered an amendment that would have made the law apply to testimony offered, and opinions or reports prepared, for cases filed after the effective date. She was concerned about "the potential of changing the law in the middle of some court cases."

— K. BERGGREN

Property maintenance codes OK'd

**Signed
by
the
governor**

A 2008 state Supreme Court decision, *City of Morris v. Sax Investments Inc.*, threw enforcement of local building codes into question if they differed from those contained

STATEHOOD DAY



PHOTO BY TOM OLMSCHIED

As part of Statehood Day May 11, Kerry Foerster portrays Minnesota Constitution delegate Lewis L. McKune, a Waseca farmer who advocated an east-west border for the state.

in the state building code. Rep. Tim Mahoney (DFL-St. Paul) said that decision has made it harder to allow municipalities to enforce health and safety inspections of rental property.

Signed by Gov. Tim Pawlenty May 11, the new law, sponsored by Mahoney and Sen. Dan Sparks (DFL-Austin), makes an important clarification that while the State Building Code supersedes local ordinances, municipalities can enact and enforce local property maintenance ordinances in order to keep buildings "in a safe and sanitary condition or in good repair."

However, those local codes may not exceed standards on which the structure was built, remodeled or added to "unless specific retroactive provisions for existing buildings have been adopted as part of the State Building Code."

Minneapolis Director of Building Inspection Henry Reimer said the change is necessary to maintain livability of many older neighborhoods, especially with the "unprecedented conversions of single family homes to rental" he said is occurring in the wake of the foreclosure crisis.

HF2945/SF2759*/CH308

— K. BERGGREN

Food carts can stay longer

**Signed
by
the
governor**

Food carts could sprout up this summer in plazas and on street corners around the state, thanks to a new law allowing them to be semi-permanent.

Effective May 11, 2010, one day after signed by Gov. Tim Pawlenty, the law allows mobile food carts to stay in one location longer than 21 days, provided the local regulatory authority permits.

"We're working to improve our civic climate downtown, create more vibrancy on the streets," said Rep. Frank Hornstein (DFL-Mpls), who sponsors the law with Sen. D. Scott Dibble (DFL-Mpls). The opening of Target Field, the new Minnesota Twins ballpark, was the impetus for that effort in Minneapolis.

The original proposal was meant to apply just to the state's largest city, but an amendment successfully offered by Rep. Mary Kiffmeyer (R-Big Lake) on the House floor makes the law statewide.

HF3591*/SF3115/CH294

— K. BERGGREN

Salary reporting exception vetoed

**Vetoed
by
the
governor**

In the interest of transparency about how taxpayers' money is spent, cities and counties must report the salaries of their three highest paid employees and post the salaries on the city website, in certain print publications or in the annual notice of proposed property taxes.

Rep. Lyle Koenen (DFL-Clara City) and Sen. Gary Kubly (DFL-Granite Falls) sponsored a bill that would have exempted communities with a population of more than 15,000 from reporting hospital employees' salaries. Koenen said the measure was intended to help some communities compete to recruit and hire personnel such as hospital administrators and key physicians.

However, Gov. Tim Pawlenty vetoed the bill May 11 because all Minnesota government salary information is public data. "(The law) was enacted to provide greater transparency by requiring affirmative publication of salary data for certain highly compensated employees. This legislation would provide a carve-out exemption for some hospitals, thereby decreasing accountability and transparency," he wrote in a veto message.

HF3327*/SF2594/CH312

— K. BERGGREN

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RETIREMENT

State employee early retirement

As another sign of the state's financial cash crunch, state employees who have participated for at least 15 years in one of several state retirement plans could be eligible for their benefits or annuity.

Sponsored by Rep. Lyndon Carlson Sr. (DFL-Crystal) and Sen. Tom Bakk (DFL-Cook), HF1893/SF1679* lays out eligibility for state authorities to provide employees the option to take early retirement before July 15, 2011. Eligible for early retirement are those employed in the legislative, executive and judicial branches; and participants in the Public Employees Retirement Association, Minnesota State Retirement System, the Teachers Retirement Association, the Minnesota State Colleges and Universities System or the University of Minnesota.

The House Finance Committee approved the bill May 10 after incorporating the House language. It awaits action on the House floor.

As an incentive, eligible retiring employees could see their employer's health insurance contribution partially or fully paid for up to 36 months. As a condition, the employee receiving the incentive cannot be employed or hired as a consultant by the eligible appointing authority for three years after termination.

The Senate passed the bill 44-19 on May 13, 2009.

— L. SCHUTZ

SAFETY

Domestic abuse changes now law

**Signed
by
the
governor**

A new law contains a number of provisions to help domestic abuse victims.

Sponsored by Rep. Debra Hilstrom (DFL-Brooklyn Center) and Sen. Mee Moua (DFL-St. Paul), the law includes expanding the area for protection for a reasonable distance around a residence or dwelling of a person seeking an ex parte order for protection. It comes from HF2608/SF2437, sponsored by Hilstrom and Moua.

Signed May 10 by Gov. Tim Pawlenty, the law takes effect Aug. 1, 2010.

Other bills contained in the law include:

- HF1396/SF838, sponsored by Rep. Michael Paymar (DFL-St. Paul) and Sen. Sandy Pappas (DFL-St. Paul), which allows animals and companion animals to be included in protective orders;
- HF3089/SF2715, sponsored by Paymar and

ROTUNDA HUDDLE



PHOTO BY TOM OLMSCHIED

Mary Jo George, governmental affairs and public policy specialist with the Minnesota Nurses Association, from left, Susan Stout, director of government relations with the Minnesota Hospital Association and Bob Ryan, representing the United Steelworkers-Surgical Technologists, huddle in a beam of light from a window in the Rotunda May 6 to work on a MnSCU health pilot project provision in a bill.

