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Minnesota House of Representatives

Margaret Anderson Kelliher, Speaker

FOR IMMEDIATE RELEASE
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New Laws Effective July 1, 2008

Editor's note: The following is a listing of selected new laws passed during the 2008 legislative session that take effect July 1, 2008. The asterisk following the bill number denotes the language that became law. A complete summary of all laws passed by the 2008 Legislature will soon be available online from House Public Information Services. Go to www.house.mn/hinfo/newlaws2008-0.asp.

AGRICULTURE

Policy provisions

Provisions taking effect in the omnibus agriculture and veterans affairs policy law, sponsored by [Rep. Al Juhnke](#) (DFL-Willmar) and [Sen. Jim Vickerman](#) (DFL-Tracy), include:

- availability for annual waste pesticide disposal opportunities in each county for residential end-users, as well as a designated place in each county for disposal of agricultural waste pesticides. (Art. 1, Secs. 2-7);
- encouraging Greater Minnesota counties adopting or updating comprehensive plans to consider open space goals. The initiative is entitled the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land. (Art. 1, Secs. 57-61); and
- establishment of an agricultural and open space task force to study state and local policies regarding land preservation, with a report due to the Legislature by Jan. 30, 2009. (Art. 1, Secs. 62, 66)

HF3902/SF3683*/[CH297](#)

BUDGET

Supplemental appropriations and reductions

Sponsored by [Rep. Lyndon Carlson](#) (DFL-Crystal) and [Sen. Richard Cohen](#) (DFL-St. Paul), a new law resolves the state's biennial budget deficit of about \$1 billion — up from the \$935 million projected in the February 2008 forecast and after new spending items are included, such as the \$38 million allocated for the Interstate 35W Bridge Victim Compensation Fund.

The agreement calls for \$500 million to be taken from the state's \$653 million budget reserve and nearly \$360 million in cuts and non-tax revenue increases are to occur. Additionally, the omnibus tax law (HF3179) includes \$109 million from closing a tax

loophole some foreign-operating corporations used to bypass state tax law. The state's \$350 million cash flow account is preserved.

HF1812*/SF3813/[CH363](#)

Agriculture

The Department of Agriculture will see its General Fund appropriation increased by \$188,000, primarily due to a one-time \$1 million allocation for grants for a new livestock investment program. The increase is offset by a one-time \$310,000 reduction in ethanol producer payments for an ethanol plant that ceased operations, a general reduction of \$302,000 and a \$200,000 reduction for an Elk River bioenergy product. (Art. 7, Secs. 1-3)

Commerce

The Commerce Department is to see an overall reduction of \$4.1 million, including a \$2.6 million drop for renewable hydrogen initiative grants and \$1.25 million in E-85 cost-share grants. (Art. 6, Secs. 3, 4)

Early Childhood and K-12 Education

The law provides the equivalent of an additional 1 percent, or \$51 per pupil unit, to the funding formula for Fiscal Year 2009.

The funding comes from a \$10 million reduction in Q Comp, the pay-for-performance program some school districts are using. The General Fund is to cover the other \$33 million of cost. (Art. 2, Sec. 47)

However, the law creates a process for approving new alternative compensation districts, sites and schools that had not applied as of March 20, 2008. New entitlement revenue is limited to \$11.4 million in Fiscal Year 2009 and \$14.3 million the following year. (Art. 2, Sec. 48)

The Education Department faces an \$892,000 operating reduction in Fiscal Year 2009. (Art. 2, Sec. 41)

The state reimbursement for each half-pint of kindergarten milk not served as part of a school lunch or reimbursed under statute is increased from 14 to 20 cents. (Art. 2, Sec. 12)

Wording is changed on a ballot question to renew a school district operating referendum levy so voters better understand their vote is to extend an existing property tax referendum set to expire, rather than potentially increasing their property taxes. (Art. 2, Sec. 22)

Economic Development

Beginning in Fiscal Year 2009, the Department of Employment and Economic Development budget is reduced \$550,000. The reduction must not result in layoffs. That same year, \$400,000 is appropriated to establish the Office of Science and Technology and an equal amount is a transfer for the military reservists economic injury loan program. HIRED is to receive \$120,000 to provide employee training developed with employers in specific high-demand industries, and \$75,000 is for Lifetrack Resources for a pilot project in Rochester focusing on immigrant and refugee programs. All are one-time appropriations.

