

A NONPARTISAN PUBLICATION

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SESSION Weekly

MINNESOTA HOUSE OF REPRESENTATIVES • PUBLIC INFORMATION

MAY 2, 2003

VOLUME 20, NUMBER 17

In this issue:

FUNDING FOR K-12 EDUCATION

TRANSPORTATION PACKAGE PASSES, AND MORE

HF1580-HF1594

Session Weekly

Session Weekly is a nonpartisan publication of the Minnesota House of Representatives Public Information Services. During the 2003-2004 Legislative Session, each issue reports daily House action between Thursdays of each week, lists bill introductions and upcoming committee meeting schedules, and provides other information. The publication is a service of the Minnesota House. No fee.

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Session Weekly (ISSN 1049-8176) is published weekly during the legislative session by the Minnesota House of Representatives Public Information Services, 175 State Office Building, St. Paul, MN 55155-1298. Periodicals postage paid at St. Paul, MN, and at additional mailing offices. POSTMASTER: Send address changes to **Session Weekly**, Public Information Services, Minnesota House of Representatives, 175 State Office Building, St. Paul, MN 55155-1298.

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



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On the cover: The Capitol is reflected in the hood of a 1940 Ford that was one of dozens of cars parked in front of the State Capitol April 29. The Minnesota Street Rod Association displayed the collector cars to promote the hobby of street-rodding.

— Photo by Andrew Von Bank

Moving on

Transportation package provides additional money for road construction, trims transit, and sets new school speed limits

By MICHELLE KIBIGER

The House passed a \$3.77 billion funding package for fiscal years 2004-05 on April 28, that provides funding for roads, the departments of Transportation and Public Safety, and other transportation functions on a 80-53 vote. However, the bill would also reduce funding for transit operations, proscribes funding for light-rail transit, and would abolish certain regional rail authorities.

The bill (HF627), sponsored by Rep. William Kuisle (R-Rochester), is primarily funded through the trunk highway fund. Only a small portion, about \$159.7 million, comes from the state's general fund. It contains no mechanisms for raising additional revenue such as increased gas taxes, increased vehicle registration fees, or local option sales taxes.

"I think it's a great achievement for this session, without raising taxes," said Kuisle. "I'm proud of this bill."

However, several members said the bill does not go far enough to meet highway construction needs. "You're basically carrying the water for the governor on this bill ... and we should have done more," said Rep. Al Juhnke (DFL-Willmar).

Rep. Ron Erhardt (R-Edina) proposed an amendment that would have raised the gas tax 5 cents, would have raised vehicle license tab fees, would have adjusted how some road funding is distributed, and would have created a metropolitan transportation account.

Several members objected to changing county highway aid formulas, which tend to send more money to rural counties than to

submitted a constitutional amendment to voters regarding whether to allocate all motor vehicle sales tax proceeds to transportation, including transit.

Road funding

Along with the additional funds for road construction, the bill would allocate \$3.2 billion to operations, maintenance, and construction in the state highway, county state aid highway, and municipal state aid road systems.

The bill includes \$940,000 in general fund money for flood rehabilitation grants associated with the northwestern Minnesota flooding from the summer of 2002.

Two unsuccessful amendments to change the way aid is allocated to county highways were proposed by Rep. Ann Lenczewski (DFL-Bloomington). Generally, they would have adjusted percentage allocations to be based more on population, which would have benefited metropolitan area counties.

Transit funding

Metropolitan Council transit operations would receive an \$18.6 million reduction for the biennium under the bill. In addition, the Transportation Department would receive \$3.6 million less than 2002-03 for Greater Minnesota transit operations.

In addition, funding from motor vehicle sales tax proceeds for Metro Transit would be limited to 2003 levels, or \$125.6 million annually. Current law allows for a transfer of 20.5 percent of the sales tax to transit. An unsuccessful amendment, offered by Rep. Frank Hornstein (DFL-Mpls), would have retained the 20.5 percent standard.

The bill would also provide funding for the Hiawatha light-rail transit line, set to begin operating in 2004. The state would provide 40 percent, or \$5.36 million, Hennepin County would pay slightly more, or \$5.7 million, and the remainder would come from Minneapolis, at about \$2.3 million.

Rep. Alice Seagren (R-Bloomington) proposed a successful amendment to remove Bloomington from the formula to support the rail line, based on information that a previously established agreement exempted Bloomington from responsibility for funding Hiawatha rail operations.

Other transit related provisions in the bill include the following:

- regional rail authorities in the Twin Cities metropolitan area, which are primarily comprised of county board members, would be abolished;



PHOTO BY TOM OLMSCHIED

The House transportation finance bill would provide about \$3.8 billion in funding for road construction and the departments of Public Safety and Transportation. It would also authorize \$550 million in trunk highway bonds for additional road construction projects.

The measure would authorize the \$550 million in trunk highway bonds, and it would allow the state to spend an additional \$550 million through 2009 to leverage federal funding, both items recommended by Gov. Tim Pawlenty and included in HF4, sponsored by Rep. Andrew Westerberg (R-Blaine). The bill accounts for \$84 million in budget reductions to the Transportation Department for the biennium to finance the bonds.

metropolitan counties. "If you don't want to vote for it, don't vote for it. But somebody better start talking about the transportation needs of this state which are huge," Erhardt said. "Without decisive action, our metropolitan area freeway system will come to a standstill."

The amendment was defeated, as was a similar amendment proposed by Juhnke. Juhnke's amendment, and another by Rep. Bernie Lieder (DFL-Crookston), would have

- the southwest transit corridor, in the southwestern Twin Cities metropolitan area, would be prohibited from pursuing a rail transit option; and
- the Metropolitan Council would be required to request proposals from internal staff and private vendors to operate the Hiawatha light-rail transit line.

Other provisions

A number of other policy-related provisions are also included in the bill.

An amendment added during the House Ways and Means Committee meeting April 24 included the language from HF1, that passed the House Jan. 30 but has not received action in the Senate. That bill, sponsored by former Rep. Rich Stanek (R-Maple Grove), now commissioner of public safety, would call for a status check date on driver's licenses and identification cards that coincides with a temporary foreign visitor's legal status date.

Speed limits in school zones would be limited to 30 miles per hour, under the bill. The measure was initially sponsored by Rep. Nora Slawik (DFL-Maplewood), in HF658.

The transportation commissioner would be allowed to pursue sponsorship agreements for rest areas along state highways slated for closure under budget cuts to the Transportation Department. The agreements could include offering products or services for sale and making improvements to the sites. The provision would not affect rest areas on interstate highways. The provision was part of a bill (HF1446), sponsored by Rep. Lynne Osterman (R-New Hope).

Single occupant vehicles would be allowed to use high-occupancy vehicle lanes, particularly those along Interstate 394 west of Minneapolis, by paying a fee. The provision was initially contained in HF1168, sponsored by Rep. Chris DeLaForest (R-Andover).

Special license plates would no longer be allowed, unless an applicant showed at least 10,000 car owners would purchase the plates. Kuise initially sponsored the measure (HF399).

The bill would increase the speed limit along Interstate 35E in downtown St. Paul to 55 miles per hour, initially proposed by Rep. Tim Wilkin (R-Eagan) in HF927.

Public safety 911 operators would be considered essential employees under the bill. Erhardt sponsored the initial bill (HF769).

Counties would be exempted from obtaining permits to reconstruct or maintain portions of county highways within existing rights of way. The provision was initially sponsored by DeLaForest in HF1219. An amendment to remove the language was unsuccessful.

The Transportation Department would be required to study the use of rumble strips, for safety purposes, along the centerlines of two-lane state highways. 



Prohibition roots

Many current liquor laws emerged after ratification of 21st Amendment

Each year the Legislature reviews liquor licenses for a number of cities. And each year members wonder aloud why they even need to approve them when legislators rarely question the requests and even less frequently reject them.

The answer is simple: the law allows cities and counties to issue a certain number of regular on-sale and off-sale liquor licenses with the approval of the commissioner of public safety. However, it limits certain special liquor licenses. Only the Legislature can approve those.

There are more than 12,000 alcohol-related licenses authorized by the state. Wholesale and retail sales of alcoholic beverages are regulated by the Alcohol and Gambling Enforcement Division of the state Department of Public Safety. Local governments (cities, counties and towns) regulate retail sales through licensing ordinances.

The core regulations governing the manufacturing, distribution, retail sale, and consumption of alcoholic beverages today were created in the Liquor Control Act, passed by the Legislature in 1933, after ratification of the 21st Amendment to the U.S. Constitution put an official end to prohibition.

The state's liquor laws date back to its territorial days in 1858 when the first Minnesota Territorial Legislature established county boards of supervisors and gave them the authority to issue "licenses for the sale of intoxicating beverages," upon payment of a license fee and a \$1,000 bond. Sunday sales in the licensee's establishment were prohibited until a 1967 update allowed cities to issue Sunday liquor licenses for restaurants if approved by voter referendum.

For much of the 19th century and early 20th century, liquor legislation was "highly charged with emotion and bitterness," wrote Lindsay Arthur, Jr., an attorney who authored a 1983 issue paper on the history of the state's liquor liability law. Prohibition advocates were politically powerful, according to Arthur.

"The Women's Christian Temperance Union, the National Prohibition Party and the Anti-Saloon League ... all became predominant political forces at local levels. ... Not since the middle years of the 19th century when the slavery issue was predominant has any question been so widely debated, pursued with so much determination and idealism and so bitterly contested as national prohibition."

"State laws known as 'Dram Shop Acts,'" Arthur wrote, "were passed by temperance

forces and were designed to express displeasure with the drives towards liquor traffic and to provide against the evils ... of intoxicating liquors."

Prior to the 1919 ratification of the national prohibition amendment, 63 of Minnesota's 86 counties were "dry." State law at the time allowed county governments to declare themselves "wet" or "dry"

regarding alcohol sales.

Prohibition will always have a Minnesota connection. The Volstead Act that spelled out federal enforcement of prohibition — including defining intoxicating liquors as those containing one-half of 1 percent of alcohol by volume — bears the name of its author, U.S. Rep. Andrew John Volstead, who represented Minnesota's Seventh Congressional District between 1903 and 1923.

Despite the state's connection to prohibition, residents didn't take kindly to the nationwide ban on beer, wine, and liquor sales.

"Minnesotans had not welcomed prohibition because moderate drinking was traditional among the ethnic and religious groups of the state," wrote Margaret Murray, a University of Minnesota history student in a 1977 research paper, "Prohibition in Minnesota."

"Efforts had been made at enforcing the law, but due to widespread nonobservance by all groups of Minnesota society, the efforts failed."

Volstead lost his congressional seat in 1922, but it was due more to low farm prices than opposition to prohibition.

(T. LONERGAN)



The window of Perley McBride's on-sale liquor establishment advertising a dispute with the city of Minneapolis over liquor license in 1935.