Moua, which increases the maximum bail for non-felony domestic abuse offenses at 10 times the highest cash fine, expands the tampering with a witness crime and clarifies the requirement that the criminal justice data communications network includes OFP's and no-contact orders;

- HF3090/SF2714, sponsored by Hilstrom and Sen. Linda Scheid (DFL-Brooklyn Park), which clarifies the crime of stalking by explicitly labeling the applicable statute "stalking," refining the stalking definition and expanding the list of conduct that constitutes stalking;
- HF3361/SF2997, sponsored by Rep. Mary Liz Holberg (R-Lakeville) and Sen. Mary Olson (DFL-Bemidji), which exempts certain

domestic abuse or sexual attack programs from data practice requirements;

- HF3383/SF3108, also sponsored by Holberg and Olson, which establishes data classification of private for vehicle information for OFP's and no-contact orders; and
 - HF2864/SF2636, sponsored by Rep. Paul Gardner (DFL-Shoreview) and Sen. Chuck Wiger (DFL-Maplewood), which would permit a judicial district to conduct a pilot project to allow courts in the district to order, as a condition of release in domestic abuse cases, electronic monitoring of an offender to protect a victim's safety. This provision expires Jan. 15, 2014.
- HF2608/SF2437*/CH299

— M. COOK

Expanded service animal harm penalty

**Signed
by
the
governor**

It is already a gross misdemeanor to intentionally cause bodily harm to a service animal.

Effective Aug. 1, 2010, a similar charge can be brought against someone who intentionally renders a service animal unable to perform its duties.

Sponsored by Rep. Mindy Greiling (DFL-Roseville) and Sen. D. Scott Dibble (DFL-Mpls), a new law requires a court to order mandatory restitution for the costs resulting from the criminal act, including the service animal user's lack of income, veterinary expenses, transportation costs and service animal replacement or retraining. A victim can still seek civil damages.

The law, signed May 10 by Gov. Tim Pawlenty, also goes after people who train fighting animals by providing that "whoever possesses any device or substance with intent to use or permit the use of the device or substance to enhance an animal's ability to fight is guilty of a gross misdemeanor." The language comes from HF728/SF800 sponsored by Rep. Joe Mullery (DFL-Mpls) and Sen. Leo Foley (DFL-Coon Rapids).

HF3312/SF2990*/CH292

— M. COOK

STATE GOVERNMENT

Contract reporting available online

**Signed
by
the
governor**

Professional and technical state contracts valued at more than \$25,000 will be posted online.

Sponsored by Rep. Kory Kath (DFL-Owatonna) and Sen. Jim Carlson (DFL-Eagan), the new law lowers the threshold from \$50,000 to \$25,000. The head of the agency administering the contract

must submit a report to the Department of Administration commissioner, who then will make the report available online. Current law requires a hard-copy be submitted to the Legislative Reference Library.

The report will include a contract summary, including why it's necessary, the amount spent, if it was awarded without following the solicitation process and a written performance evaluation of the work done.

The commissioner must currently send a yearly report of the contracts to the governor, and chairs of the House Ways and Means Committee and the Senate finance committees. The ranking minority members are added, under the new law.

Kath said the change will give greater transparency to how government spends money and give "greater sunshine to these types of contracts."

The law takes effect July 1, 2011.

HF3589*/SF3084/CH302

— P. OSTBERG

Faster complaint process

Signed
by
the
governor

When a citizen files a data practices complaint against a state agency, it often takes months or years to resolve.

A law to speed up the process was signed by Gov. Tim

Pawlenty May 10.

Sponsored by Rep. Gene Pelowski Jr. (DFL-Winona) and Sen. Don Betzold (DFL-Fridley), the law establishes a new process through the Office of Administrative Hearings when filing a complaint under the Data Practices Act.

Under the law, a person will file a complaint with the office, along with a \$1,000 filing fee. The complaint must be filed within two years after the occurrence of the act or failure to act that is the subject of the complaint. If the government entity concealed information and the act wasn't known about within the two-year period, the complaint must be filed within one year after the concealment is discovered.

A hearing, if needed, must occur within 30 business days of the involved parties being notified. A judge must: dismiss the complaint; find that an act or failure to act constituted a violation; impose a civil penalty against the respondent of up to \$300; issue an order to comply with the law violated; or refer the complaint for consideration of criminal charges.

A complainant who "substantially" prevails would be awarded attorney fees up to \$5,000 and refunded the \$1,000 filing fee minus \$50.

The law also requires the Board of Teaching, Department of Education and Minnesota Board of School Administrators to enter into a private data sharing agreement for the purpose of approving preparation programs for teachers and school administrators. The licensing boards may approve only those redesigned preparation programs that address identified areas of K-12 concern.

The private data may include information on teachers and school administrators, and "summary data" on students, defined as "statistical records and reports derived from data on individuals but in which individuals are not identified."

The law takes effect July 1, 2010, except for the education data portion, which takes effect Aug. 1, 2010.

HF2899*/SF2354/CH297

— P. OSTBERG

Impact note requesters increased

Signed
by
the
governor

The chairs and ranking minority members of the House Finance and Ways and Means committees will be added to the list of people who can request local fiscal impact notes for proposed legislation. Currently, only the chair and ranking minority members of the House Taxes Committee have the ability to request fiscal notes.

Rep. Steve Simon (DFL-St. Louis Park), who sponsors the law with Sen. Ron Latz (DFL-St. Louis Park), said it's not only tax bills that cost money and have impact on local communities.

Minnesota Management & Budget coordinates the development of fiscal notes and calculates the impact on each type of political subdivision that would result from proposed legislation.

Signed May 11 by Gov. Tim Pawlenty, the law takes effect Aug. 1, 2010.

HF3748/SF3325*/CH306

— P. OSTBERG

TRANSPORTATION

Deputy registrar terms won't expire

Signed
by
the
governor

Nearly half of the 174 deputy registrars in the state are incorporated, and were destined by state statute to lose their appointments in 2012, but thanks to a new law that won't happen. Rep. Randy Demmer (R-Hayfield) and Sen. Katie Sieben (DFL-Newport) sponsor a law to remove the expiration date.

The legislation also allows for the relocation of the Dakota County-operated deputy registrar's office in Burnsville to Burnhaven Library in the city, with full authority to function as a registration and motor vehicle tax collection and driver's license bureau. The move is expected to save the county money by relocating from a rental property to a county-owned facility. However, approval was necessary to move within 15 miles of another deputy registrar office; an Apple Valley office is five miles away.

Signed by Gov. Tim Pawlenty May 10, the removal of expired terms language is effective Aug. 1, 2010. The Burnsville office relocation is effective the day after Dakota County files its approval with the secretary of state.

HF1209*/SF973/CH296

— S. HEGARTY

Window tinting law expanded

Signed
by
the
governor

Anyone who sells or applies vehicle window tints that are darker than current law allows could be found in violation of a new law and subject to a misdemeanor charge.

Though states differ in the degree of tinting allowed, Minnesota prohibits driving a vehicle within state borders with tinting that has a light transmittance of less than 50 percent or a reflectance of more than 20 percent.

