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Minnesota House of Representatives

Kurt Daudt, Speaker

FOR IMMEDIATE RELEASE

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New Laws Effective July 1, 2015

The following is a list of select new laws passed during the 2015 regular and special legislative sessions that take effect July 1, 2015. The asterisk following the bill number denotes the language that became law. By the end of June, summaries of all laws passed by the 2015 Legislature in regular and special sessions should be available online from nonpartisan House Public Information Services at www.house.mn/hinfo/Newlaws2015-0.asp.

COMMERCE

Broader discretion given for foreclosure notification requirement

By law, official public notice regarding mortgage foreclosure sales needs to be published in a newspaper of record.

Sponsored by Rep. Tim O'Driscoll (R-Sartell) and Sen. Ron Latz (DFL-St. Louis Park), a new law clarifies that if a qualifying newspaper is not located in the county where the foreclosure sale is to be held, one in an adjacent county will meet the requirements.

The law will apply to foreclosures in which the notice of pendency is recorded on or after the effective date.

HF953/SF1147*/CH14

Insurance issues with app-based transportation services prompt new law

Uber and other transportation network companies are popping up as an alternative to traditional taxi services.

Using their private vehicles, TNC drivers, with a special phone app, are able to connect with riders registered with the service who are looking for a ride.

A new law, sponsored by Rep. Chris Swedzinski (R-Ghent) and Sen. Kari Dziedzic (DFL-Mpls), outlines insurance responsibility for the privately-owned vehicles.

The law will require different levels of liability insurance depending on whether the driver is simply logged onto the app, or is providing a passenger with a ride. Additionally, whenever a driver is either logged onto the app or providing a passenger with a ride, the following coverages are required: basic economic loss benefits under the no-fault law; and uninsured and underinsured motorist coverage.

HF1783/SF1679*/CH48

More time for bingo in nursing homes

Several gambling-related issues are addressed in a new law, including a new statutory definition for gambling equipment to cover software that supports electronic bingo games.

Rep. Joe Atkins (DFL-Inver Grove Heights) and Sen. Bev Scalze (DFL-Little Canada) sponsor the law that will:

- clarify licensing for organizations sponsoring gambling events;
- modify the definition of “gambling equipment” to add software and programs that support electronic pull-tabs and electronic bingo games;
- permit the prize for a progressive linked bingo game to start at any amount up to \$500, and that it can be increased by up to \$100 for each game or occasion;
- modify the locations where bar bingo can be conducted lawfully;
- permit nursing homes, senior citizen housing projects or senior citizen organizations to conduct bingo more than two times each week; and
- prevent two or more exempted organizations from conducting a raffle together, combining raffle tickets, or selling raffle tickets together.

HF948/SF634*/CH52

EDUCATION

Education spending increases through special session effort

A \$17.23 billion education spending plan materialized out of a special session. Rep. Jenifer Loon (R-Eden Prairie) and Sen. Chuck Wiger (DFL-Maplewood) sponsor the law, which increases spending on K-12 and early learning programs by \$525 million over the next two fiscal years.

The bulk of new spending in the law – \$346.31 million – is dedicated to a per-pupil formula increase of 2 percent in Fiscal Year 2016 and an additional 2 percent in Fiscal Year 2017 and later. Those additional investments bring per-pupil funding from \$5,831 in 2015 to \$6,067 by 2017.

New dollars for existing pre-K programs

The law includes more than \$95 million in additional funding for several existing pre-kindergarten and early learning programs that target children from low-income families. Those pre-K initiatives receiving a boost include:

- \$48.3 million increase to the Early Learning Scholarship program;
- \$30.8 million increase to School Readiness program;
- \$10 million increase for Head Start;
- \$3.5 million increase for Parent Aware, the state’s recently developed rating system for participating early learning child care providers;
- \$2.8 million increase for Early Childhood and Family Education programs; and
- \$200,000 increase for a parent-child home visiting program.

More aid for American Indian students

An additional \$12.5 million is invested in American Indian education funding, along with a major change in how that funding is allocated to more than 19,000 American Indian students across the state. “Success For the Future,” an existing grant-based program, is phased out, and replaced by a formula-based aid system, a change recommended by a Department of Education-appointed American Indian education working group. Also, four tribal contract schools — which primarily receive funding from the federal Bureau of Indian Education — will receive \$5 million in additional state support over the next two fiscal years.