Photo courtesy of the Minnesota Historical Society

BUSINESS

Airline assistance

Funding is uncertain for a bill that Northwest Airlines officials say would help the beleaguered Eagan-based airline be more competitive. But the legislation nonetheless demonstrates symbolic support on the part of the state.

So says Rep. Ron Abrams (R-Minnetonka), sponsor of a bill presented April 29 to the House Taxes Committee, which he chairs.

HF1587 would extend a job credit on the airline's Minnesota corporate franchise tax and would exempt from Minnesota sales taxes all airline meals and beverages initially purchased in or brought into the state and served outside of Minnesota airspace.

The Minnesota Department of Revenue estimated the bill would cost the state an average of \$1.1 million in lost tax revenues in each of the next four fiscal years. However, Abrams indicated that the amount might be adjusted following receipt of additional information from the airline.

"This is more than anything a competitive issue for the airline," said Tracy Smith, senior tax counsel for Northwest Airlines.

Abrams said the bill represents a small amount of money in global terms, but is appropriate considering employee layoffs and wage concessions being made by union and non-union Northwest Airlines employees.

The corporate franchise tax job credit was enacted in 1991. Under specific conditions, a corporation operating a heavy aircraft maintenance base or an engine repair facility may receive a \$5,000 tax credit for each full-time job at the facility. The credit can be claimed for the first five years of operation. Under current law, the corporation may carry the credit forward for up to 10 years if the credit exceeds the amount of taxes owed.

The bill would extend the carryover to 20 years.

Northwest Airlines has maintenance facilities in Duluth, Hibbing, and Virginia.

A Senate companion bill (SF1527), sponsored by Sen. William Belanger (R-Bloomington), awaits action.

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CHILDREN

Cuts less deep

Editor's Note: The full House was scheduled to debate the omnibus health and human services finance bill as this issue of Session Weekly went to press. For timely updates, please visit the Session Daily Web site at <http://www.house.mn/hinfo/sdaily/sdaily.htm>, and look for a complete story in next week's Session Weekly.

During its approval of the omnibus health and human services omnibus bill April 28, the House Ways and Means Committee adopted an amendment that would partially ease one concern many advocacy groups have with the bill.

The amendment, offered by Rep. Fran Bradley (R-Rochester), would soften the impact of increased co-payments for parents who receive state child-care assistance. Bradley sponsors the omnibus finance bill (HF437). The bill would provide about \$7.3 billion in general fund appropriations for 2004-05.

Bradley said fiscal analysts discovered about \$7 million in additional revenues not previously accounted for in the budgeting process. The amendment would use about \$3 million of that money to decrease the percentage of child-care costs low-income parents would have to pay under the bill. The remaining \$4 million goes to the state's general fund.

Family and child-care advocates have criticized the omnibus bill for cutting funding to basic sliding fee child-care assistance programs for low-income working families and increasing the percentage of child-care costs those families must pay.

Bradley's amendment would slightly reduce most of the proposed percentage requirements for families earning between 100 percent and 200 percent of federal poverty guidelines. The proposed co-payments would still be higher than current rates for most families, and the upper income limit for assistance eligibility would drop from 75 percent of the state median income, or about \$54,500 annually, to 250 percent of federal poverty guidelines, or about \$46,000 for a family of four.

The federal poverty income guideline is \$18,400 annually for a family of four.

Currently, families receiving child-care assistance who earn less than 75 percent of federal poverty guidelines have no co-payment for childcare. The bill would require a \$15 monthly co-pay. Families earning between 75 percent and 100 percent of federal poverty guidelines, who currently pay a \$5 co-payment, would pay \$25 monthly.

DEVELOPMENT

Funding for economic development

With new funding for biotechnology and medical genomics, but without additional money for job training for workers throughout the state, a \$334 million jobs and economic development bill passed the House 79-52 April 30.

HF748, sponsored by Rep. Bob Gunther (R-Fairmont), encompasses funding for everything from the arts, to the homeless, to youth employment programs, and workforce development funds.

Originating with the House Jobs and Economic Development Finance Committee, of which Gunther is chair, the budget was lambasted on the floor by each of the committee's four DFL members, as well as by some others.

"It doesn't create jobs, it doesn't promote economic development," said Rep. Tony Sertich (DFL-Chisholm).

Replied Gunther, "We did do as much as could with what we had."

According to Gunther, the bill fully funds State Services for the Blind, an agency that has been hard hit by recent budget cuts, and appropriates money for the deaf and hard of hearing employment division, and the Minnesota Youthbuild Coalition. It also earmarks money for flood damage repairs in Roseau.

A provision, attached to the bill April 25 by the House Ways and Means Committee, would appropriate \$2 million in 2004-05 for a University of Minnesota and Mayo Foundation partnership promoting biotechnology and medical genomics research. The measure was touted by Gov. Tim Pawlenty in his State of the State address in February.

What HF748 doesn't include is money for the Minnesota Film and TV Board, the Displaced Homemaker Program, the State Humanities Commission, and the Indian Business Loan Program.

The ways and means committee eliminated a provision, sponsored by Gunther, that would have allowed for fluctuation in the special assessment rate employers pay to the state workforce development fund. The fund provides for the training of laid-off workers.

The fluctuating rate would have caused employers to pay an additional \$3 per employee per year to provide a higher fund balance when the number of laid-off employees is high and a lower balance in good times. In pitching the bill to his committee April 16, Gunther said that keeping the balance low in a healthy economic climate would prevent the

state from tapping the fund for other expenses, as has happened in the past.

Gunther explained that he didn't protest removal of the fluctuating worker development fund assessment rate because the governor's staff said the governor would veto the line item in the bill.

Objecting to the fact that the bill aims to transform Minnesota Technology Inc. from a state agency to a nonprofit, stand-alone entity was Rep. Loren Solberg (DFL-Grand Rapids). The technology-based economic development organization that serves Greater Minnesota would receive \$2 million in 2004, but nothing thereafter.

Others noted that the bill contains a 31 percent cut to the Minnesota State Arts Board and an 18 percent reduction to the Minnesota Historical Society.

While the bill contains money for homeless shelters and the prevention of homelessness, the appropriation represents a 50 percent reduction in services, Clark said.

HF748 also contains a provision that would replace the rights of cities to set their own fines for the illegal sale of tobacco to minors with state-mandated penalties. An amendment to remove the provision, offered by Rep. Carlos Mariani (DFL-St. Paul), failed on a 75-56 vote.

An additional amendment to remove a proposed apprenticeship fee, offered by Rep. Tim Mahoney (DFL-St. Paul), failed on a 76-55 vote. The provision calls for charging apprentice sponsors \$50 per apprentice each year. The revenue would help the statewide dislocated worker fund, designed for people who have lost work through a massive layoff, have exhausted unemployment benefits, or have limited opportunities to return to a similar occupation in their region. The fee would generate about \$1 million in 2004-05 and is part of the governor's proposed budget.

But Mahoney said apprentices who are struggling with increased higher education tuitions couldn't afford the fee. Its imposition, he said, will cause some to turn away from the thought of gaining skills through an apprentice program.

Helping more border cities

The state has long had tax-reduction programs to help cities along Minnesota's border with North Dakota attract and retain jobs and businesses. Now a bill would do the same for one region along the Wisconsin border.

HF1455, sponsored by Rep. Pete Nelson (R-Lindstrom), would authorize the City of Taylors Falls and the township of Franconia in Chisago County to create border city development zones. It was presented to the House Taxes Committee April 29 and will be

considered for inclusion in its omnibus bill.

Specifically, the bill would allow Taylors Falls and Franconia Township to each designate three 100-acre areas as border city development zones. Businesses locating or expanding in the zone could qualify for property tax exemptions, corporate franchise tax credits, and sales tax exemptions.

The city and township could also extend the benefits to other businesses not in the zones, under the bill.

Creating a border city development zone would help the county compete with Wisconsin, said Chris Eng, executive director of the county's economic development authority and housing and rehabilitation authority. Already the county has lost two manufacturing businesses to its eastern neighbor, and is in the process of losing a third, he said.

"We're losing the border battle with Wisconsin," Eng said.

The zone would also help the county lure one firm that is being courted by both Wisconsin and Minnesota. The firm plans to build a 100,000 square foot building for engineering research and design. It would bring 250 jobs with an average salary of \$60,000.

"It's a big impact ... and it's all high-dollar jobs," Nelson said.

A dollar amount had not been named at the time of the bill's presentation, but is expected to be set at a later date.

Current law allows border city enterprise and development zones in Moorhead, Dilworth, East Grand Forks, Breckenridge, Ortonville in Northwest Minnesota, and Luverne in the state's southwest corner.

Border city enterprise zones were designated in 1983. Their counterparts, border city development zones, were authorized by the Legislature in the 1990s.

A Senate companion bill (SF1471), sponsored by Sen. Sean Nienow (R-Cambridge), awaits action.

Program continuation

A state incentive program providing assistance to cities on the western border of Minnesota that are finding their jobs, residents, and businesses moving to North Dakota would be continued, under a bill heard April 24.

HF1079, sponsored by Rep. Morrie Lanning (R-Moorhead), would allocate \$1.5 million in fiscal year 2004 for existing border city enterprise and development zones in Moorhead, Dilworth, East Grand Forks, Breckenridge, and Ortonville. Presented to the House Taxes Committee, the bill will be considered for inclusion in the omnibus tax bill.

Money would be allocated to the cities on a per-capita basis. It may be used for tax

reductions and offsets, but only if the city determines that the tax break is needed to retain the business or to attract a new business.

The allowable tax reductions and exemptions would include:

- sales taxes on construction materials or equipment;
- income tax credits for the business owner of \$3,000 per employee per year for additional workers employed in the incentive zone;
- income tax credits for the business owner for debt financing on new construction and expansions;
- corporate franchise tax credits for new industry; and
- property tax credits.

Lanning, who was mayor of Moorhead for 22 years, said businesses began leaving Minnesota border cities for North Dakota in the mid 1970s. At one point, Moorhead had more than 500 million square feet of vacant commercial and industrial property. Seven schools closed during this period.

"We were definitely a hurting city," Lanning said.

The situation is improving, but help is still needed, said Moorhead City Council member Lauri Winterfeldt-Shanks. North Dakota has the lowest workers' compensation rate in the nation, and has a state-owned bank backing economic development.

"Moorhead's growth depends on your decisions today," she said.

According to nonpartisan House researchers, border city enterprise zones were designated in 1983. Their counterparts, border city development zones, were authorized by the Legislature in the 1990s. A separate 2001 law also allows the city of Luverne to qualify.

A Senate companion bill (SF988), sponsored by Sen. Keith Langseth (DFL-Glyndon), was heard April 15 by the Senate Taxes Committee and may become part of its omnibus bill.

★ EDUCATION

Staying in school

Helping children with emotional or behavioral disorders stay in school is the intent of a bill passed 120-10 by the House April 24.

Sponsored by Rep. Alice Seagren (R-Bloomington), HF1145 would require school districts showing a high dropout rate among students with serious emotional disturbances to develop strategies with parents and county mental health service agencies to keep the students in school.