Effective Aug. 1, 2010, the law closes a loophole that prohibited driving a vehicle with windows that were too dark, but still allowed for the selling or application of the darker tints. Vehicles with windows that are too dark may still be sold, but not driven, in the state.

Gov. Tim Pawlenty signed the law, sponsored by Rep. Carlos Mariani (DFL-St. Paul) and Sen. Sandy Pappas (DFL-St. Paul), on May 11.

HF2914/SF2370*/CH304

— S. HEGARTY

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House K-12 omnibus bill fast-tracked

Senate slow to respond with companion legislation

By KRIS BERGGREN

Within four days, HF3833, the newest omnibus K-12 education bill, was introduced, approved by a committee and passed 86-47 by the House May 11.

It replaces HF2431, which was travelling through the committee process until being tabled May 7 in the House Ways and Means Committee.

Rep. Mindy Greiling (DFL-Roseville), the bill's sponsor, successfully offered an amendment on the House floor that removes the proposal to codify the funding shifts made by the governor through last year's unallotment process, saying legislative leaders are negotiating a separate plan to address unallotments and repayment of the K-12 shifts.

The Senate does not have a comprehensive education finance and policy bill, instead

splitting proposals into smaller bills. The Senate passed two of the bills May 13 that reflect House provisions. Both sponsored by Sen. LeRoy Stumpf (DFL-Plummer), SF3063 would authorize fund transfers for several school districts, and SF2598 would allow Metro Deaf School-Minnesota North Star Academy to be reimbursed entirely by special education revenue.

HF3833 awaits action by the Senate Finance Committee. Lacking a Senate companion, the House omnibus bill's fate is in limbo, although Greiling is hopeful the bodies could still agree on a "basic education bill." She hopes it would include several House proposals she

said would help school districts manage their finances in tough fiscal times.

"What education groups want the most," she said, is a proposal that school boards could extend an expiring operating levy referendum without voter approval. It includes a reverse referendum option.

Other measures include a proposal to streamline districts' ability to bill third-party payers, including Medicaid or private insurers, for special education services. Another would reduce red tape in applying for health and safety revenue to give districts easier access to that funding. The bill also would repeal a statute requiring the administration to tap school districts' cash reserves for loans before short-term borrowing elsewhere.

School districts served as the state's short-term lender this year through \$1.8 billion in delayed state aid payments Gov. Tim Pawlenty authorized in 2009, and borrowing \$416 million this spring from districts with cash reserves of more than \$700 per pupil.

Also in the bill is the package of funding formula reforms known as the "new Minnesota miracle." It is intended to be phased in starting in 2014, and cost \$2 billion when fully implemented.

Republicans are troubled there is no revenue linked to the proposal.

"We need to solve our problems that we have now," said Rep. Paul Kohls (R-Victoria). "This makes our problems worse in the future."

Greiling said the proposals demonstrate a commitment to invest in public education.

"We should never be ashamed of having a placeholder in our budget that's not funded right now," Greiling said, "but when we do (have revenue), we have this plan in place for equitable and fair funding for our students no matter where they live in our state."

The bill contains some policy reforms needed if Minnesota pursues a federal Race to the Top grant, although meeting the June 1 deadline is unlikely the longer it takes to pass them.



PHOTO BY ANDREW VONBANK

Rep. Mindy Greiling presents the omnibus K-12 education bill May 11 on the House floor.

K-12 education continued on page 23

Deal or no deal?

Endgame is unclear as budget talks enter final days

By NICK BUSSE

Once again, the race to balance the state's budget has come down to the wire.

Legislative leaders and Gov. Tim Pawlenty met throughout the week to discuss possible ways to erase a projected \$3 billion budget shortfall. They reported lots of ideas, but — as of Session Weekly publication time — no solid agreement.

"There's not a plan; there are some ideas that are out that everyone is thinking about and talking about," said House Speaker Margaret Anderson Kelliher (DFL-Mpls).

Among the points of contention, Pawlenty wants the Legislature to ratify his \$2.7 billion in spending unallotments from 2009. The Minnesota Supreme Court ruled May 5 that the unilateral cuts were an executive overreach by the governor, effectively throwing them out.

DFLers oppose ratifying all of the governor's unallotments, especially a \$1.8 billion delay in K-12 school aid payments that they say the governor has no plans to pay back. They say a budget deal must include a mechanism to start paying back the K-12 shifts back in the next biennium, and also protect poor and needy Minnesotans from health and human services cuts.

"Standing up for Minnesotans who are frail

and fragile is important to us right now, and we want to make sure that there is a way to pay for that," Kelliher said.

On May 10, the Legislature passed a DFL-backed measure that would have enacted many of the governor's unallotments, including the K-12 shift. It also included a new, higher income tax tier for wealthy Minnesotans that would have raised \$443 million in new revenues. DFL leaders argued it was a fair compromise, but Pawlenty vetoed it, arguing tax increases would harm the state's economic climate.

Lawmakers could still vote to override the governor's veto, but House DFLers would need at least three Republicans to join them in doing so. Senate Majority Leader Larry Pogemiller (DFL-Mpls) said the Legislature is unlikely to push very hard on the tax issue as budget negotiations move forward.

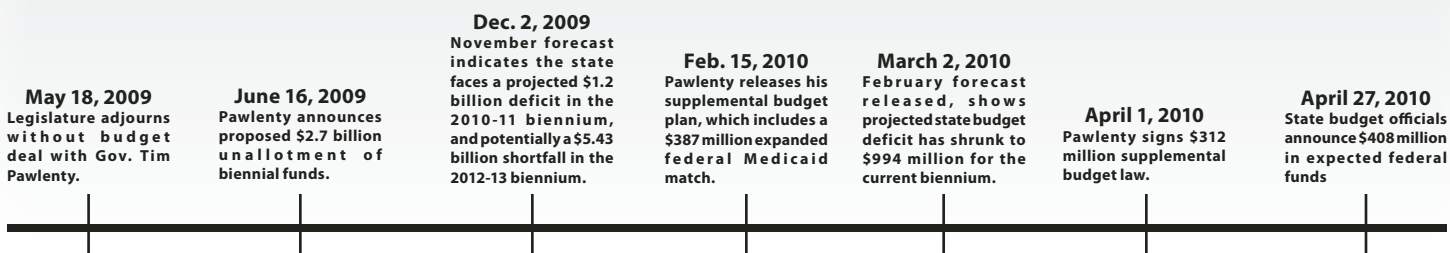
"I think it's fair to say the governor is not



PHOTO BY TOM OLMSCHIED

House Majority Leader Tony Sertich and Sen. Tarryl Clark are surrounded by the media after an afternoon budget meeting with the governor May 6.