Other fiscal aspects of the bill include:

- \$31.9 million increase in long-term facilities maintenance aid;
 - \$9.5 million increase to the Q Comp program that gives schools funding to award teachers for performance;
 - \$4.3 million increase to the English Language Learner program to allow the program to extend from six to seven years the length of eligibility for students to receive aid;
 - \$4 million increase to fund high school concurrent enrollment programs; and
 - \$3.5 million new additional funding for the Minnesota Reading Corps program;
- 2015 Special Session: HF1*/SF3/CH3

ENVIRONMENT

LCCMR appropriations directed toward natural resources

More than \$46 million in appropriations to protect, conserve, preserve and enhance the state's natural resources are provided in a new law sponsored by Rep. Paul Torkelson (R-Hanska) and Sen. Kari Dziedzic (DFL-Mpls).

The law allocates money based on recommendations made by the Legislative-Citizen Commission on Minnesota Resources for expenditures from the Environment and Natural Resources Trust Fund. This fund was established through a constitutional amendment approved by voters in 1988 to direct proceeds from the state lottery and investment income to benefit natural resources.

The appropriations are divided into nine general categories:

- Land Acquisition for Habitat and Recreation: \$14.19 million
- Foundational Natural Resource Data: \$12.93 million
- Aquatic and Terrestrial Invasive Species: \$6.07 million
- Methods to Protect, Restore, and Enhance Land, Water, and Habitat: \$4.64 million
- Water Resources: \$3.06 million
- Air Quality, Climate Change, and Renewable Energy: \$2.26 million
- Administration and Contract Agreement Reimbursement: \$1.2 million
- Environmental Education: \$1.004 million
- Emerging Issues Account: \$1 million

The law also implements a few policy changes, including a modification of the process used to evaluate research proposals that come before the LCCMR.

In the past, a peer review panel was used to evaluate each proposal before it could receive an appropriation. The review panel requirement has now been eliminated and replaced by "reviewers" who are knowledgeable in general research methods in areas of environment and natural resources.

Another change allows the LCCMR to choose to appoint a technical advisory committee to review funding proposals and evaluate project outcomes. In the past, the law required the use of this technical advisory committee.

HF390/SF698*/CH76

Environment, agriculture law allocates \$900 million for next biennium

More than \$900 million in biennial appropriations for the environment and agriculture are included in a new law that funds dozens of programs and government agencies around the state for Fiscal Years 2016 and 2017.

Sponsored by Rep. Denny McNamara (R-Hastings) and Sen. David Tomassoni (DFL-Chisholm), the omnibus environment, natural resources and agriculture policy and finance law addresses a number of important issues with policy changes and appropriations.

The environment and natural resources appropriations for the biennium, by state agency, are:

- Department of Natural Resources: \$525.9 million
- Pollution Control Agency: \$186.9 million

- Department of Agriculture: \$87 million
- Board of Water and Soil Resources: \$26.7 million
- Metropolitan Council: \$17.5 million
- Minnesota Zoo Board: \$16.8 million
- Science Museum: \$2.15 million
- Conservation Corps: \$1.89 million
- Administration: \$600,000

2015 Special Session: HF4/SF5*/CH4

HEALTH AND HUMAN SERVICES

Child-care licensing exemptions create more options for kids

Rep. Roz Peterson (R-Lakeville) and Sen. Melissa Wiklund (DFL-Bloomington) sponsor a law that exempts a program operated by a nonprofit that serves children in kindergarten through grade 12 from obtaining a license, as long as the program includes youth development activities and offers learning before and after school, and during weekends and school calendar breaks.

To qualify for the licensing exemption, a nonprofit program will need to have a director or supervisor on site, obtain written consent from a parent or legal guardian for each child and inform the guardian that the program is not licensed or supervised by the state. Eligible programs will not be allowed to receive child care assistance payments.

The law also repeals the licensing moratorium that was in effect through July 1, 2015.

HF1193*/SF814/CH37

Telemedicine efforts advanced

Minnesota will become a member of the interstate medical licensure compact whose member states have all agreed to expedite the licensing process for qualifying physicians.

The compact recognizes the need for improved access to doctors, especially in rural areas. It also supports advances in medicine that allow a doctor to work remotely via telemedicine.

Through the agreement, Minnesota physicians will be able to gain expedited licensure to work across state lines. The new law is sponsored by Rep. Tara Mack (R-Apple Valley) and Sen. Kathy Sheran (DFL-Mankato).

Participation in the compact is voluntary. Logistically, the practice of medicine will occur where the patient is located, which puts the physician under the jurisdiction of the state medical board where the patient is treated. State medical boards that participate in the compact retain the jurisdiction to take action against a license holder through the compact.