"If there's no intervention, kids will drop out," Seagren said. "The bill will push schools to develop policies to help kids stay in school."

According to the Minnesota chapter of the National Alliance for the Mentally Ill, 16 percent of public school special education students in the state during the 2000-01 school year had an emotional behavior disorder. The group estimates about one in five children in the United States have a diagnosable mental, emotional, or behavioral disorder.

The bill would require school districts with a dropout rate among emotional behavior disorder students in the top 25 percent of districts in the state to develop a plan to improve the students' high school graduation rate and submit the plan for state review.

In establishing student discipline policies, the bill directs school districts to develop a policy and report it to the state on use of police officers and crisis teams to remove students with disabilities from school grounds. It also directs school districts to coordinate crisis services with county boards for students in need, particularly when access to such services will help the student stay in school.

Further, the Board of Teaching would be directed to require teachers to learn about recognizing the early onset of mental illness in children and adolescents as part of a teacher's continuing education requirements.

"You can't see it (mental illness) like a broken leg," said Rep. Keith Ellison (DFL-Mpls), "but it's nonetheless there and nonetheless real."

The bill now goes to the Senate, where Sen. David Tomassoni (DFL-Chisholm) is the sponsor.

ELECTIONS

Number of campaign signs

Several Eden Prairie residents complained during last fall's campaigns that Rep. Peter Adolphson (R-Minnetonka) had too many campaign signs on neighborhood lawns. He was forced to remove all but one of his signs from each property.

Adolphson said it was "an attempt to limit my free speech," so he sponsored HF307 allowing any number of signs to be posted from Aug. 1 of a general election year until 10 days after Election Day.

The full House passed the bill 132-0 April 24.

Because current law is clear on the size of non-commercial signs in municipalities but not the number per candidate, municipalities could interpret the law to any number they chose. Both Eden Prairie and Minnetonka interpreted the law to indicate a single sign per property.

Rep. Loren Solberg (DFL-Grand Rapids) raised concerns during the committee process

A LOT OF PULL



PHOTO BY ANDREW VON BANK

Members of the New Ulm Battery, assisted by the Princeton Battery, fire cannons on the State Capitol mall May 1 as part of a Freedom Day celebration.

about leaving the decision at the local level. Adolphson assured legislators that both city officials and municipalities had no problems with the clarifying language in the bill.

The bill now moves to the Senate where Sen. David Hann (R-Eden Prairie) is the sponsor.

Electing officers

Townships will be required to hold a special election if they are unable to fill a vacancy of an elected town official by appointment under HF361.

The bill passed the full House 133-0 on April 24.

Under current law a town board is directed to fill a vacancy through an appointment process, with a special election necessary if members fail to agree.

Townships have had some "trouble getting vacancies filled," said Rep. Tony Kielkucki (R-Lester Prairie), the bill's sponsor.

Current law says a town may hold an election. HF361 says a special election must be held by the call of the supervisors and town clerk, or any two of them together with at least 12 other town freeholders.

A statement would then need to be filed in the town clerk's office. Included must be the reason why the election is called and that the interests of the town require the election.

The bill now goes to the Senate, where Sen. Dallas Sams (DFL-Staples) is the sponsor.

★ EMPLOYMENT

Vaccination illness

Nurses and others working in medical settings who have been vaccinated against anthrax, or other identified bioterrorism threats, and consequently become ill would be covered by workers' compensation, under a bill approved by the House 131-1 April 25.

The provision is one part of HF1426, sponsored by Rep. Dan Dorman (R-Albert Lea), relating to workers' compensation provisions. Dorman said the bill resulted from an annual examination of workers' compensation issues by the Workers' Compensation Advisory Council, comprised of business and labor representatives.

Dorman said the Department of Labor and Industry presently interprets the workers' compensation law to include injuries and disease resulting from vaccinations that are administered to employees following declaration by the federal Department of Health and Human Services.

However, he said, the Minnesota Nursing Association and others wanted language in statute clearly delineating workers' compensation coverage of vaccine-related illnesses.

"If there's an anthrax spread in the area we want to make sure there are people to take care of us because we're gonna be sick," Dorman said.

A number of members were concerned about the ramifications of the vaccine provision, which was amended to the bill by Dorman on the House floor. Rep. Lynda Boudreau (R-Faribault), chair of the House

Health and Human Services Policy Committee, said the provision should have been presented to her committee prior to a vote by the full House.

Rep. Char Samuelson (R-New Brighton) agreed with Boudreau, though she said she supported the provision. "I do feel it's a positive addition and something that should be done," she said.

Rep. Phil Krinkie (R-Shoreview) questioned why the vaccination provision would be retroactive to Jan. 24, 2003. Such a specific date indicates that a certain person suffered illness from a vaccination and was seeking workers' compensation coverage.

Dorman replied that he did not know how many people are currently seeking claims under the provision, if any. That date was chosen, he said, because it corresponds with the federal Public Health Service Act. Without a specific date, the advisory council feared the workers' compensation insurance would be held liable for illnesses resulting from any employee vaccinations administered prior to the terrorist attacks of Sept. 11, 2001.

The bill now goes to the Senate, where Sen. Geoff Michel (R-Edina) is the sponsor.

★ ENERGY

Renewable energy

Electric utilities would be required to meet a 5 percent renewable energy standard in their power source mix by the year 2015, under a bill approved April 28 by the House Agriculture and Rural Development Finance Committee.

Sponsored by Rep. Elaine Harder (R-Jackson), HF1515 would require investor-owned utilities like Xcel Energy, Minnesota Power, and Otter Tail Power, which sell electricity on a retail and wholesale basis, to begin meeting the renewable requirement incrementally in 2005. The 5 percent renewable standard — to be met over a 10-year period — would be a percentage of total state annual electrical consumption.

"Rural Minnesota has a lot at stake" in renewable energy development, Harder said. Development of wind-generated power and biomass sources, primarily centered in the state's rural areas, would be assisted in the bill. Other qualifying renewable sources would include hydrogen, solar, and geothermal, among others.

The 2001 Legislature created a renewable energy objective that requires electric utilities to make a good faith effort to have 10 percent of their total energy supply provided by renewable sources by 2015.



Lisa Daniels, executive director of Windustry, testifies before the House Agriculture and Rural Development Finance Committee April 28 in support of a bill that would impose a renewable energy standard and a renewable energy objective.

The bill would maintain the 10 percent objective, as well as require the 5 percent standard. Generation or purchase of renewable energy would count toward both.

In addition, the bill would create renewable energy credits utilities could purchase from each other to meet the standard. Distribution cooperatives and municipal utilities that are strictly retail sellers of electricity would be exempt from the requirement.

Utility and business representatives testified in opposition to the bill. Representatives of environmental and agriculture related groups testified in support of it.

The bill is "a well-intended effort on rural economic development," said Loren Laugtug, director of legislative affairs for Otter Tail Power. He opposed the bill's "mandated utility purchases" of higher-priced power from renewable sources. "We would prefer carrots and not sticks," he said.

Lisa Daniels, executive director of Windustry, which assists state residents in developing small-scale wind projects, said the bill would integrate "renewable energy into Minnesota's energy mix." She said every megawatt of renewable energy developed creates jobs in rural communities.

The bill was referred to the House Regulated Industries Committee, where it may have to wait until the 2004 session for consideration, since committee deadlines have passed. The bill has no Senate companion.

★ ENVIRONMENT

Pest control

Mosquito spraying provisions would be expanded in a number of ways, including allowing officials to enter private property despite owner objection, under a bill heard April 25.

HF929, sponsored by Rep. Laura Brod (R-New Prague), first aims to expand the Metropolitan Mosquito Control District to include western Carver County. An additional provision would expand the commission's authority to enter private property, despite owner objection, to determine the need for control and actual action against disease-carrying species of mosquitoes, ticks, and black gnats.

Because the bill would expand the district's jurisdiction for taxing purposes, it was presented to the House Taxes Committee. It will be considered for inclusion in the committee's omnibus bill.

However, the bill's first stop, on April 2, was before the House Local Government and Metropolitan Affairs Committee. There, some representatives questioned the bill's provisions.

Rep. Carlos Mariani (DFL-St. Paul), a co-author, said he signed onto HF929 out of a desire to limit the West Nile virus. But the bill is over-reaching, he said, in allowing entry onto private property despite objection, and in removing a sunset date in current statute allowing human beings to be sprayed.

Under current law, a person may not directly apply a pesticide on a human by overspray or target site spray, except when the pesticide is intended for use on a human. In addition, the application must be for mosquito control operations conducted before June 30, 2003, when no practicable and effective alternative method of control exists, and the pesticide must be among the least toxic available for control of the target pest.

HF929 would remove the date.

The statutory language allowing spraying of humans dates back to 1987 when farm field employees were sprayed with "hot" pesticides by airplanes, said David Clark, legal counsel for the district. The mosquito control district will continue to carefully protect the public health and with the least toxic materials available, he said.

However, in response to a question from Rep. Frank Hornstein (DFL-Mpls), Clark said he didn't know what would happen if the sunset date were removed. The issue can be interpreted in a number of different ways, Clark added.

Hennepin County Commissioner Penny Steele supported the bill, stating that the property taxes paid by residents for mosquito control are equal to the cost of two cans of bug

killer, or \$7 to \$8 per household per year.

The Sierra Club's Judy Bellairs said the mosquito control district already spends \$11.5 million on mosquito control. The agency is using the threat of West Nile Virus to leverage onerous policy changes, she said.

A Senate companion bill (SF712), sponsored by Sen. Claire Robling (R-Jordan), was approved by two Senate committees and awaits action by the Senate Rules and Administration Committee.

GAMBLING

Racino moves on

A bill allowing slot machines at Canterbury Park passed the full House April 25, but with an additional provision that could scrap the whole project.

Passed 71-60, HF646 would permit the Minnesota State Lottery to operate slot machines at the Shakopee horse racing facility.

An amendment offered by Rep. Mark Olson (R-Big Lake) would allow the casino at Canterbury, known as racino, to dissolve if American Indian tribes were to do four things by July 1, 2003:

- contribute funds voluntarily to the Department of Human Services for compulsive gambling treatment programs equal to the amount contributed by the state lottery,
- prohibit the increase of video gaming machines,
- submit information annually to the state auditor on gross receipts from tribal gaming and the distribution of those gaming receipts, and agree to have the information audited by the state auditor, and
- contribute 6 percent of gross receipts from casino gambling annually to the state.

Those items are currently governed by compacts between the tribes and the state. The amendment passed 77-54.

"We're talking about threats with a loaded pistol at the tribes," responded Rep. Margaret Anderson Kelliher (DFL-Mpls), calling the amendment "anti-Indian."

Tribal officials testified against HF646 as the plan made its way through House committees. They argued that adding a gambling facility in the Twin Cities metropolitan area would divert customers from going to outlying tribal casinos for entertainment. They also said that money lost would hurt members of tribal communities and residents in rural communities where they are located.