Budget Timeline 2009-2010



interested,” Pogemiller said, adding, “We got the point.”

Another issue is whether to allow Minnesotans to opt in to an early expansion of Medicaid. The provision was included in an omnibus health and human services finance bill that Pawlenty vetoed May 13.

“The outstanding pieces still revolve around kids and schools, and health care for Minnesotans,” Kelliher said. “That is where we started the session and it looks like that is where we are going to end the session.”

All week long, House and Senate leaders could be seen filing in and out of the governor’s office, trying to negotiate a compromise. All sides reported progress and a positive tone to the discussions, despite a lack of overall agreement.

“We’re still meeting and negotiating, so that’s always a good sign,” said House Minority Leader Kurt Zellers (R-Maple Grove).

When it rains, it pours

Just a few weeks ago, lawmakers thought they were facing a very different budget situation.

By late April, the Legislature had already passed and Pawlenty had signed a bill that cut the deficit by \$312 million. With the federal government expected to kick in \$408 million, lawmakers and the governor only had a \$128 million problem left to deal with, in theory. The situation appeared to be under control.

Then, on April 27, the picture began to cloud. Legislators got word that the federal money was unlikely to arrive before the Legislature adjourned because the enhanced Medicaid match funding had unexpectedly stalled in Congress. State budget officials were “80 percent” sure that the money would eventually come; nevertheless, they suggested lawmakers come up with contingency plans in case it didn’t.

Eight days later, the Minnesota Supreme Court threw the entire legislative session for a loop. The court ruled that Pawlenty



PHOTO BY ANDREW VONBANK

House Minority Leader Kurt Zellers takes questions from the media May 7 during the Republican response to the Minnesota Supreme Court decision against Gov. Tim Pawlenty’s unallotments.

had overstepped his executive authority last year when he unallotted \$2.7 billion in state spending. In a 4-3 decision, the court reasoned Pawlenty was wrong to use unallotment before the budget was balanced.

In an instant, the state’s budget gap swelled to more than \$3 billion. With 12 days to go, the state’s leaders now had a much bigger problem to address.

The worst-case scenario

The situation grows even more complicated when you throw in the state’s cash flow problems. For months, the state’s cash accounts have been dwindling to precariously low levels, mainly because of poorer-than-expected tax receipts. To avert a projected shortfall earlier this spring, the state even had to delay \$416 million in payments — mostly to K-12 school districts.

With the governor’s unallotments undone, the state’s cash flow situation ups the ante for a budget deal. Brian McClung, Pawlenty’s

spokesman and deputy chief of staff, said that if a judge were to order reinstatement of the unallotted spending, the state would instantly run out of money.

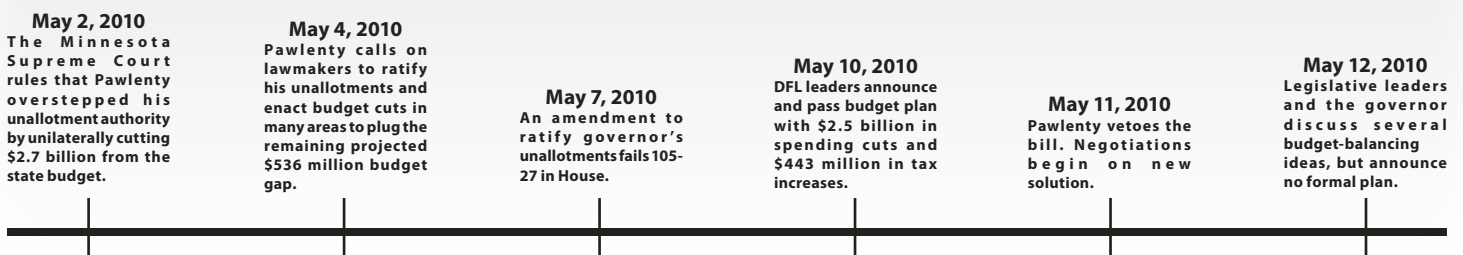
“If all of the unallotments were undone, or even if just the K-12 deferral itself were undone, the state would not have the cash flow money that day,” McClung said.

Pawlenty has asked state agency heads to begin planning for what McClung called a “crisis scenario.” If the state does run out of cash, McClung said the governor may have to order a reduction in some state services or even a government shutdown.

The leaders are optimistic that won’t have to happen. Summing up the situation, Senate Minority Leader David Senjem (R-Rochester) said the options on the table aren’t all that great, but for the time being, they just have to work.

“We can make this work,” Senjem said. “I think we’ll come to the realization that they may not be the best solutions, but they are a solution.” 🗽

Budget Timeline 2009-2010



Definitions matter

Language for environment and energy spending called into question

By SUE HEGARTY

Interpreting the constitutional will of the voters became a key issue in discussion of the omnibus environment, energy and natural resources policy and finance bill, which includes how to spend the outdoor heritage funds.

Shortly after midnight on May 13, the House passed the conference committee report on HF3702/SF3275*, sponsored by Rep. Jean Wagenius (DFL-Mpls), 107-25. The Senate re-passed the bill 59-7 May 12. It awaits action by the governor.

The outdoor heritage funds appropriated in the bill may be used “only to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife,” according to the 2008 constitutional amendment approved by voters. The House modified those

definitions in a bill they passed last week and included acquisition as part of the definition to protect wetlands, prairies, forests and habitat.

But several legislators and stakeholders argued that the new definitions were not thoroughly vetted, may be legally challenged and should be repealed. On May 12, a conference committee agreed to repeal the definitions, drop the House modifications and let the constitutional amendment speak for itself.

“We decided that even though we did a lot of work last week in moving toward acceptable definitions, the Senate wasn’t there, so that was hardly fair. We decided that, yes indeed, the suggestion that we could drop the definitions that we had established in law ... that we would drop them if indeed the Outdoor Heritage Council would stop using their definitions. Chairman (Mike) Kilgore agreed,” said Rep. Mary Murphy (DFL-Hermantown), who chairs the House Cultural and Outdoor Resources Finance Division, which the provisions flowed through. “We are going to use ... the definitions that were contained therein in the constitutional amendment that the people of Minnesota voted for. We think those are definitions that are narrow enough or broad enough to satisfy any proposal that comes before the council to talk about.”