If the state wishes to withdraw from the compact at a later date, legislators would need to repeal the law and wait one year.

HF321/SF253*/CH55

Efforts to help make long-term care policies more affordable

Smaller increases for inflation on long-term care insurance policies are part of a new law that attempts to make the insurance more affordable.

Helping older adults stay in their homes longer often requires help with personal care needs and household chores, but Medicare and health insurance do not cover these types of care. Long-term care insurance does, but it can be expensive.

Rep. Joe Schomacker (R-Luverne) and Sen. Vicki Jensen (DFL-Owatonna) are the law's sponsors.

The annual 3 percent inflation rider on partnership policies will be lowered to no more than 1 percent per year. Policy providers with a standard of review will no longer be allowed to indiscriminately deny claims for services for which the enrollee otherwise is entitled. This disability income coverage

provision applies to policies issued or renewed on or after Jan. 1, 2016.

HF954/SF997*/CH59

HIGHER EDUCATION

Some tuition relief put forward in spending law

All students at public colleges and universities in Minnesota will feel some tuition relief over the next two years, but those who attend two-year schools will receive the most assistance.

Sponsored by Rep. Bud Nornes (R-Fergus Falls) and Sen. Terri Bonoff (DFL-Minnetonka), the law will increase state funding by \$166 million in the 2016-17 biennium for the University of Minnesota, Minnesota State Colleges and Universities and the Office of Higher Education. The bulk of that increase – \$101 million – will be allocated to freezing tuition for students attending two-year MnSCU colleges in the first year of the biennium, and a tuition freeze and 1 percent reduction in tuition to all MnSCU students (including those who attend four-year universities) in the second year.

The University of Minnesota will receive what amounts to a \$52 million increase to its budget, with \$30 million dedicated to expansion of its medical school and \$22 million slotted to help with tuition relief for students at all five of its campuses.

Included in a \$19 million boost to the Office of Higher Education is a \$7 million increase to the state grant program and \$5 million for creation of a MnSCU College Occupational Scholarship pilot program that will provide free tuition for select students. The program, effective July 1, 2016, will require participating students to achieve certain academic goals and to engage in mentorship activities.

Total increased spending for higher education over the 2016-2017 biennium amounts to \$174.4 million, with \$8.3 million in dedicated carry-forward money from the previous biennium.

Other appropriations include:

- \$3 million for creation of a Dual Training Competency Grant program that will allow employers to apply for funding to train their employees in the “competency standards” identified through the Minnesota PIPELINE project administered by the Department of Labor and Industry. Training programs operated by the MnSCU will be eligible to receive grants;
- \$1 million for the University of Minnesota to engage in Alzheimer’s disease and other dementia research;
- \$1 million increase for the University of Minnesota and Mayo Foundation Partnership;
- \$1 million for a spinal cord research grant program;
- \$800,000 increase for American Indian Scholarships;
- \$400,000 for a newly created Teacher Shortage Loan Forgiveness program;
- \$450,000 for concurrent enrollment course development grants;
- \$300,000 for newly created student loan debt counseling program; and
- \$230,000 for expansion of concurrent enrollment grants.

HF845/SF5*/CH69

PUBLIC SAFETY

Judiciary/public safety law provides funding increases

Additional funding for courts and victims services programs and the Bureau of Criminal Apprehension are key components of the omnibus judiciary and public safety finance law.

Sponsored by Rep. Tony Cornish (R-Vernon Center) and Sen. Ron Latz (DFL-St. Louis Park), the law calls for almost \$2.12 billion in General Fund spending in the 2016-17 biennium — a \$111 million biennial increase.

The following are some provisions of the law that take effect July 1, 2015.

HF849/SF878*/CH65

Courts/judicial branch funding

Among its spending, the law calls for 4 percent annual compensation increases for judges and most courts staff and funding to cover health insurance premium increases. Tax Court judges will see a 4 percent increase, but staff, which are executive branch employees, are to receive 3 percent annual bumps. An additional \$170,000 is included so the Tax Court can hire a third law clerk.

Civil Legal Services will receive an additional \$879,000 each year as a base level increase. Specialty court funding — such as for drug, mental health, DWI or domestic violence cases — will see a \$350,000 annual boost, under the law.

The law also includes an additional \$6.48 million for the Board of Public Defense, which should equate to 36 more public defenders to help reduce caseloads.