As for the casino plan, both the state and Canterbury Park would benefit in the first four years of operation, with the state receiving an average of 40 percent of gross operating revenues, and the facility netting 45 percent. In the upcoming



PHOTO ILLUSTRATION BY TOM OLSCHIED

Proceeds from slot machines that are part of the casino plan at Canterbury Park, called the racino, would be used to help balance the state's budget shortfall for the upcoming biennium. The House passed a bill providing for the racino April 25.

biennium, the amount of money the state would receive would be 55.5 percent on adjusted gross gaming revenue, which is expected to equate to \$100 million.

Rep. Phyllis Kahn (DFL-Mpls) unsuccessfully offered an amendment that would have kept the state's return at 55 percent until the Legislature decided to change the revenue numbers. We now have a "slot machine casino with horses running around it," she said.

Rep. Mark Buesgens (R-Jordan), the sponsor of HF646, said the amendment "would have the absolute effect of killing the whole proposal." He indicated the park wouldn't go through with the plan if the state continued to receive the higher revenues suggested in the amendment. The track would be responsible for the upfront construction costs, estimated at \$90 million.

Buesgens said that in addition to the state benefiting, the bill is "all about jobs and economic development." Officials estimate that the entire project would create 1,400 new jobs.

The agriculture and horse industries would gain from the gambling addition with the construction of an Olympic-scale equestrian center, which could house both regional and national horse shows.

If the bill fails, Rep. Jim Knoblach (R-St. Cloud) said there would be a "hole in the budget," because anticipated proceeds are included in the overall House budget-balancing plan.

A Senate companion (SF576), sponsored by Sen. Dick Day (R-Owatonna), was tabled in the Senate State and Local Government Operations Committee.

★ GAME & FISH

Tax-free game birds

A customer buying a frozen game bird at a grocery store or butcher shop does not pay sales tax. Yet, a hunter paying a fee to shoot birds at a hunting preserve who receives a packaged frozen bird to take home at day's end, does pay sales tax.

The House Taxes Committee debated the seeming incongruities April 29 during the presentation of HF1508, sponsored by Rep. Tom Hackbarth (R-Cedar). The bill would make the birds exempt from sales taxes.

The sales tax has not been charged previously; only a recent interpretation of the law calls for the tax.

"We've struggled with the interpretations of this for some time," said Ray Krause, Department of Revenue assistant commissioner. The department eventually concluded, he said, that the activity of hunting birds at a preserve or game farm is recreation.

Krause said hunters often pay a fee to shoot at a preserve or game farm, and the fee includes a certain number of birds. He said it's not unlike paying to hit a certain number of balls at a batting cage. What it isn't, Krause said, is the harvesting of an agricultural product.

But Jeff Hughes, owner of Wild Wings Hunting Club in Hugo, disagreed. Shooting preserves and game farms were created to preserve farms that have been in families for, in some cases, 100 years. The preserves are in an agricultural setting and have been viewed as agricultural, not as recreational.

Furthermore, said Rep. Tom Pugh (DFL-South St. Paul), hunters are not given the birds they shoot to take home, but birds that have already been cleaned, packaged, and frozen. Rep. Ron Abrams (R-Minnetonka), chair of the committee, intimated the birds are therefore not much different than nontaxable birds purchased at grocery stores.

"They just made a really compelling case," said Abrams, of the bill supporters.

Hackbarth said the sales tax represents another burden for owners of game farms and hunting preserves. Imposing it on game birds would cost the Viking Valley Hunt Club in Ashby \$7,200 a year.

The bill will be considered for inclusion in the omnibus tax bill.

A Senate companion bill (SF1262), sponsored by Sen. Steve Murphy (DFL-Red Wing), may be included in the Senate Taxes Committee omnibus bill currently under review.

**If you have Internet access, visit the Legislature's web page at:
<http://www.leg.mn>**

★ GREATER MINNESOTA

Increasing rural speed limits

The House Transportation Finance Committee approved a bill April 24 that would increase the daytime speed limit on two-lane rural state highways to 65 miles per hour.

The bill (HF1071), sponsored by Rep. Marty Seifert (R-Marshall), now moves to the House Ways and Means Committee. Nighttime speed limits would remain at 55 miles per hour under the bill. It does not specifically define nighttime hours.

In addition, the committee removed a provision that would have allowed any violations of the 65 mph speed limit, where drivers are not exceeding 74 mph, to not appear on a person's driving record. Current law allows for violations of 55 mph speed limits within 10 miles of the limit to not be placed on a driver's record.

The new speed limits would be effective June 1, 2004. In the meantime, the bill directs the Transportation Department to report back to the Legislature by next February regarding plans to implement the new speed limit. The report would show where the commissioner has conducted an engineering study regarding a speed limit zone.

Unless the commissioner deems the higher speed limit to be unsafe on a section of road, the higher speed limit would take effect next June.

Seifert called the bill a better reflection of reality on rural Minnesota roads than current speed limits allow. He said roads in Greater Minnesota, particularly in his southwestern Minnesota district are straight and safe and call for higher speed limits.

According to information Seifert provided to the committee from the Insurance Institute for Highway Safety and the Highway Loss Data Institute, only North Dakota and Montana have different day and night speed limits on the same types of highways as those covered in the bill. In addition, 19 states have speed limits on the roads of higher than 55 mph.

Rep. Alice Hausman (DFL-St. Paul) said that the philosophy of drivers is to exceed the speed limit as much as they can get away with, regardless of what the limit is. She suggested that drivers who may now be traveling 64 mph in a 55 zone, wouldn't limit their speeds to 65 mph under the bill.

The bill would require the Transportation Department to erect new speed limit signs on the roads affected. Because there would be two different speeds, depending on the time of day, a larger sign is necessary, department officials testified, which requires an additional sign pole. Estimates show the provisions of the bill

would cost the department \$1.3 million initially and \$80,000 in subsequent years.

A Senate companion (SF1248), sponsored by Sen. David Tomassoni (DFL-Chisholm), awaits committee action.

★ HEALTH

Receiving treatment

Editor's Note: The full House was scheduled to debate the omnibus health and human services finance bill as this issue of Session Weekly went to press. For timely updates, please visit the Session Daily Web site at <http://www.house.mn/hinfo/sdaily/sdaily.htm>, and look for a complete story in next week's Session Weekly.

A particularly contentious provision of the House health and human services omnibus bill that some say mandates substandard medical treatment for people with mental illness was modified slightly during a meeting of the House Ways and Means Committee April 28. The finance measure (HF437) would provide about \$7.3 billion in general fund appropriations for 2004-05.

On a 12-11 vote, committee members approved an amendment proposed by Rep. Tom Rukavina (DFL-Virginia) to give affected patients more information about so-called "step therapy" requirements contained in the bill.

The bill would allow the human services commissioner to develop a program requiring doctors to prescribe the least costly drugs or therapy to "safely and effectively" treat a patient's medical condition and prescribe progressively more costly treatments only when each initial treatment is deemed unsafe or ineffective.

The provision would only apply to patients receiving state medical assistance.

The amendment would require doctors using step therapy to inform patients when the treatment they are prescribing because of the law is less effective than other available treatments.

"It would require the doctor to tell the patient that he believes that there's a better drug available for the person, but he just can't give it to them because he's required to give them the less expensive treatment," Rukavina said. "(Patients) should know that this drug is available out there and that the doctor himself or herself thinks that this drug would work better for the patient."

Rep. Fran Bradley (R-Rochester), who sponsors the omnibus package, said he opposed the amendment because the relative value of a treatment can be different for everyone.

"I wish that doctors were infallible, but I'm afraid that they're not," Bradley said. "At times I think there's a lot of subjectivity as to whether

a (doctor) likes a certain drug or not."

Rep. Loren Solberg (DFL-Grand Rapids) said choosing a less-effective treatment could be especially harmful for people with mental illness. "If it doesn't work, it isn't like you get another cold. It can have serious consequences that can rip at the doctor-patient relationship," Solberg said. "We want to make sure that they're not suicidal and you want to give them the best treatment based on what the doctor thinks."

★ HIGHER EDUCATION

Finance plan passes

The higher education finance bill passed by the House April 29 calls for more than the governor recommended, but less than institutions now receive.

Passed 81-51, the bill would provide \$2.6 billion for the upcoming biennium, \$50 million more than proposed by Gov. Tim Pawlenty.

Sponsored by Rep. Doug Stang (R-Cold Spring), the bill (HF1568/SF1511*) would budget \$1.12 billion for the Minnesota State Colleges and Universities (MnSCU) system, \$1.1 billion for the University of Minnesota, \$369.8 million for the Higher Education Services Office, and \$2.95 million for the Mayo Medical Foundation.

Previously amended in the House Ways and Means Committee to include the House language into the Senate file, the bill now returns to the Senate where Sen. Sandy Pappas (DFL-St. Paul) is the sponsor. The Senate passed its bill, which totals nearly \$97 million more than the House in spending, April 23 on a 34-31 vote.

Compared with the current biennium, the House plan would mean a \$191 million drop for the university, \$176 million decrease for MnSCU, and a \$324,000 reduction for the Mayo Foundation.

"I would have hoped this bill would have helped our campuses... but the base cuts will go on now from this point," said Rep. Gene Pelowski, Jr. (DFL-Winona).

Conversely, the Higher Education Services Office, which would have its name changed to the Office of Higher Education and have its director appointed by the governor, would receive a \$54.8 million increase in funding.

"Most of that additional funding is reflected in the state grant program," Stang said. "In the grant program there was a projected \$101 million need due to tuition increases and enrollment increases. We followed the governor's request and appropriated \$60 million to cover a portion of that."

The additional dollars would be funded through changes to the state grant program, such as reducing the amount of time a student is eligible for grants from 10 equivalent semesters to eight and establishing semester cutoff dates. In addition language is in the bill that in the event of a grant shortfall the office cannot turn to the work-study and child-care grants to obtain the needed funds, as occurred this year.

House Majority Leader Erik Paulsen (R-Eden Prairie) said funding the state grant, work-study, and child-care grants are among the “main issues we heard from our constituents.”

Some policy changes in the bill will directly affect either the university or MnSCU.

Among them are:

- the addition of two students to the university's Regent Candidate Advisory Council;
- Fond du Lac Tribal and Community College in Cloquet may create a baccalaureate degree in elementary education; and
- a provision that would require MnSCU and encourage the university to collect fees that fund student groups on an opt-in basis.

Other provisions would affect students at all post-secondary institutions in the state. One would require each school to provide meningitis information to every new student living in on-campus housing. A second would provide penalties for students convicted of rioting, including paying the highest applicable tuition rate and being ineligible for a state grant.

DFL members said the bill continues to further set back the institutions, and some said that would lead to a further deterioration of the state's position into the future.

In looking at a projected compounded tuition increase of 32.5 percent in the next two years, Rep. John Dorn (DFL-Mankato) expressed concern that fewer Minnesota students will choose or be able to stay in the state, especially those in the medical fields, noting that those who train here often stay here.