“It kind of reminds us that the constitution — those really are the words that we need to all follow — and we’ll use our very best

Environment continued on page 23



PHOTO BY TOM OLMSCHIED

Sen. Ellen Anderson, from left, and Rep. Mary Murphy, co-chairs of the conference committee dealing with Legacy Funds, listen to testimony May 12 along with House conferees Rep. Will Morgan, Rep. Jean Wagenius, Rep. Rick Hansen and Rep. Greg Davids.

HHS bill is DOA but hoping for CPR

Supporters cite gaining federal funds, governor concerned about spending

By LAUREN RADOMSKI

Gov. Tim Pawlenty and legislative leaders were expected to continue talks on the omnibus health and human services budget bill after the governor delivered an expected veto May 13.

Passed by the House and Senate May 12, HF2614*/SF2337 would reduce General Fund health and human services expenditures by \$114 million in the current biennium and by \$155 million in the next biennium. Prior to the floor votes, Pawlenty said the legislation needed to do more to reduce spending.

"This bill doesn't really go very far in that regard," he reiterated at a Thursday press conference.

The governor and DFL leadership are also at odds over an early federal health care reform initiative that would draw down more than \$1 billion in federal funding over the next three

years with the help of a state match. Another sticking point: surcharges on hospitals, long-term care facilities and HMOs that would help capture the federal dollars.

A part of the Legislature's budget-balancing solution, the bill is crucial to "leaving our books in the black," said Sen. Linda Berglin (DFL-Mpls), who sponsors the legislation with Rep. Thomas Huntley (DFL-Duluth).

On Wednesday, Berglin said she and House leadership were intent on continuing negotiations with Pawlenty.

"I think it's important for the governor to be working with us and not telling us every time

we try to help out here that we're a problem," Berglin said.

As of Session Weekly press time, DFLers had not publicly discussed whether they would attempt a veto override.

Assessing federal reform

One of the bill's key components is related to the federal health care reform law. It would have a major impact on low-income adults, the doctors who care for them and the state's future health care spending.

Under the proposal, certain Minnesotans making less than \$8,000 annually could enroll in the state's Medicaid program as soon as next year. This would include childless adults enrolled in General Assistance Medical Care and MinnesotaCare, programs that are solely state-funded.

Supporters favor the change because the Medicaid program garners federal dollars, which will grow significantly in 2014. That's when Medicaid will cover a broader range of adults across the country.

The proposal is favored by hospital officials because it would reimburse them for each GAMC patient that they treat, Berglin said. In contrast, the revised GAMC program offers hospitals low reimbursement for agreeing to treat an unknown number of patients.

Huntley said Minnesota would receive about \$1.4 billion in federal funding over the next three years if the state embraces the Medicaid option. Legislators would fund a required state match with \$188 million from the General Fund and about \$1.2 billion that otherwise would have been spent on GAMC and MinnesotaCare.

Huntley called the Medicaid option something lawmakers can't pass up.

"It's \$7.45 returned for every dollar that we spend in that program," he said, "and where will that \$1.4 billion go? It's going to go to our health care providers, our hospitals, our physicians and our nurses who have been severely cut over the last three or four years."

Omnibus HHS continued on page 23



PHOTO BY ANDREW VONBANK

Rep. Thomas Huntley and Sen. Linda Berglin listen to the side-by-side comparison of the House and Senate health and human services bills during a May 7 conference committee meeting.

Tracking new laws, vetoes

Once a bill passes the House and Senate in identical form, it is sent to the governor for consideration. The governor has several options when considering a bill:

- sign the bill and it will become law;
- veto the bill;
- line-item veto individual items within an appropriations bill; or
- do nothing, which can have two different effects.

The timing of these actions is as important as the actions themselves.

In the second year of the biennium, (even-numbered years) a bill passed by the Legislature and presented to the governor before the final three days of the session will become law unless the governor vetoes it by returning it to the Legislature within three days. (Sundays are not counted in the three-day time limit, but holidays are.)

The governor normally signs the bills and files them with the secretary of state, but his or her signature is not required. If a bill is passed during the last three days of session, the governor has a longer time to act. He or she must sign and deposit it with the secretary of state within 14 days after the Legislature adjourns "sine die." If the governor does not sign a bill within this time frame, it will not become law — an action known as a "pocket veto." The governor is not required to provide a reason for the veto.

Only on appropriations bills can the governor exercise the line-item veto authority. This allows the governor to eliminate the appropriation items to which he or she objects. With the exception of pocket vetoes, the governor must include a statement listing the reasons for the veto with the returned bill. Here, too, the

timetable is three days after the governor receives the bill.

Policy items contained in appropriation bills may not be line-item vetoed. In order to veto such an item, the governor is required to veto the entire bill.

A two-thirds vote of the members in each house is needed to override a veto. But because only the governor can call a special session of the Legislature, anything vetoed after the Legislature adjourns is history — at least until the next year.

The governor's veto authority is outlined in the Minnesota Constitution (Article IV, Section 23).

More information is available on the governor's Web site (www.governor.state.mn.us). Select the "Legislation" link.