The Housing Finance Agency is cut \$200,000 in Fiscal Year 2009, the Bureau of Mediation Services \$69,000, and the Department of Labor and Industry will receive a \$43,000 base reduction, which cannot be funded through a reduction in prevailing wage enforcement or by not filling department positions. (Art. 10, Secs. 4, 5, 7).

A one-time \$1.3 million appropriation in Fiscal Year 2009 is to the Minnesota Film and TV Board for its job production program. (Art. 10, Sec. 6)

Environment

Total appropriations in this area are increased by \$405,000. General Fund appropriations are reduced by almost \$3.06 million, but spending increases are to occur in a natural resources fund, game and fish area and environmental fund. (Art. 5, Secs. 1, 2)

Overall funding to the Pollution Control Agency is reduced by \$603,000. This includes a \$623,000 reduction in department operations and another \$20,000 appropriation from the General Fund to develop recommendations to establish a comprehensive product stewardship approach to reducing environmental and health risks posed by the use or disposal of certain products.

The Board of Water and Soil Resources is to receive a net General Fund increase of \$235,000. The law includes a \$450,000 increase for cost-share programs to help areas flooded in 2007 and \$100,000 for the Star Lake Board, to which lake associations seeking the "Star Lake" designation would be required to submit a lake or river management plan. In addition to evaluating plans and awarding the designation to qualifying lake associations, the board is to work with associations to achieve maximum sustainability results. (Art. 5, Secs. 5, 17, 18, 26, 32)

Government

The state budget reserve is to be reduced by \$500 million. (Art. 14, Sec. 1).

Most state agencies are looking at a 4 percent budget reduction, the Legislature and constitutional offices are generally cut 3 percent. For example, the House is cut \$952,000 in Fiscal Year 2009; the Senate \$710,000. (Art. 13, Secs. 3-11, 21)

However, the law appropriates a pair of \$40,000 grants to partially fund memorials on the Capitol Mall: one for workers and another for Hubert H. Humphrey. (Art. 13, Sec. 9)

Salary limits for the directors of the state's three major public employee retirement systems are increased from 85 percent to 95 percent of the governor's salary. This is the same cap in law for heads of most state agencies and departments. (Art. 13, Secs. 15, 16)

Health

The total appropriation for the health and human services areas decreases by \$84.7 million in the current biennium and nearly \$190 million for the following two years.

A \$50 million transfer from the Health Care Access Fund to the General Fund is included in the law. The money will be paid back when the health care reform law efficiencies save the General Fund that amount. (Art. 17, Sec. 1)

An additional 3 percent reduction on medical assistance and general assistance medical care payments for hospital outpatient services and clinic visits is imposed. The amount withheld from the medical assistance and general assistance medical care managed care capitation rate is increased by an additional 3 percent of the total capitation; this additional withhold will be returned in the following year. Mental and American Indian health service facilities are exempt. (Art. 17, Secs. 13-15)

Higher Education

The state's higher education institutions receive a \$21.7 million cut in the current biennium, and a \$33.5 million reduction is scheduled in the following biennium. The Minnesota State Colleges and Universities system cannot raise tuition higher than what was previously planned for the 2008-09 academic year. A similar request is made to the University of Minnesota. (Art. 4, Sec. 1)

In fiscal years 2008-09, a \$7.88 million trim for MnSCU is in the law and the board is directed to reallocate \$9 million of its state appropriation to reduce student tuition.

Reductions cannot, however, reduce technology expenditures or grants to campuses, and must not increase any assessments to campuses. The system base is reduced by \$7.7 million in fiscal years 2010 and 2011.