★ INDUSTRY

Lowering taconite taxes

Mining companies and the jobs they provide would be helped significantly, but municipalities and school districts could receive less financial support, under a bill that would lower a production tax on the low-grade iron mined in northeast Minnesota.

HF1574, sponsored by House Speaker Steve Sviggum (R-Kenyon), was presented to the House Taxes Committee April 28 and will be considered for inclusion in the omnibus tax

bill. Sviggum said he is sponsoring the bill because he believes strongly that taconite production taxes must be lowered.

“It is that important of a bill, I believe, to the jobs of this state,” Sviggum said.

The bill would lower the per-ton tax from \$2.10 to 80 cents, eliminate the inflation index on the tax, and change the distribution of the revenues, among other things.

Currently, a complex formula distributes revenue to all qualifying cities, towns, counties, and school districts, as well as to a property tax relief program, a taconite development fund, to a taconite producer grant program, and the Iron Range Resources and Rehabilitation Agency. Some proceeds appropriated to the agency are further distributed to various funds, including the taconite environmental fund and the northeast Minnesota economic protection fund.

HF1574 would distribute tax revenues only to cities, townships, counties, and school districts, and in some cases only to those within a certain distance of the mines. The proposed 80-cent per-ton tax would be distributed as follows: school districts, 36 cents; cities and townships, 21 cents; counties, 18 cents; and to debt service on existing bonds authorized by the 2000 Legislature in the Chisholm, Greenway-Coleraine, and Lake Superior school districts, 5 cents. The other agencies not mentioned that currently receive money would no longer receive revenue from the tax under the bill.

Reducing the tax would result in a \$30 million revenue loss, according to Sviggum.

Four individuals, all representing mines in northeast Minnesota, testified for the bill.

But Rep. Tom Rukavina (DFL-Virginia) spoke against it. “We definitely have to keep our mines competitive, but the Minnesota tax has nothing to do with it.”

Later, he added, “I’m not going to let you turn the Iron Range into a ghost town.”

But Sviggum and mining representatives said the industry is an economic engine for Minnesota that employs thousands of individuals directly and indirectly. Lowering the taconite production tax would help the six mines remaining in Minnesota to stay competitive with increasingly aggressive operations in Brazil and Canadian.

“Without production, a tax generates no revenue,” said Frank Ongaro, president of the Iron Mining Association of Minnesota.

No Senate companion bill has been introduced.

★ LOCAL GOVERNMENT

Easing LGA cuts

There is little question that the amount of state aid given to cities may be reduced in the 2004-05 biennium. The question is how much and by which method.

Two proposals were heard by the House Taxes Committee April 28 and April 29. HF1502 is sponsored by Rep. Dan Dorman (R-Albert Lea). HF1549 is sponsored by Rep. Morrie Lanning (R-Moorhead).

In both bills, the cuts to city aid would be less than those proposed by Gov. Tim Pawlenty.

The governor suggested cuts of \$439 million in the 2004-05 biennium, a 32.1 percent reduction. Dorman's bill suggests cuts of \$191.5 million, or 14 percent. Lanning's bill suggests cuts of \$197 million, or 14.4 percent.

Both bills would have the reductions coming first from the reimbursements the state provides to cities for market value homestead credits that some property owners deduct from their property tax statements. If necessary, cuts would follow to the local government-aid-to-cities program.

The market value homestead credit is a property tax credit for residential homestead property equal to 0.4 percent of the market value of the parcel, up to a maximum of \$304. The credit begins to phase out when a property's value reaches \$76,000. No credit is offered for homes valued at \$414,000 and above.

Lanning's bill has one further caveat — cuts to cities with populations of 1,000 or less would not be as deep. “The smallest cities have the least flexibility,” he said.

However, the bills differ in one significant way. Lanning's bill does not address the 2006-07 budget biennium, while Dorman's bill would make the cuts permanent and ongoing.

Dorman's bill would lessen the cuts from those proposed by the governor by no longer requiring the state to dedicate a portion of sales taxes on motor vehicle sales to transit services in the state. Metropolitan-area cities would be allowed, however, to levy property taxes for transit operating expenses.

Testifying in support of both bills were the Coalition of Greater Minnesota Cities, the city of Mankato, and the Minnesota Association of Small Cities.

Testifying against the bill was the city of Bloomington and the League of Minnesota Cities.

Bloomington City Manager Mark Bernhardson said the bills would put more money into a system that is unfair. The league's intergovernmental relations director,

Gary Carlson, asked that cuts not be permanent. And the league's second vice president, Judy Johnson, who is also the mayor of Plymouth, said the Dorman bill doesn't encompass a balanced approach because it relies solely on funding for mass transit.

Both bills will be considered for inclusion in the omnibus tax bill. Neither has a Senate companion.

The city aid program was part of a 1971 property tax reform measure known as the "Minnesota Miracle" that attempted to provide aid based on differences in local governments' need.

Liquor licenses

A bill providing additional liquor licenses for a number of Minnesota cities was approved 112-18 by the House on April 24.

Sponsored by Rep. Michael Beard (R-Shakopee), HF719, the omnibus local liquor bill, would also allow the sale of Minnesota-produced wine at the state fair, a first in the annual summer event's 140-year history.

The city of St. Paul would be authorized to issue an on-sale wine license to concessionaires that contract with the State Agricultural Society to serve food at the fair. The society, which runs the fair, would determine how many concessionaires could sell wine by the glass with meals.

The bill would define Minnesota-produced wine as that "produced by a farm winery" licensed by the state, and "made from at least 75 percent Minnesota grown grapes, grape juices, other fruit bases or honey."

On a voice vote, the House approved an amendment by Rep. Ann Lenczewski (DFL-Bloomington) that would allow city councils to issue liquor licenses without action by the Legislature. Cities would still follow state liquor license regulations including the number of licenses they can issue based on population and city classification.

"Why do we ask our city councils to come here?" Lenczewski said. Under current law, when a city wants to increase the number of licenses it's authorized to issue based on population growth, it must come to the Legislature for approval.

Beard opposed the amendment. The state should "maintain a sense of regulation over many aspects of the industry," he said.

The bill would authorize the following cities to issue additional on-sale intoxicating liquor licenses to qualifying establishments: Blaine, 15 licenses; Maple Grove and Woodbury, 12; St. Michael and Sartell, five; Waconia, Hastings, and St. Joseph, three; and Stillwater and Thief River Falls, two.

Further, the bill would authorize:

- the city of Elko to issue a liquor license for Elko Speedway with sales restricted to a fenced grandstand area;
- Minneapolis to issue wine/beer licenses to the Jungle, Southern, and Guthrie Lab theaters, and liquor licenses to the Historic Pantages Theatre and the non-profit American Swedish Institute;
- St. Paul to issue a liquor license to the Minnesota Centennial Showboat; and
- Duluth to issue a temporary liquor license to the St. Louis County Heritage and Arts Center.

A companion bill (SF143), sponsored by Sen. Sandra Pappas (DFL-St. Paul) has been approved by a Senate committee and awaits action on the Senate floor.

Appeal and equalization information

Many property taxpayers may not know that they can appeal their property tax assessments. Furthermore, the local government units that oversee the appeals process may not fully understand the rules by which they must hear such challenges.

A bill, sponsored by Rep. Pete Nelson (R-Lindstrom), sets out to change that. HF1573, presented to the House Taxes Committee April 29, would require the state Department of Revenue to develop a handbook by Jan. 1, 2005 detailing the procedures, responsibilities, and requirements for the local boards of appeal and equalization. Furthermore, at least one member of each local board would be required to attend an appeal and equalization course each year. Local boards of appeal and equalization are comprised of city council and township board members, respectively, and meet as an appeal and equalization board only for the tax assessment process.

Any city or township not providing proof to the county assessor that it met the requirements — including proof that it had a quorum at each local board of appeal meeting the previous year — would have its local board powers transferred to the county for the following year's assessment, under the bill. The powers could be reinstated in future years if the requirements are subsequently met.

Nelson said there is often a lot of turnover on city councils and township boards, and not all elected officials understand the special rules and regulations for the appeal and equalization process. Meetings have been held without a quorum of elected officials, he added, and the 20-day period during which taxpayers can challenge their taxes hasn't always been honored.

The Minnesota Association of Townships testified for the bill. "We're very pleased to be

part of a solution that includes education," said John Dooley, an association attorney.

The Department of Revenue also commended Nelson for addressing problems that undermine taxpayers' confidence in the system.

HF1573 would allow the department to exempt cities that have staff properly trained in the appeal and equalization process.

The bill, which has no Senate companion, will be considered for the tax committee's omnibus bill.

Recovering service expenses

On a 133-0 vote April 24, the House passed a bill clarifying that cities can legally place liens on personal property if an individual receiving an emergency service, such as firefighting services, does not pay the expenses of the service.

Cities have had this power since 1997, but clarification was needed, according to Nyle Zikmund, fire chief of the Spring Lake Park Fire Department. HF428, sponsored by Rep. Greg Blaine (R-Little Falls), provides that.

Testifying April 9 before the House Local Government and Metropolitan Affairs Committee, Zikmund spoke to the need for the bill as it relates to a specific example. He told of a May 2000 fire at Larson Auto Salvage in Blaine that took 24 hours and cost \$107,000 to extinguish. His department also responds to calls in Blaine and Mounds View.

Involved in the fire fight were 12 firefighting agencies and nine other entities and contractors, including the Department of Natural Resources, which dropped water on the blaze from special airplanes and helicopters. The fire was difficult, Zikmund said, because each of the initial 100 cars reported to be on fire had to be lifted off the ground with a special metal clamp vehicle and sprayed with water.

In the end, two serious and two minor injuries were suffered by firefighters.

Zikmund said the agencies involved in the fire operation wanted to place a lien against the property so that expenses could be recovered should the property ever be sold. But both the fire department legal counsel and the city attorney felt the current state statute was not clear enough regarding liens for emergency service, he said.

The bill now goes to the Senate, where Sen. Don Betzold (DFL-Fridley) is the sponsor.

Selling liens

Taxpayers who are delinquent in property taxes and have had liens placed against their property could find those liens being sold to a third party, under a bill heard April 24 by the House Taxes Committee.

HF1408, sponsored by Rep. Ron Abrams (R-Minnetonka), will be considered for inclusion in the omnibus tax bill. Abrams is chair of the taxes committee.

The bill drew support from representatives of a firm that buys liens from taxing jurisdictions throughout the nation, but also garnered dissent from the Minnesota Land Title Association, the Minnesota State Bar Association, and the Minnesota Association of County Officers.

Under the bill, school districts, cities, counties, and other taxing jurisdictions could sell their tax liens (placed on properties for delinquent taxes) in bulk to a third-party lender, such as Plymouth Financial Company, which was represented at the committee meeting.

Doing so would give taxing jurisdictions up-front cash that otherwise wouldn't be gained until the taxes are paid or the property is sold under foreclosure provisions. The tradeoff is in forfeiting interest payments on the liens.