Key:
CH=Chapter; HF=House File; SF=Senate File

Chapter	HF	SF	Short Description	Signed	Vetoed
231	212*	333	Pretrial filing prerequisite of a transcript eliminated for admission into evidence of law enforcement vehicle recordings.	4/15/2010	
232	2616*	2453	Bicyclists allowed to stop and proceed through red light under limited circumstances.	4/15/2010	
233	2823*	2232	Deed filing contract definitions clarified, and common interest community certificate changes made.	4/15/2010	
234	3065*	2590	Securities lending agreements and holding of municipal funds provided.	4/15/2010	
235	3277*	3102	Advertising of deceptive local telephone numbers businesses specified as a deceptive trade practice.	4/15/2010	
236	1457	987*	Unfunded mandates affecting local governmental units eliminated.	4/15/2010	
237	2708	2559*	Conforming change made to provide for the right of the borrower to obtain a postponement of a foreclosure sale that has a 12-month redemption period, as is now available for a six-month redemption period.	4/15/2010	
238	3299	2562*	Child support enforcement provisions updated on access to information, and actions by a public authority.	4/15/2010	
239	2991	2517*	Court authorized to furnish any electronic copies of documents to public defender at no charge.	4/15/2010	
240	3023	2322*	Business screening services regulated, and correction and deletion of certain criminal records provided.	4/15/2010	
241	3362*	2841	Petroleum tank release provisions modified.	4/15/2010	
242	3420	3091*	Medical examination requirements conformed for commercial driver's license to federal law.	4/15/2010	
243	2927	2852*	Health care clearinghouse added for health care provider transactions.	4/15/2010	
244	2674	2475*	Veterans of Foreign Wars Day designated as May 28.	4/15/2010	
245	2928	2580*	Juneteenth observance governing provisions modified.	4/15/2010	
246	3196	2923*	Home health care services regulating provisions modified.	4/15/2010	
247	3097	2616*	Private shared services regulated, and regulatory provisions modified.	4/15/2010	
248	3212	2877*	Continuing education requirements exception provided for licensed professional counselors.	4/15/2010	
249	3085	2722*	State and political subdivisions and others exempted from increased interest rates on certain judgments and awards.	4/15/2010	
250	3025	2705*	Organization and operation of business corporations, nonprofit corporations, and limited liability companies regulated; consistent law provided relating to registered agents and offices of business entities; and prohibition repealed against certain business names.	4/15/2010	
251	3174*	2862	Predatory offender registration law amended to address registrants living in homeless shelters and to clarify that the registration requirement for offenders who move out of state are suspended not terminated.	4/15/2010	
252	3143*	3013	Explore Minnesota Tourism Council membership requirements amended.	4/15/2010	
253	3460*	3090	Definition changed to conform to International Registration Plan for commercial motor vehicles.	4/15/2010	

*The legislative bill marked with an asterisk denotes the file submitted to the governor.

Chapter	HF	SF	Short Description	Signed	Vetoed
254	3128*	2796	Powers clarified for health care agents, guardians, and others to make health care decisions for wards and protected persons, and governing guardians and conservators provisions modified.	4/15/2010	
255	3186	2808*	Omnibus liquor bill.	4/22/2010	
256	3447	3116*	DNA collection from offenders authorized.	4/22/2010	
257	3016	2572*	Vehicle impoundment notice time clarified.	4/22/2010	
258	2402	2152*	Lead acid battery recycling, purchase, return, and collection regulated, and certain charges modified.	4/22/2010	
259	3130	2363*	Fire departments authorized to access criminal history data on current employees.	4/22/2010	
260	3360	2944*	Contractor continuing education requirements modified.	4/22/2010	
261	3405*	3199	Commissioner's state medical review team duties modified.	4/22/2010	
262	3151*	2903	Viewing, transportation, and removal of a dead human body provisions modified.	4/22/2010	
263	776*	612	Uniform Foreign-Country Money Judgments Recognition Act enacted and recommended for passage by the National Conference of Commissioners on Uniform State Laws.	4/22/2010	
264	1692*	891	Dispute arbitration provided, and Uniform Arbitration Act adopted.	4/22/2010	
265	2851*	2662	Trunk highway routes Nos. 332 and 297 modified.	4/22/2010	
266	3096*	2735	Rehabilitation facility, extended employment provider, and day training and habilitation service program provisions changed.	4/22/2010	
267	3393*	2985	Minnesota Common Interest Ownership Act amended.	4/22/2010	
268	3423	2339*	Criminal penalty increased for possessing dangerous weapons on school property while criminal penalty lowered for brandishing, using, or possessing replica firearms and BB guns on school property.	4/22/2010	
269	3039	2690*	Driver's license requirements modified for foster children, in-court reviews required, and definition of parent expanded for child protection proceedings.	4/22/2010	
270	3191	2717*	Sexual contact in secure treatment facilities included as criminal sexual conduct in the third and fourth degrees.	4/22/2010	
271	737	1246*	Rehabilitation counselors for the blind certification provided.	4/26/2010	
272	3061*	2991	Minnesota's waste management hierarchy amended.	4/26/2010	
273	3286*	3005	Metropolitan Council best value contracts and procurement for transit vehicles authorized.	4/26/2010	
274	2969	2851*	Health licensing technical provisions modified.	4/26/2010	
275	3146	2825*	Continuing education provisions modified, insurance laws amended involving insurance company rehabilitation and liquidation, group life insurance, use of mortality tables, the Life and Health Insurance Guaranty Association, mutual insurance companies, and fraternal risk-based capital regulated.	4/26/2010	
276	3157*	3087	Parent notification of child maltreatment in a school facility modified.	4/26/2010	
277	2907*	2254	State goals set for the deployment and speed of high-speed broadband.	4/26/2010	
278	2879*	2592	Minors allowed to contract for automobile insurance.	4/26/2010	
279	2231*	2004	Road authorities allowed to remove snow from certain roads in uncompleted subdivisions.	4/26/2010	
280	3048*	2928	Construction codes and licensing provisions modified, and certain notice provisions modified.	4/26/2010	
281	3391*	2999	Children in need of protection or service provisions modified.	4/26/2010	
282	3076	2844*	Elevator provisions modified.	4/30/2010	
283	2839	2758*	Minnesota entrepreneur virtual assistance network authorized, and money appropriated.	4/30/2010	
284	3164*	2822	Transfer of credits regulated within institutions belonging to the Minnesota State Colleges and Universities system.		4/30/2010
285	3347	2996*	School concession stands established as a specific category of food and beverage service establishments.	4/30/2010	
286	1372	1323*	Infectious Waste Control Act modified.	4/30/2010	
287	2855*	2726	Boiler provisions modified and civil and criminal penalties amended and imposed.	4/30/2010	
288	1182*	1112	Public service corporation eminent domain authority clarified.	4/30/2010	
289	1320*	1137	Substitution of drugs used for the treatment of epilepsy or seizure rule adoption clarified.	4/30/2010	
290	2925	2873*	Public facilities programs amended and technical changes made.	4/30/2010	
291	2510	2226*	Coercion prohibited for a person who is considering being a candidate.		5/10/2010
292	3312	2990*	Criminal penalty provided for intentionally rendering a service animal unable to perform its duties, offenders convicted of harming service animals required to pay restitution, and civil remedies are not precluded by the criminal penalty for harming service animals.	5/10/2010	
293	2470	2493*	Scanning device and reencoder use to acquire information from payment cards included as identity theft.	5/10/2010	
294	3591*	3115	Minneapolis authorized to adopt an ordinance to define the annual duration of operation of mobile food units.	5/10/2010	
295	3318*	2984	Uniform Unsworn Foreign Declarations Act proposed for adoption by the National Conference of Commissioners on Uniform State Laws, and penalties provided.	5/10/2010	
296	1209*	973	Corporate deputy registrar expiration date removed.	5/10/2010	
297	2899*	2354	Administrative remedy provided for certain data practice law violations, civil penalty provided, and money appropriated.	5/10/2010	
298	162	364*	Watershed district drainage system provisions modified, and money appropriated.	5/10/2010	
299	2608	2437*	Protection area extended to a reasonable area around residence or dwelling in ex parte orders for protection.	5/10/2010	
300	3300	2713*	Civilly committed sex offenders, sexually dangerous persons, and sexual psychopathic personalities provisions modified, and judicial holds in commitment cases provisions amended.	5/10/2010	