A nearly \$3 million biennial increase is included for the Guardian Ad Litem Board, of which \$2 million is to help with a shortfall accumulated over the past three fiscal years after separating from the state court system. The remaining money is to cover insurance increases and a salary supplement.

Bureau of Criminal Apprehension funding

Biennial General Fund spending for the Bureau of Criminal Apprehension will increase by almost \$13.6 million, to \$104.06 million. The bulk of that (\$11.4 million) is a department initiative to better assist local criminal justice agencies across the state.

Funding includes:

- \$3.2 million to hire six computer forensic examiners, a special agent, a forensic scientist for quality assurance and a senior special agent to supervise the unit;
- \$3 million to add 11 positions — including seven special agents — to address predatory offender trafficking, child pornography investigations and human trafficking investigations;
- \$1.6 million for equipment replacement and upgrades;
- \$1.2 million to establish a financial crimes unit to investigate identity theft and fraud related to state governmental agencies; and
- \$1.1 million to hire five more latent fingerprint examiners.

Office of Justice Programs

The Office of Justice will receive a \$5.82 million biennial increase to almost \$77.34 million in General Fund spending for the 2016-17 biennium. In addition to a 1.8 percent increase in salaries and for insurance, the increases are:

- \$1.5 million for youth intervention programs;
 - \$1.35 million for crime victim services, including \$300,000 for an organization “that provides culturally specific emergency shelter programming in St. Paul for victims of domestic abuse”;
 - \$800,000 for child advocacy centers;
 - \$600,000 for alternatives to juvenile detention;
 - \$500,000 for sex trafficking prevention grants;
 - \$300,000 for a nonprofit organization providing immediate and long-term help to “families and friends of individuals who have died by suicide, overdose, accident, or homicide, including but not limited to domestic violence”; and
- \$200,000 for prosecutor and law enforcement training.

Other Department of Public Safety funding

The law will transfer \$1 million in Fiscal Year 2016 to a disaster contingency account; allocate \$250,000 in Fiscal Year 2016 only “to develop strategies and make efforts to combat the recruitment of Minnesota residents by terrorist organizations such as ISIS and al-Shabaab” and provide \$121,000 for salary and insurance increases.

Other General Fund spending increases include:

- \$24 million for the Department of Corrections to maintain current staffing levels and provide a 3 percent annual salary increase;
- \$2 million to increase the number of supervision agents for offenders on intensive supervised release;
- \$1.59 million for the Department of Corrections Fugitive Apprehension Unit to fund additional positions intended to increase arrests of wanted fugitives;
- \$589,000 to increase the number of county probation officers;
- \$500,000 to increase the number of supervision agents for offenders participating in the Corrections Department challenge incarceration program; and
- \$300,000 base increase and a \$163,000 operating increase for the Department of Human Rights.

STATE GOVERNMENT

\$974 million package funds state agencies, departments and boards

Gov. Mark Dayton signed off on a nearly \$974 million funding package that would fund his office and the operations of many other state agencies, departments and boards.

Sponsored by Rep. Sarah Anderson (R-Plymouth) and Sen. Tom Saxhaug (DFL-Grand Rapids), the omnibus state government finance law contains a \$56 million base increase in state government spending.

HF495/SF888*/CH77

Funding changes

The agreement calls for a 1.8 percent compensation operating adjustment for the following: governor's office, Campaign Finance and Public Disclosure Board, Office of Administrative Hearings, MN.IT Services, Minnesota Management & Budget; Capitol Area Architectural and Planning Board, Administration Department, Revenue Department, Minnesota Historical Society, Minnesota Arts Board, the state's four ethnic councils, Department of Veterans Affairs, Legislative Coordinating Commission, Accountancy Board, Cosmetologist Examiners Board, Barber Examiners Board and the Board of Architecture Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design.

As for legislative funding, the law calls for the Senate to receive a \$14.98 million operating increase and the House of Representatives \$2.77 million. The Office of the Legislative Auditor will receive a \$500,000 bump for staff funding.