According to the Minnesota Department of Revenue, total delinquent property taxes and special assessments were \$213.8 million statewide, as of Jan. 2, 2002. The department was unable to calculate potential increased local tax revenues as result of HF1408, as it is unknown to what extent taxing authorities would sell tax liens under the proposal.

In many ways, the system would not change the relationship between the county as a tax collector and the property owner, until after the time the property would have otherwise been forfeited to the state, according to information from Plymouth Financial Company. When the property owner pays off the lien, the lien holder would issue a discharge certificate for submittal to the county recorder, much like is done by mortgage companies.

However, if foreclosure procedures have begun, a property owner would not be allowed to redeem the lien, as is currently allowed under state statute.

Similar programs exist in 24 states, including Iowa, Nebraska, New York, and California.

Chuck Hoyum, president of the Minnesota Land Title Association, said the proposal would make property owners pay \$1,200 to \$1,500 more for redeeming the property from foreclosure. Additionally, it would increase the amount of paperwork for county recorders.

Increasing redemption costs by up to \$1,500 when the property owner is already in trouble isn't a proper message to send, said Luci Botzek, administrator of the Minnesota Association of County Officers.

A Senate companion bill (SF1310), sponsored by Sen. Mee Moua (DFL-St. Paul), was heard April 14 by the Senate Taxes Committee and will be considered for inclusion in its omnibus bill.

Conflict of interest change

A bill that would address conflicts arising for elected township supervisors whose private employers gain contracts for township services passed the House 133-0 April 24.

HF923, sponsored by Rep. Torrey Westrom (R-Elbow Lake), states that a township may enter into a contract even if a township supervisor is an employee of the contractor, provided the supervisor has no role in preparing the contractor's bid or negotiating the contract.

In addition, it states that the supervisor is not precluded from serving as a township official during the contract term provided that the township supervisor abstains from voting on any official action relating to the contract.

Under current law, a township supervisor in such a situation must choose between remaining an elected official and employment. This exacerbates the problem of finding people interested in serving on township boards, Westrom said.

The problem came to the legislator's attention last fall following a situation in Carlos Township. Strom Construction discovered it couldn't place a bid because one of its employees was on the township board, said owner Paul Strom.

That employee, Dwayne Waldorf, said the township board and its engineer were unaware of the conflict-of-interest law until informed by the board's attorney.

The exception that HF923 would provide is similar to the exception for city council members who are employees of a utility that has a franchise with the city. Another similar provision passed into law in 2001 provided that city officials, in cities with less than 5,000 population, could participate in federal grant programs even if their businesses were affected.

The bill now moves to the Senate, where Sen. Dallas Sams (DFL-Staples) is the sponsor.

MILITARY

Tuition reimbursement

Minnesota National Guard soldiers and airmen could continue to have the state pay for the majority of their college tuition and the cost of books, under a bill approved by the House April 24.

Passing 133-0, HF1080, sponsored by Rep. Laura Brod (R-New Prague), would keep the reimbursement level at 80 percent. The bill would also eliminate the June 30, 2003 sunset date for the program. As part of the 2001 state government finance bill the rate was increased from 75 percent to 80 percent.

Under the program, which began in 1989, the state pays for up to 80 percent tuition reimbursement for lower division programs in the College of Liberal Arts at the Twin Cities campus of the University of Minnesota. Tuition would also be covered upon participation in a comparable program at a Minnesota public institution or outside the state. Medical students could receive 50 percent to 80 percent reimbursement.

Approximately 2,600 soldiers now take advantage of the benefit, said Col. Dennis Lord, executive director of the Minnesota National Guard, during committee testimony. An additional 320 soldiers now active in the war in Iraq are expected to participate in the program upon their return, he added.

Rep. Al Juhnke (DFL-Willmar) raised a concern regarding the percentage of reimbursement compared with surrounding states. Wisconsin, among others, offers to pay 100 percent of college tuition for soldiers, causing lower recruitment rates in Minnesota, he said.

Rep. Jim Rhodes (R-St. Louis Park) responded the state couldn't afford to offer the same as others.

The bill now moves to the Senate where Sen. James Metzen (DFL-South St. Paul) is the sponsor.

SAFETY

Handgun permit law

A proposal that significantly changes the state's handgun permitting laws, making it easier for most Minnesotans to carry guns in public, was signed into law April 28 by Gov. Tim Pawlenty.

The law, which takes effect May 28, requires county sheriffs to grant handgun permits to anyone who meets specified criteria.

Applicants must be at least age 21, be trained in the proper use of a handgun, and be a U.S. citizen or permanent resident. Anyone listed in a state gang database or who has previously been convicted of a violent crime would be ineligible.

Previous law gave sheriffs and police chiefs wide discretion in granting permits to carry handguns, requiring that applicants demonstrate a personal or professional need to carry. The law was interpreted differently in different parts of the state, leading to calls for a more uniform permitting system.

The new law shifts the burden of proof to county sheriffs, who must prove that someone is legally disqualified or otherwise poses a

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governor

risk to themselves or others before denying an application.

Under the law, guns could not be carried by someone who is under the influence of drugs or who has a blood alcohol content above .04, even if that person has a permit to carry the gun otherwise.

Businesses wishing to ban guns on their premises will have to post a sign near the entrance before they can personally request that a gun carrier leave their business.

Guns will be banned on the property of schools and daycare centers, unless safely locked in the trunk of a car.

Businesses, colleges, and universities can set their own rules governing where employees and students can carry guns on their property.

Though often called "concealed-carry legislation," there is no specific provision in the law requiring guns be either hidden or visible when carried in public.

A similar bill passed the House in 2001 but was narrowly defeated in the Senate.

This year, the law was added to a Department of Natural Resources technical bill, sponsored by Rep. Tony Cornish (R-Good Thunder), when it passed the House 88-46 on April 23. Since the technical bill had already been passed in the Senate, senators could not amend the bill before they concurred and re-passed it 37-30 on April 28. The governor signed the bill later that day.

The technical provisions relating to the Department of Natural Resources remove a requirement that the commissioner employ three assistant commissioners; provide snowmobile, gun, boat, and ATV safety training reciprocity with other states; and address litter prevention in state parks, recreation areas, and highways. The law specifically cites that cigarette filters and debris from fireworks are offensive matter that destroys the cleanliness of the land under the state's litter laws. Those provisions are effective Aug. 1, 2003.

Rep. Lynda Boudreau (R-Fairbault) and Sen. Pat Pariseau (R-Farmington) sponsored the original handgun legislation in HF261 and SF222. Pariseau replaced Sen. Gen Olson (R-Minnetrista) as chief author of the natural resources bill after it passed the Senate for the second time with the handgun language.

HF823/SF842*/CH28

Wireless space

The state's 87 county governments could rent space on county-owned radio towers and other property to commercial wireless service providers under a bill passed 133-0 by the House April 24.

Sponsored by Rep. Tom Hackbarth (R-Cedar), HF317 would also allow counties to

enter into lease agreements with wireless service providers or other owners to place county public safety communications equipment on privately owned towers.

Public safety communications may include police, fire, highway maintenance, emergency medical service, local government, forestry conservation, and other communications as determined by a county board.

The bill would also allow county-owned building rooftops and land to be made available to wireless service providers or other users to install antennas and equipment. The county could charge site use fees for the value of the property or structure and for the cost of public safety communications systems.

Counties would also have the option to acquire land, towers, or equipment by purchase, gift, exchange, condemnation, or other means for use as a site for public safety communications.

The bill now moves to the Senate, where it is sponsored by Sen. Leo Foley (DFL-Coon Rapids).

TAXES



Taxing some cigarettes

Cigarette manufacturers and distributors would potentially pay more fees and taxes to the state under a number of provisions in a bill heard April 24 by the House Taxes Committee.

HF1199, sponsored by Rep. Ron Abrams (R-Minnetonka), would charge distributors a fee of 35 cents per cigarette pack if those cigarettes were manufactured by any company other than one of the four that have a settlement agreement with the state: Philip Morris, R.J. Reynolds, Lorillard, and Brown & Williamson. Liggett also agreed to the settlement, but has not been making annual payments and therefore would be subject to the proposed fee, said nonpartisan House researchers.

However, distributors would not have to pay the proposed fee on non-settlement cigarettes if that manufacturer agrees to the terms of the settlement, including making payments equal to 75 percent of the payments that apply to the four settlement companies.

Beyond financial obligations, the original settlement also includes restrictions on advertising and promotions.

The bill would also require settlement cigarette manufacturers declaring bankruptcy to make payments to the state in line with the amount the bill would charge of non-settlement manufacturers. According to Abrams, national press organizations are reporting that one settlement agreement cigarette manufacturer is contemplating bankruptcy. Without this provision,

the state would face a \$166 million hole in its budget, he said.

Another major provision of HF1199 aims to stop manufacturers from using Minnesota as a conduit or "trans-shipment" point to avoid settlement agreements in other states. Forty-six states have agreements requiring smaller companies to make escrow payments that are in turn held in the event a lawsuit is filed against them.

Tom Briant, executive director of the Minnesota Wholesale Marketers Association, said some manufacturers that want to ship to one of the 46 states first send cigarettes to Minnesota. These manufacturers claim they are not obligated to pay the \$3.90 per carton fee charged in those 46 states because the cigarettes are shipped through Minnesota, where the fee doesn't apply.

HF1199 would prohibit shipping cigarettes from Minnesota for sale in another state if the other state's excise tax stamp has not been applied or the tax paid, or if the other state prohibits the sale of the cigarettes.

Briant supported the bill, as did Jeremy Hanson, public policy director of Minnesota Smoke-Free Coalition. However, Hanson urged the committee to use the increased revenues for tobacco-use prevention.

The bill will be considered for inclusion in the tax omnibus bill.

A Senate companion bill (SF1141), sponsored by Sen. Lawrence Pogemiller (DFL-Mpls), awaits action.

Sales tax adjustments

Shoppers could buy deli salad without paying sales tax, but they would begin paying the 6.5 percent tax on aspirin and other pain medications, under a bill heard April 24.

HF1570, sponsored by Rep. Ron Abrams (R-Minnetonka), was presented to the House Taxes Committee, which he chairs.

The bill contains many provisions, all of which are required through Minnesota's participation in the Streamlined Sales Tax Project. The voluntary, nationwide project aims to simplify states' sales tax systems so that businesses could charge sales taxes to out-of-state customers on remote sales, such as those through the Internet and catalogs.

Currently, ready-to-eat meat (such as smoked meats) and seafood are temporarily exempt from sales taxes. To conform to the streamlined sales tax definition of prepared foods, this exemption would be made permanent and expanded to include all prepared, unheated food sold by weight or volume as a single item, such as deli salads.

To conform to the definition of medicine

and medical devices, Minnesota would begin taxing aspirin and other pain medications unless prescribed. Current exemptions would continue for prescription drugs, insulin, medical oxygen, and over-the-counter medicines prescribed by a licensed health care professional.