Chapter	HF	SF	Short Description	Signed	Vetoed
301	3088	2855*	Children and family service technical and policy provisions changed, Minnesota family investment program and adult supports provisions changed, and child welfare provisions changed.	5/10/2010	
302	3589*	3084	Contracts for professional or technical services reporting threshold reduced.	5/11/2010	
303	2926	2912*	Children's mental health policy provisions; American Indian chemical dependency licensure programs requirements; mental health diagnostic assessment payments structure.	5/11/2010	
304	2914	2370*	Illegally tinted motor vehicle windows sale prohibition.	5/11/2010	
305	3467	3055*	Tobacco Modernization and Compliance Act of 2010.	5/11/2010	
306	3748	3325*	Local impact notes request from finance and ways and means committees authorization.	5/11/2010	
307	984	633*	Medical assistance (MA) primary care health care providers primary caries (cavities) prevention performance encouragement.	5/11/2010	
308	2945	2759*	State building code municipal enforcement provisions modifications.	5/11/2010	
309	2990	2880*	State guardian ad litem board establishment.	5/11/2010	
310	3237	3027*	Changing health care eligibility provisions, making changes to individualized education plan requirements.	5/11/2010	
311	3168	2756*	Overdimensional load escort drivers traffic control authority and commissioner of public safety to escort driver training and certification program establishment.	5/11/2010	
312	3327*	2594	Employees of city-owned or county-owned hospital exempt from certain reporting requirements.		5/11/2010
313	653*	834	Municipal precinct and ward boundary procedures and requirements changed.	5/11/2010	
314	655*	531	Candidacy affidavit required to state candidate's residence address and telephone number, and candidate placement on ballot prohibited if residency requirements are not met.	5/11/2010	
315	2668*	2595	Expungement procedures modified, fee charging and recovery procedures provided, and certain rights provided to tenants of foreclosed properties.	5/11/2010	

BILL INTRODUCTIONS

MAY 7 - 13, 2010
HOUSE FILES 3832 - 3849

Friday, May 7

HF3832-Carlson (DFL)

Ways & Means

Health and human services contingent appropriations made.

HF3833-Grailing (DFL)

Ways & Means

Early childhood through grade 12 education policy and funding provided including general education, education excellence, special programs, facilities and technology, accounting, state agencies, pupil transportation, education finance reform, forecast adjustments, early childhood education, prevention, self-sufficiency and lifelong learning.

HF3834-Carlson (DFL)

Finance

Minnesota Management & Budget commissioner required to provide a cash flow forecast to the governor and legislature.

HF3835-Knuth (DFL)

Transportation & Transit Policy & Oversight Division

Local regulation of trucks authorized on certain trunk highways.

HF3836-Dill (DFL)

Environment Policy & Oversight

Minnesota-Wisconsin Boundary Area Invasive Species Commission established.

Monday, May 10

HF3837-Bunn (DFL)

Finance

Rehabilitative services and medical supplies and equipment coverage and payment rates modified.

Tuesday, May 11

HF3838-Simon (DFL)

Commerce & Labor

Drug and alcohol testing provisions modified relating to professional athletes.

Wednesday, May 12

HF3839-Loeffler (DFL)

State & Local Government Operations Reform, Technology & Elections

Unpaid leave job retention program created.

HF3840-Kohls (R)

Civil Justice

Limitation period reduced for bringing certain actions.

Thursday, May 13

HF3841-Morrow (DFL)

State & Local Government Operations Reform, Technology & Elections

Gender equality provided under the law and constitutional amendment proposed.

HF3842-Hayden (DFL)

State & Local Government Operations Reform, Technology & Elections

Council on East African Minnesotans created and ombudsperson for East African Minnesotans created.

HF3843-Hayden (DFL)

Health Care & Human Services Policy & Oversight

Medical homes created for children with autism spectrum disorders.

HF3844-Sterner (DFL)

State & Local Government Operations Reform, Technology & Elections

Counties authorized to designate business days for public business subject to certain limitations.

HF3845-Simon (DFL)

Commerce & Labor

Contract renewals procedures specified for telecommunications services for business customers.

HF3846-Morgan (DFL)

Finance

Formula changed for assistance by the Metropolitan Council to cities and towns with replacement transit service.

HF3847-Hornstein (DFL)

Health Care & Human Services Policy & Oversight

Proposal established to provide grants to organizations providing care coordination services to Medical Assistance recipients with HIV or who are at risk of contracting HIV.

HF3848-Atkins (DFL)

Commerce & Labor

Wireless telecommunications service providers required to alert customers whose usage approaches or exceeds their contract limit.

HF3849-Gardner (DFL)

Environment Policy & Oversight

Powers, requirements and procedures established for residential water service by municipal utilities.

K-12 education continued from page 15

Among them is a provision requiring annual teacher and principal evaluations, modified by an amendment successfully offered by Rep. Carlos Mariani (DFL-St. Paul). "I think Minnesotans would be quite surprised to know there are lots of teachers and lots of principals who are rarely evaluated," he said. The revised proposal combines support for teachers to improve their performance with more data-based "formative" evaluations.

The bill contains an alternative teacher licensure proposal targeted to mid-career changers, but another pathway the governor and many lawmakers favored is absent. It was unsuccessfully offered as an amendment by

Rep. Randy Demmer (R-Hayfield) based on a Mariani-sponsored bill (HF3093) that would allow a limited two-year license for candidates such as Teach for America members, who have a bachelor's degree and meet other criteria.

The amendment failed 68-65 after nearly two hours of passionate, bipartisan statements of support and opposition.

Mariani urged its passage, but said alternative teacher licensure isn't a "magic bullet" to close the achievement gap, although it is one piece of the solution.