The law appropriates \$600,000 in one-time money to expand the Power of You program (based on an equal nonstate match) and allocates \$120,000 for a teachers of diverse backgrounds financial aid pilot program at Winona State and St. Cloud State universities in partnership with specified school districts. (Art. 4, Secs. 4, 8)

A \$12.3 million current biennium reduction to the university is in law, as is a \$17.4 million cut in the 2010-11 biennium. (Art. 4, Sec. 5)

The Fiscal Year 2009 appropriation to the Office of Higher Education is reduced by \$1.38 million. The office must cancel \$90,000 of a 2007 appropriation to upgrade computer software related to state grant awards. (Art. 4, Sec. 3)

Military Affairs

Included in the law is a net \$52,000 General Fund increase in Fiscal Year 2009 for the Department of Military Affairs.

It calls for \$180,000 to add “state navigator” positions to coordinate state programs to help soldiers and their families during and after the reintegration process, \$135,000 for bonus payments to National Guard medics who meet certain recertification requirements and \$75,000 for state enhancement of the federal Employer Support of the Guard and Reserve Program. (Art. 9, Secs. 3, 7, 8)

Spouses can use up to 12 semester hours annually of a National Guard members unused tuition reimbursement benefit, if the member has completed at least eight years of service. (Art. 9, Sec. 9)

Public Safety

District courts are cut by \$2.8 million, the Public Defense Board faces a \$1.49 million cut, the Supreme Court is cut an ongoing \$831,000 and the Court of Appeals cut is \$250,000 ongoing. (Art. 12, Secs. 1-6)

The Department of Public Safety will see a \$2.06 million reduction in Fiscal Year 2009, including nearly \$1.27 million for CrimNet, a \$450,000 reduction for the Financial Crimes Task Force and \$250,000 in operating costs. (Art. 12, Sec. 7)

The Human Rights Department is cut \$149,000 in Fiscal Year 2009. (Art. 12, Sec. 8)

Of the \$2.79 million reduction to the Department of Corrections in Fiscal Year 2009, \$2.1 million is in reimbursement to counties for the care and housing of short-term offenders. Sentencing to Service funding is reduced \$600,000. (Art. 12, Sec. 9)

A \$2 million transfer from a fire safety account to the General Fund is in the law, as is a \$3 increase in the criminal and traffic offender surcharge with that money headed to the General Fund. (Art. 12, Secs. 10-12)

Transportation

Of the \$21.3 million decrease for transportation, the most controversial is transferring \$15 million from an airport development and assistance fund to the General Fund. The provision was not in the initial House or Senate proposal. Critics noted the money was taken from the fund during the 2003 budget shortfall and it took four years to get the money back.

The law provides \$6.85 million in one-time money from the Trunk Highway Fund to take advantage of federal funds for bridge construction. It also reduces Greater Minnesota transit funding by \$32,000 in Fiscal Year 2009. (Art. 11, Secs. 3, 10)

Funding for the Metropolitan Council is reduced by \$136,000 for transit operations in Fiscal Year 2009. (Art. 11, Sec. 4)

A \$1.75 surcharge is to be imposed on each fee collected for a driver's license, permit and identification card, vehicle registration renewal and title applications from July 1, 2008, to June 30, 2012. The money is to be used for a new computer information system within the Driver and Vehicle Services Division of the Public Safety Department. (Art. 11, Secs. 6-9)

Veterans

The net overall General Fund gain for the Department of Veteran Affairs is \$3.8 million, including \$2.5 million for state soldier's assistance. A \$500,000 appropriation is for casework services for veterans, \$250,000 is for the Minnesota Assistance Council for Veterans to help veterans and their families affected by homelessness, \$250,000 is to add veteran's service officer coordinating positions at a Veterans Claim Office and \$25,000 is a one-time appropriation to develop a pilot program for peer-to-peer counseling among combat veterans.