Under the mobility enhancing equipment category, portable ramps and "lift chairs" would be added to the current sales tax exemptions for ramps, lifts, elevators, and equipment necessary to make vehicles handicapped accessible.

The existing sales tax exemption for durable medical equipment would be expanded to include items currently taxable, such as adjustable height toilet seats, anesthesia equipment, and intravenous stands. However, the exemption would be limited to in-home use or uses by government and nonprofit hospitals, and nursing homes. Clinics and nonprofit organizations would be taxed for these same goods.

Multi-use equipment, such as glucose monitoring machines, are currently exempt and would continue to be so, provided they are also purchased for in-home use or by government and nonprofit hospitals, and nursing homes.

Testifying for the bill were Mike Drury of Drury Furniture in Fountain, Minn., and Mike Logan of Target Corp. Both said the bill would create uniformity and equity among sales taxes on in-store and Internet items.

The bill is expected to add \$5.6 million to the state coffers in the 2004-05 biennium, and \$8.4 million in the 2006-07 biennium.

No Senate companion bill has yet been introduced.

Increased collections

A bill that aims to collect \$8.3 million in taxes, interest, and penalties by offering discounts to select taxpayers who have old obligations was heard April 25 by the House Taxes Committee.

The idea behind HF540, sponsored by Rep. Dan Dorman (R-Albert Lea), is to maximize collection of taxes that would otherwise go unpaid.

The bill, which will be considered for inclusion in the omnibus tax bill, would allow the Department of Revenue commissioner to offer discounts to taxpayers that have obligations older than two years. The commissioner would have the exclusive authority to determine which taxpayers would be given discounts. However, the discounts would be limited to 50 percent for obligations at least four years old, and to 35 percent for those at least two years old.

In deciding which taxpayers shouldn't be offered discounts, the commissioner would be

allowed to consider the taxpayer's conduct or past action, as well as whether the discount would have adverse affects on future tax compliance and future collections.

The target collection amount for the 2004-05 biennium is \$8.3 million, as stated in the bill. A \$250,000 appropriation is allocated in the bill for creation of the program.

A Senate companion bill has not yet been introduced.

TRANSPORTATION



Northstar line receives hearing

Minneapolis resident Brian Crotteau says he doesn't have many public transportation options for his nearly 20-mile commute to Medtronic in Fridley. But if the Northstar commuter rail line were constructed, he said, he would use the line every day.

Crotteau outlined a scenario where he could ride his bicycle to the nearest train station, bring his bicycle on board with him, and when he reached the station nearest Medtronic, he could get off the train and ride the mile-and-a-half to the facility. He said he had a similar experience working for the company's Europe operations in Switzerland and France.

"No one asked me to come today," said Crotteau at the April 24 meeting of the House Transportation Finance Committee. "I would definitely use the line. I'll help pay for it."

HF1233, sponsored by Rep. Kathy Tingelstad (R-Andover), would provide \$123.3 million in state general obligation bonds for planning, design, engineering, and construction of the line between Minneapolis and Rice, just north of St. Cloud. The line would operate on existing railroad track, primarily along U.S. Highway 10, which passes through the northeastern portions of the Twin Cities metropolitan area and north into central Minnesota.

The committee heard the bill, but committee chair Rep. William Kuisle (R-Rochester) laid it on the table in the event the House produces a bonding bill this session.

The funding represents the proposed state portion for the project. The federal government would spend \$151 million on the project, and locals would spend \$27.8 million, bringing total construction costs to \$302 million.

Proposed operating costs of the line would be about \$15 million annually, beginning in 2007. Both the state and federal governments would account for about 35 percent of funding, with fares accounting for nearly 30 percent.

Though initial cost-benefit analyses conducted on the project showed a very small financial benefit for every dollar spent, updated

analyses show that the benefit would be greater than the amount expended. Economist Paul Anton, who conducted the new analysis, testified that the analysis was similar to the one conducted a few years ago by the state Transportation Department, with a few adjustments to quantify some of the corollary benefits of such a line.

Anton said the ridership assumed in the analysis, about 5,000 commuters per day, would account for about 1.5 lanes of traffic on highway 10. He said it measures the cost-benefit from 2007 to 2022. The analysis showed a 1.15:1 ratio for the whole project and a 2.97:1 benefit ratio to the state.

To construct one lane of traffic would cost more than \$1 billion, he said. A busway would cost about \$750 million. Northstar, including both construction and operating costs, would cost the state about \$500 million over that period.

"This is the best, most cost-effective option for transportation in the corridor," said Benton County Commissioner Duane Grandy. In 2002, the House rejected amendments to fund the project. Tim Yantos, project director for the development authority and employee of Anoka County, said the project had received "recommended" status from the federal government, but has since lost that status. He said the federal government would still provide new start funding for project construction, but continued inaction could jeopardize the funding.

Brian Sweeney, executive director of government affairs for Burlington Northern Santa Fe railroad, whose tracks the commuter line would travel on, said there is not yet an agreement regarding use of the tracks. He also said that because the railroad has no plans to make improvements to the existing rail for the next 20 years, it would expect the state to pay for any necessary improvements to the line to facilitate the commuter rail transit.

Sponsored by Sen. Don Betzold (DFL-Fridley), a companion bill (SF27) is included in the Senate's bonding bill.

Where to find information

House Public Information Services

175 State Office Building
(651) 296-2146 or 1-800-657-3550

House Public Information Services is a nonpartisan office that provides committee meeting schedules; legislator information; and publications, including the *Session Weekly* newsmagazine, educational brochures for all ages, and member directories. All information is available at no charge.

Most of what this office publishes can be viewed on the Legislature's World Wide Web page. To connect, point your web browser at:
<http://www.leg.mn>

Student support

A plan to fund K-12 education has smaller cuts than other government areas, but critics still say the bill trims too much

By **TOM LONERGAN**

A K-12 education funding plan that pledges to maintain state support for public schools at the 2003 level but cuts early childhood, adult education, and other supplemental school programs for the next two years passed the House 71-60 April 30.

Sponsored by Rep. Alice Seagren (R-Bloomington), HF1404 would provide public school districts with \$11.9 billion in state general fund spending for the 2004-05 biennium — more than 40 percent of the general fund budget.

Locally generated property tax revenue, the other major source of education funding, would provide an additional estimated \$2.6 billion for school districts during the next two years.

"It does not protect the classroom," Rep. Mindy Greiling (DFL-Roseville) said about the bill during the nine-hour debate. The bill's

For general education core classroom programs, the bill would provide about \$10.1 billion in state funding.

State funding for special education programs and extra services for students with physical and learning disabilities would be a proposed \$1.2 billion. The bill includes the governor's recommendation to eliminate growth factors in special education aid formulas.

Early childhood and family education programs, including school readiness and state support of the federal Head Start program would receive funding of about \$89.1 million.

About \$80 million to fund community and adult education programs during the next two years is proposed in the bill.

The bill would rename the Department of Children, Families and Learning the Department of Education and provide the agency with \$47.3 million for 2004-05 operating funds, a cut of

about 15 percent from current funding.

Among the bill's policy changes are new rules and a funding mechanism for districts to create additional online learning programs. The bill would provide \$5 million in general fund money for such programs and a method for a portion of a district's state aid to follow students that enroll in online courses outside of

their home school districts. The aid would fund the district providing the online course.

Several hours of floor debate centered on proposed changes affecting teacher negotiations and other labor issues.

An amendment by Rep. Jeff Anderson (R-Austin) to remove the proposed changes to the state's public employee relations law affecting teacher and school district contract negotiations was approved on a 98-34 vote.

Anderson is a public school teacher.

The bill initially would have restricted the negotiating process between the teachers union and school districts by setting a Sept. 1 contract deadline in odd-numbered years. The changes would have allowed teachers to strike, but not be paid. School districts could open school but would not be permitted to make up lost days.

"This puts undue pressure on collective bargaining," said Rep. Tim Mahoney (DFL-St. Paul).

Rep. Dean Urdahl (R-Grove City), a teacher for more than 30 years, also opposed the change. "There will be labor strife and unrest affecting schools and communities," he said. "The current system does work."

The bill's proposal to eliminate a Jan. 15 teacher contract deadline in even-numbered years in school district negotiations was upheld on a 72-60 vote. Rep. Barb Sykora (R-Excelsior) offered the amendment.

Amendments by Rep. Jim Davnie (DFL-Mpls) that attempted to remove sections in the bill that would exempt school districts from paying prevailing wages on construction projects and allow districts to contract with outside vendors for non-instructional services like food and maintenance were defeated.

The bill would provide \$102 million through funding shifts more than the governor proposed to allow schools to continue alternative learning centers, as well as after school and summer school remediation programs. It adopted the governor's proposed elimination of \$11 million in after school enrichment grants that also funded after school programs in collaboration with community service agencies.

In early childhood programs, the bill proposes to cut state funding of federally supported Head Start programs by \$8 million and apply that money to balance cuts the governor recommended in the state's early childhood and family education programs.

The state education commissioner, as proposed in the bill, would be required to report to the Legislature by Feb. 15, 2004 on possibly redistributing state funds currently spent on Head Start grantees to other qualifying early childhood education providers.

"That's the beginning of the end of Head Start," said Rep. Nora Slawik (DFL-Maplewood). An amendment Slawik offered to eliminate the proposed state cut to Head Start programs was defeated on a 77-53 vote.

A companion bill (SF1528), sponsored by Sen. Leroy Stumpf (DFL-Thief River Falls) awaits action in the Senate Taxes Committee.



PHOTO BY TOM OLMSCHIED

The K-12 finance bill passed by the House would provide classroom funding at 2003 levels.

proposed cuts to early childhood education programs and special education "affects the classroom," she said.

Seagren said the bill's proposed cuts to K-12 education programs are "very small compared to health and human services" and other state programs proposed for funding cuts by Gov. Tim Pawlenty.

"Yes, programs are reduced," Seagren said, "but they're not devastated."



Land and water

Appropriations, policy provisions, animal health protections highlight environment and agriculture finance package

By TOM LONERGAN AND NICOLE WOOD

The state would dedicate more than \$1 billion toward environmental protection, natural resources management, and agriculture and rural development over the next two years, under a finance package (HF779) passed by the House April 29. The vote was 81 to 52.

Sponsored by Rep. Dennis Ozment (R-Rosemount), the bill also encompasses the agriculture finance measures put forth in HF752 by Rep. Elaine Harder (R-Jackson).

The net effect to the general fund would be \$411 million, though total spending would reach \$1.12 billion when other funding sources such as lottery proceeds, license and permit fees, and federal dollars are considered.

The Senate passed an omnibus environment, natural resources, agriculture, economic development, and housing bill (SF1523), sponsored by Sen. Richard Cohen (DFL-St. Paul) April 29. Differences between the funding packages likely will be reconciled in conference committee.

Below are some of the highlights of the House measure.

DNR, PCA, Agriculture

More than half of the overall package — about \$581 million — would be directed toward the Department of Natural Resources (DNR) for a multitude of responsibilities, such as wildlife, minerals and forestry management, state park operations, and game and fish law enforcement.