"This proposal in no way disparages our traditional teachers," said Rep. Steve Gottwalt (R-St. Cloud). "This isn't an either-or; it is another tool in the chest."

Some members wanted the governor's reform platform, offered unsuccessfully as an amendment by Rep. Pat Garofalo (R-Farmington). It includes tiered licensure for teachers and principals, alternative licensure, a five-year teacher tenure renewal requirement and definitions of an "effective" and "highly effective" teacher based on student academic growth.

"Education is the thing that's going to drive our state as we move forward," said Rep. Carol McFarlane (R-White Bear Lake). "We had the opportunity to make some good policy decisions. Unfortunately, I don't think they were as strong as we hoped they would be."



Environment continued from page 18

judgment to interpret it," Senate sponsor Sen. Ellen Anderson (DFL-St. Paul) said.

Another issue centered on whether to keep a \$6.8 million appropriation to acquire Reinvest in Minnesota conservation easements with outdoor heritage funds. The constitution requires the funds be used to supplement, rather than supplant, traditional sources of funding. However, the traditional source — \$25 million for RIM in the bonding bill — was line-item vetoed March 14 by Gov. Tim Pawlenty. Without the traditional funding, several legislators questioned the legality of the outdoor heritage funding for RIM.

"I have trouble with that," said Sen. Satveer Chaudhary (DFL-Fridley).

The appropriation remains in the omnibus bill. Murphy said it was a shame to leave matching federal dollars "on the table" due to the governor's veto.

A provision eliminated from the bill

brought one House member to tears.

Rep. Karla Bigham (DFL-Cottage Grove) said she was "angry" that a proposed moratorium on the expanded use of the 3M incinerator was removed from the bill. The Maplewood company has asked the Pollution Control Agency for permission to burn waste other than its own, such as unwanted pharmaceuticals, at its Cottage Grove plant. The company and the City of Cottage Grove have reached an agreement that 3M would pay for air monitoring if allowed to continue the permitting process. Bigham was angry that her constituents won't be allowed to voice their concerns on the record through a public comment process.

The law would also provide \$800,000 of supplemental money to add staff to the Public Utilities Commission and expand representation on the Metropolitan Area Water Supply Advisory Committee from seven counties to an 11-county area by adding gubernatorial appointees from Chisago,

Isanti, Sherburne and Wright counties.

Several energy-related provisions are in the bill. Two would tap into the Renewable Development Fund, which traditionally has been allocated through a competitive grant process. Xcel Energy pays into the fund annually based on the amount of nuclear waste it stores at its two power plants.

A \$21 million RDF appropriation would allow Xcel Energy customers to receive rebates on the installation of solar modules. Sponsored by Rep. Tom Rukavina (DFL-Virginia), the provision would require that only solar modules manufactured in Minnesota be used.

The other, sponsored by Rep. Karen Clark (DFL-Mpls), would allocate \$90,000 to study possible alternatives to the installation of a high-voltage transmission line along the Minneapolis Midtown Greenway. Contested evidentiary hearings for a certificate of need for the proposed transmission line would not be allowed prior to April 1, 2011.



Omnibus HHS continued from page 19

On the House floor, where the bill passed 82-50, Republicans argued the legislation would actually increase spending using money the state doesn't have. Rep. Sarah Anderson (R-Plymouth) said the federal government has a poor track record of fulfilling its promises on transportation and special education funding. She's concerned a future Congress may renege on the health care funding or determine the money simply isn't available.

Legislators also disputed the extent of cuts in the bill, which some Republicans said are relatively small.

Under the bill, hospitals would sustain a nearly 2 percent rate cut in the out biennium. They, along with nursing facilities, would

see a delay in the rebasing of their Medicaid reimbursement rates. Specialist physicians would have their rates cut and spending would be reduced in areas including mental health services, chemical dependency treatment and children's protective services.

"At the end of those cuts are real people, people who are sick and they're elderly and they're disabled, and they're going to experience this," said Rep. Erin Murphy (DFL-St. Paul).

Rep. Jim Abeler (R-Anoka) said that while he sympathized with these groups, the bill makes only a dent in the total appropriations overseen by the House Health Care and Human Services Finance Division.

"This is a committee that spends a lot of money on some very worthy people with some

very important needs, but it is absolutely not broke," he said. "We are not down to the bone. We have not found the muscle."

Rep. Steve Gottwalt (R-St. Cloud) echoed similar sentiments about the bill.

"It is not cutting total spending. It is not cutting General Fund spending. It is adding people to public programs at a cost we can't afford," he said.

The budget bill does not include a controversial House amendment that would have eliminated tax breaks for corporations with operations overseas. It does appropriate funding for some State Operated Services facilities that were slated for closure and designates an advisory group to provide input on the division's future.



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MAJORITY LEADER: ANTHONY "TONY" SERTICH
MINORITY LEADER: KURT ZELLERS

MINNESOTA INDEX

Book it: Public libraries in Minnesota

Year state's first "social" (fee-based) circulating library was established.....	1849
Year Legislature authorized local public libraries	1879
Millions donated by Andrew Carnegie for libraries nationwide	\$41
Year first Carnegie library funds promised, to Duluth	1899
Number of Minnesota cities promised Carnegie funds.....	58
Number of local public library systems in the state	135
Number of public library locations including bookmobiles	372
Millions of visits in 2002; 2008	25.8; 28.6
Percent increase in that time	11
Percent of Minnesota residents with a library card, 2002; 2008	51; 55
Percent increase in that time	8
Rank, Hennepin County Library size	1
Rank, McKinley Public Library size	135
Residents served, Hennepin; McKinley	1,100,000; 80
Number of locations, Hennepin; McKinley	41; 1
2008 operating expenses, Hennepin; McKinley	\$67,000,000; \$7,800
Number of public computers, Hennepin; McKinley	1,750; 3
Ramsey County Library children's and teen programs in 2008; attendees	850; 37,648
Computer classes held; attendees	111; 1,049
Number of regional library systems statewide	12
Legacy Amendment funds appropriated to regional libraries in fiscal year 2010, in millions	\$4.25
Operating revenue received by Minnesota public libraries, 2008, in millions	\$207.4
Percentage from counties; cities	49; 35
Percentage from state; federal governments	7; 1
Percentage from other sources (e.g., fines, gifts, fees, special events)	9

— K. BERGGREN

Sources: "Public Libraries," March 22, 2010 report by the Office of the Legislative Auditor;
Hennepin County Library; McKinley Public Library; Ramsey County Library.

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