A \$300,000 reduction for the Veterans Homes Board is in the law. The reduction is possible because of administrative efficiencies resulting from the transfer of governance from the board to the Veterans Affairs Department. (Art. 8, Secs. 1-3)

Because of uncertainty in participation numbers for the remainder of the biennium, instead of writing down appropriations, the GI Bill is converted to a forecasted program so that on June 1, 2009, the finance commissioner is to review program participation levels and adjust the appropriations at that time. A \$100,000 annual cap on program management costs is established, instead of 3 percent of the annual appropriation. (Art. 8, Sec. 7)

CONSUMERS

Protection of Social Security numbers

Sponsored by [Rep. Debra Hilstrom](#) (DFL-Brooklyn Center) and [Sen. Don Betzold](#) (DFL-Fridley), consumer credit reporting agencies can continue providing credit reports to the state, and for Social Security information to be included on mortgage documents and insurance applications, but there are now added assurances the information will be protected.

The law also states that marketing is not a legitimate business purpose for the sale of Social Security numbers.

HF3146/SF2390*/[CH333](#)

ENVIRONMENT

Trust fund appropriations

A new law comprises funding for more than 70 project recommendations from the Legislative-Citizen Commission on Minnesota Resources.

The money comes from the Environment and Natural Resources Trust Fund, which derives funding from lottery proceeds.

By category, included is: \$16.3 million for land and habitat projects; \$3.5 million for water resources projects; \$2.4 million for natural resources information projects; \$1.1 million for environment education projects; and \$155,000 for the state's emerging issues account.

Highlights include:

- \$3.15 million for Metro Conservation Corridors Phase IV;
- \$3.15 million for the Habitat Conservation Partnership Phase V;
- \$1.6 million for south-central Minnesota groundwater monitoring and county geologic atlases;

- \$1.5 million for state park and trail acquisitions; and
- \$1.5 million to the Metropolitan Council for regional park land acquisitions.

A full list of the approved projects is available at www.lccmr.leg.mn/lccmr.htm.

[Rep. Jean Wagenius](#) (DFL-Mpls) and [Sen. Ellen Anderson](#) (DFL-St. Paul) are the sponsors.

HF2745/SF2492*/[CH367](#)

Green Solutions Act of 2008

Sponsored by [Rep. Kate Knuth](#) (DFL-New Brighton) and [Sen. Ellen Anderson](#) (DFL-St. Paul), the Green Solutions Act of 2008 requires legislative approval of any implementation of a cap-and-trade system on emissions. It also calls for studies by the Commerce Department and the Pollution Control Agency on potential impacts of cap-and-trade. The law makes a one-time appropriation of \$500,000 for that effort. A third study, to be conducted by the University of Minnesota, must explore possible governance models for expending cap-and-trade revenues. A \$75,000 one-time appropriation will fund the study.

All three studies are due to the Legislature by Jan. 15, 2009.

HF3195*/SF2818/[CH340](#)

HOUSING

Uniformity in record-keeping

A Foreclosure Data Group discovered that it's very difficult to find accurate data on properties in foreclosure. A new law, sponsored by [Rep. Jim Davnie](#) (DFL-Mpls) and [Sen. Ann Rest](#) (DFL-New Hope), puts some of the group's recommendations into statute.

The portion of the law, effective July 1, 2008, establishes the Electronic Real Estate Recording Commission to adopt implementation standards to facilitate the recording of real property documents electronically. Its mission is to establish consistency in standards, practices and technology used by recorders and registrars in this state with those in other jurisdictions.

HF3516*/SF2914/[CH238](#)

HUMAN SERVICES

Age to donate blood lowered

Sixteen-year-olds can donate blood with written permission from their parent or guardian.

Sponsored by [Rep. Patti Fritz](#) (DFL-Faribault) and [Sen. Kathy Sheran](#) (DFL-Mankato), the change was the idea of high school student Joe Gibson, who came up with the proposal after seeing his grandfather's energy increase after blood transfusions during cancer treatments. Gibson said he attempted to give blood at his local high school blood drive soon after, but was turned away because the current age requirement is 17.