Other spending increases in the bill include:

- \$10.8 million in an operating adjustment for veterans health care;
- \$3 million for maintenance and enhancement of the state's tax system;
- \$3 million for Minnesota Management & Budget to maintain and upgrade statewide business systems that support state government operations;
- \$1.23 million for the Department of Administration to provide direct support to small businesses aimed at reducing economic disparities, including simplified certification of minority- and female-owned businesses and increased participation by veterans, women and minorities in publicly funded projects;
- \$800,000 in a one-time appropriation for the Administration Department to conduct a disparity study in order to lawfully continue providing procurement preferences to small targeted group businesses;
- \$650,000 for creation of a healthy eating program;
- \$380,000 for expanded legal, emergency preparedness and constituent work by governor's office staff;

- \$341,000 one-time operating increase for the state racing commission;
- \$300,000 for public television equipment grants;
- \$250,000 for Minnesota Public Radio equipment grants;
- \$150,000 in Fiscal Year 2016 for the Campaign Finance and Public Disclosure Board to complete redevelopment of its website;
- \$100,000 to create an archivist position at the Minnesota Military Museum;
- \$75,000 in Fiscal Year 2016 for capital improvements at FarmAmerica, an agriculture interpretive center.

The agreement calls for a two-year repeal of the state's political contribution fund — including the ability for individuals to get a \$50 refund for specific political contributions. The change is expected to save \$8.9 million.

The law also calls for a \$36 million one-time reduction in state contribution to the Public Employees Retirement Association for Minneapolis pension reimbursement.

Changes ease administrative burden of contractor law

Minnesota's Responsible Contractor Law governing public construction contracts could become less of an administrative burden for contractors.

Sponsored by Rep. Nick Zerwas (R-Elk River) and Sen. Tom Saxhaug (DFL-Grand Rapids), the law makes changes to those statutes that includes amending when prime contractors are required to verify their subcontractors meet the state's responsible contractor standards. Contractors will now be able to verify that their subcontractors comply with the law after they are named the successful bidder, not during the solicitation process, by filing supplemental verification.

Signed into law by Gov. Mark Dayton in 2014, the Responsible Contractor Law requires all contractors bidding on public projects estimated to exceed \$50,000 to comply with workplace laws and regulations, workers' compensation and wage and overtime pay standards.

The changes are applicable to construction projects contracted on after the effective date. Other modifications will:

- remove a requirement that a submitted statement verifying compliance with responsible contractor requirements be sworn, and instead require the statement be signed under oath;
- apply the consequences of failing to verify compliance to prime contractors, subcontractors and motor carriers;
- clarify that a failure to pay statutorily required wages or penalties under specified circumstances is only considered "repeated" if it involves two or more separate and distinct instances of underpayment in a three-year period; and
- clarify the definition of "contractor" to exclude material suppliers; exclude design professionals from the definition of "contractor"; and define "motor carrier" for purposes of the law.

HF1257*/SF1121/CH64

TRANSPORTATION

Law appropriates \$5.5 billion for transportation needs

With lawmakers and the governor unable to reach a broader agreement on how to fund a long-term increase in transportation spending, the omnibus transportation policy and finance law spends \$5.5 billion on Minnesota's roads, bridges and transit systems over the next biennium.

Sponsored by Rep. Tim Kelly (R-Red Wing) and Sen. D. Scott Dibble (DFL-Mpls), it utilizes a \$30 million one-time boost in General Fund appropriations toward transportation to increase base transportation spending.

HF1733/SF1647*/CH75

Appropriations

In total, the law spends roughly \$5.52 billion over two years from the following funds:

- Trunk Highway Fund: \$3.35 billion;
- County State-Aid Highway Fund: \$1.37 billion;
- Municipal State-Aid Street Fund: \$348.9 million;
- General Fund: \$275.1 million;
- Special Revenue Fund: \$123.7 million;
- Airports Fund: \$50.2 million; and
- Highway User Tax Distribution Fund: \$4.4 million.

Those appropriations include \$4.99 billion for the state's transportation infrastructure, including roughly \$1.5 billion on state road construction; \$580 million for road operation and maintenance; \$198.5 million for the State Patrol; and \$182.8 million to the Metropolitan Council for bus and rail operations.

Additional spending

The so-called lights-on funding package utilizes the \$30 million one-time General Fund increase to fund a small list of new spending items, including:

- \$12.5 million in road and bridge aid for the state's smallest cities that don't receive County State-Aid Highway funding;
- \$11 million for airports development assistance;
- \$5 million for Greater Minnesota Transit;
- \$5 million for rail grade crossing safety improvements; and
- \$900,000 for rail emergency response teams in St. Cloud and Duluth.

The law directs the Department of Transportation to spend down an unreserved fund balance of nearly \$182 million over two years, much of it on state road construction. It also redirects unused 2014 General Fund appropriations for transitway projects; \$27.8 million will go toward Metropolitan Council transit operations and \$2 million over two years will be redirected to suburban opt-out transit providers.