HF1066/SF2471*/[CH157](#)

HUMANITIES

Historical society funding

Cities with a population of more than 100,000 will have the same opportunity as smaller cities to allocate property tax revenue to county historical societies.

Sponsored by [Rep. Andy Welti](#) (DFL-Plainview) and [Sen. Ann Lynch](#) (DFL-Rochester), an appropriation of up to 0.02418 percent of taxable market value could be available to a society affiliated with, and approved by, the Minnesota Historical Society.

HF2827*/SF2690/[CH158](#)

MILITARY

Protection from civil proceedings

Sponsored by [Rep. Al Juhnke](#) (DFL-Willmar) and [Sen. Jim Vickerman](#) (DFL-Tracy), the omnibus agriculture and veterans affairs policy law contains provisions related to the military and veterans affairs. Under certain circumstances, at least a 60-day protection from civil court proceedings is provided for reservist-owned businesses while the person is deployed. A qualified service member who is granted a stay in the action may request from the court an additional stay, which the court may grant if the service member can show that military requirements affect the member's ability to appear. If the court refuses to grant an additional stay, the court must provide information enabling the service member to acquire qualified legal counsel. (Art. 2, Sec. 6)

World War II service medals

A special World War II service medal will be available to qualifying veterans. The commissioner of veterans affairs will establish the criteria necessary to obtain a medal and its cost. By July 1, 2008, the commissioner must notify veterans organizations with World War II veterans about the medal's availability. These organizations may collect and contribute money on behalf of their surviving individual members who meet the service criteria. (Art. 2, Sec. 28)

HF3902/SF3683*/[CH297](#)

RETIREMENT

Pensions provisions modified

Changes for public employee retirees are included in the omnibus pensions law. The law contains various effective dates, but many provisions relating to phased retirement or rehiring take effect July 1, 2008. For instance, if a person is under age 62, an offer of renewal and any related verbal offer or agreement must not be made until at least 30 days after termination of the person's previous postretirement option employment.

The law, sponsored by [Rep. Mary Murphy](#) (DFL-Hermantown) and [Sen. Don Betzold](#) (DFL-Fridley), also lays out provisions dealing with teacher annuities, phased-in retirement and return to work agreements.

HF3082*/SF2720/[CH349](#)

SAFETY

Pool drain cover safety

The Abigail Taylor Pool Safety Act requires that owners of public pools must provide information to the Health Department about their pools and the drain covers in order to renew or receive a license to operate.

Sponsored by [Rep. Paul Thissen](#) (DFL-Mpls) and [Sen. Geoff Michel](#) (R-Edina), according to the law, the drain covers must meet industry standards, be properly installed and not be broken or loose.

HF3812/SF2833*/[CH328](#)

Orders for protection time lengthened

An Order for Protection can be issued for up to 50 years.

Sponsored by [Rep. Larry Hosch](#) (DFL-St. Joseph) and [Sen. Tarryl Clark](#) (DFL-St. Cloud), the new law provides the option for a longer term if the respondent has violated a previous order on two or more occasions, or if there have been two or more orders issued against the respondent.

The law also allows the person named in the order to request the order be vacated or modified if it has been in effect for five years and not been violated.

HF1625/SF3492*/[CH316](#)

TAXES

Local option transportation taxes

Counties in the Twin Cities metropolitan area are already permitted to impose a 0.25 percent transportation sales tax without referendum and a \$20 excise tax on vehicles sold at retail.

As part of the transportation finance law, sponsored by [Rep. Bernie Lieder](#) (DFL-Crookston) and [Sen. Steve Murphy](#) (DFL-Red Wing), counties outside the metropolitan area, or counties working together under a joint powers agreement, can impose a sales tax of up to 0.5 percent and a \$20 excise tax on vehicles sold at retail. But unlike the metropolitan area, the money can be raised only if approved by a voter referendum, and can only be used for a specific project. The tax expires once the project is completed. (Art. 4, Sec. 3)

HF2800*/SF2521/[CH152](#)