The bill would allocate \$231 million to the Pollution Control Agency (PCA) for land, water, and air monitoring and regulation enforcement. A \$4.7 million appropriation to the PCA would support a clean water partnership initiative directed toward local governments. Another \$4.6 million would fund the agency's county feedlot administration grant program.

The total Agriculture Department budget for the next two years would be about \$148 million, including expected federal funding and an estimated \$3.4 million more revenue through fee increases.

Other agencies

The Office of Environmental Assistance would receive \$54 million, under the bill. Of that amount, \$25 million is earmarked for SCORE grants to counties for recycling programs and solid waste management.

Smaller biennial budget amounts would include \$36 million for the Minnesota Zoological Board and \$31 million for the Board of Water and Soil Resources.

Funding for the Science Museum of Minnesota would be set at \$618,000 in fiscal year 2004 and then eliminated the following year.

In a departure from the plan set forth by

ments for road construction projects.

HF779 would adjust the watershed district rulemaking process to allow for comment and appeal from transportation authorities rather than change permit requirements.

In another attempt to reconcile the differences between the House environment and transportation committees, Ozment successfully amended the bill to allow one of the two acres under the 2:1 wetland replacement ratio for road work in the seven-county Twin Cities metropolitan area to be placed in a major watershed that drains into the defined metropolitan area, rather than the geographic boundaries.

Developing ATV trails

The bill would direct the development of a formal trail system for off-highway vehicles and temporarily exempt certain state forest motorized trails from environmental review. Other provisions of the bill would require all off-highway vehicles to be registered with the state and allow registration fees to be directed toward lo-



PHOTO BY TOM OLMSCHIED

The omnibus environment/agriculture finance bill proposes increases to some state park fees, though campground fees would remain unchanged with the exception of the proposed removal of the senior citizen discount.

Gov. Tim Pawlenty, the Board of Animal Health would remain a separate state agency rather than merge with the Agriculture Department. State funding levels for the board would be set at \$5.6 million for the biennium.

Revising road construction permits

The House transportation finance plan that passed the House April 28 contains revisions to certain environmental mitigation require-

cal law enforcement agencies for enforcement and public education expenditures. Qualified clubs would also be eligible for safety and conservation education grant money.

Increasing fees

Certain state park permit fees would be raised:

- annual use of state parks — \$20 to \$25
- second vehicle state park permit — \$15 to \$18

- daily state park permit — \$4 to \$7
- daily vehicle permit for groups — \$2 to \$5

Various hunting, angling, and commercial fishing fees would also increase. Additionally, the bill would develop a tiered-fee system for burning permits, raise water appropriation permit fees, eliminate the senior discount for campground use, and enable the Minnesota Zoo to charge an entry fee for elementary school children on organized field trips.

The bill also proposes increases in 25 categories of food handler and food processing inspection fees, dairy farm re-inspections, and seed fees, and would establish new fees and a dedicated account to fund an expanded nursery and horticulture inspection program.

Reviewing feedlots

The bill would remove new and expanded feedlots between 300 and 1,000 animal units from petition-generated environmental review. Feedlot regulations, administered by the Pollution Control Agency, assign animal unit multipliers to animals in different categories.

For example, 1,000 mature cows, weighing less than 1,000 pounds each, would account for 1,000 animal units, under state feedlot rules. And 1,000 pigs, weighing between 55 pounds and 300 pounds, would account for 300 animal units.

Reps. Aaron Peterson (DFL-Madison) and Kent Eken (DFL-Twin Valley) said the feedlot exemption favored more concentration of

farming by large owners at the expense of medium- and small-sized farms.

Rep. Randy Demmer (R-Hayfield) said such reviews pose an artificial barrier to growth. "Agriculture needs to grow its own way," he said. "Did we say no to Home Depot and Wal-Mart when they wanted to get big and grow?"

Rep. Howard Swenson (R-Nicollet), chair of the House Agriculture Policy Committee, said the feedlot exemption was "not to destroy the environment, but to try to use some common sense in the (regulation) process."

Continuing ethanol payments

Payments to 13 ethanol plants in the state would continue under the bill, but at a rate 7 cents per gallon lower than the 20 cent per gallon rate established for 2002-03. The bill would put forth about \$10.2 million more in the ethanol program than the \$34.2 million proposed by the Pawlenty administration.

Under the bill, the state may provide "catch-up" payments to ethanol producers in future years to recover the \$20 million cut from the program by the governor in February and smaller than expected payments during the next two years.

Controlling chronic wasting disease

The bill would set aside \$800,000 for a mandatory surveillance program to control chronic wasting disease in captive deer and elk herds. Owners of the herds also would pay fees to

support the program.

Other provisions would set new policy language empowering the DNR to deal with the potential threat of chronic wasting disease infecting the state's wild deer population. New restrictions on the importation into the state of deer and elk carcasses would apply and a portion of the 50-cent surcharge on deer hunting licenses for emergency deer feeding could also be applied toward wild deer health management.

Hunting mourning doves

The bill would classify the mourning dove as a migratory gamebird, authorize a mourning dove hunting season and a stamp earmarked for habitat improvement, and order a report on the impact of the season on the dove population. Mourning dove hunts have been banned in the state since 1947.

Further study required

The bill would order studies on a number of issues, including:

- improving stability in state park funding through self-sufficient fee structures;
- locating individual sewage systems that are imminent threats to public health;
- developing an incentive-based distribution approach for recycling and solid waste management funds; and
- reducing the levels of phosphorus in the wastewater stream. 



Animal advocates

Plan would have given dogs and cats more legal standing in one state

A bill to elevate Fluffy and Fido to more than just mere property in Colorado is on hold.

Sponsored by Rep. Mark Cloer (R-Colorado Springs) and Sen. Ken Chlouber (R-Leadville), a bill introduced earlier this year would permit dog and cat owners to recover damages for the loss of companionship due to negligent veterinarians and people who torture animals. The maximum amount would be \$100,000 plus attorney's fees. Lawsuits would have to go through arbitration before the courts would get involved.

People who bring lawsuits on behalf of their pets can now only receive fair market value.

The bill (HB03-1260) would also have required veterinarians to get a signed

informed consent from the pet owner before performing a service that would involve substantial risk to the animal.

Had the bill passed, it would have been the first law of its kind in the nation, according to an attorney who conducted a nationwide review of laws relating to companionship animals.

However, Cloer made a motion to kill the bill Feb. 14 before the House Business Affairs and Labor Committee. According to the *Denver Post*, no explanation was given for the motion.

Regarding Cloer and those who convinced him to remove the bill, Chlouber told the newspaper that "They're a bunch of gutless worms," for not letting him know of their intentions. "I think it was just a bunch of people who thought it was a good idea,

but when the going got tough, they got cold feet."

The Colorado Veterinary Association is against the idea, contending that the bill would increase the cost of care.

"Veterinarians will have to pass on to consumers the increased costs of doing businesses, including time spent responding to frivolous lawsuits and additional diagnostic tests that will now be required to practice defensive medicine," according to a statement from the association.

Gov. Bill Owens did not say whether he would sign the legislation if it were to reach his desk, but jokingly said his Springer spaniel, Hannah, supported the idea.

(M. Cook)

Reducing expenses

Omnibus bill cuts state spending for many agencies and provides for new ways to purchase goods at less cost

By MIKE COOK

State savings would come in a variety of ways under the state government finance bill expected to be passed by the House.

After more than 10 hours of debate and with several amendments still pending, no vote had yet been taken on the bill when this edition of *Session Weekly* went to press late on May 1. For an update on the vote, please visit the Session Daily Web site at <http://www.house.mn/hinfo/sdaily/sdaily.htm>.

Totaling nearly \$473 million in general fund spending, \$72 million less than the governor's recommendation, the bill (HF749/SF1524*) would call for double-digit spending reductions for many state agencies compared to current biennium funding, would direct a commission and board to become self-sustaining, and would eliminate a pair of legislative commissions.

The Senate companion, sponsored by Sen. Richard Cohen (DFL-St. Paul), passed that body April 29 and will likely require a conference committee.

Budget reductions

Among the 12.6 percent reduction in funding proposed for the Legislature is 10 percent to the Senate and 8 percent to the House. However, the Legislative Coordinating Commission is facing a 25 percent cut and the elimination of the Commission on the Economic Status of Women and the Geographic Information Systems office.

Under the bill no legislator could receive more than \$56 per day in per diem living expenses. That is the current limit for the House; Senate per diem is \$66. In addition, housing allowances for qualifying members would be limited to six months a year.

Most other state agency cuts, and those for the offices of constitutional officers, would be in the 10 percent to 15 percent range, with the attorney general's office exceeding the range at 24.8 percent.

The Lawful Gambling Control Board and the Minnesota Racing Commission would become fee-supporting entities by 2005, under the bill. However, each is given some money in fiscal year 2004 to begin the transition.

Rep. Bill Haas (R-Champlin), the sponsor

of HF749, reiterated on the floor that it would be up to each agency to determine how to meet the reduction. "The way government was done yesterday can't be done into the future," he said. "This bill talks about change and implements change."

Many department leaders said the reductions would equate to job losses and reduction in services. For remaining state employees, the bill calls for a wage freeze through the biennium and employer contributions for medical and dental coverage could not exceed fiscal year 2003 levels. State employees in the health care nonprofessional unit would be classified as essential, meaning they could not legally strike.

New revenues/savings

Vehicle and cell phone use by executive agencies would be reduced by at least \$10 million during the biennium. If that number were



PHOTO BY TOM OLMSCHIED

The \$473 million state government finance bill would freeze wages for state employees and reduce employer contributions for medical and dental insurance.

not achieved, the difference would be eliminated from agency budgets for fiscal year 2005.

The state would need to sell \$5.05 million worth of state land. Again, dollars would be taken from state agencies if the sum were not met.

As for the state lottery, its director would need to raise at least an additional \$5.88 million. In addition, all unclaimed prize money would be put into the general fund. Currently the general fund gets 42 cents of each unclaimed dollar, the

environment and natural resources fund gets 28 cents, and 30 cents goes back into the prize pool.

On other gambling measures, Haas unsuccessfully offered an amendment to authorize a casino to be operated by the Red Lake Nation and White Earth Band of American Indians in the Twin Cities metropolitan area. State revenues would come from an in-lieu tax of 20 percent of adjusted gross gaming machine revenue. Two House committees previously rejected the idea.

However, an amendment from Rep. Jim Rhodes (R-St. Louis Park) to provide the state an additional \$20 million through the legalization of sports boards was adopted.

Contracting services

The bill would repeal provisions in law that an agency must certify that no state employees can perform the services before seeking approval for a professional or technical services contract worth more than \$5,000. In addition, the commissioner of administration would no longer need to first determine that no agency has previously performed or contracted for the performance of tasks that would be substantially duplicated under the proposed contract.

Agencies that contract for professional or technical services must also write a performance evaluation, including how a contract is a cost-effective way to enable the agency to better provide its services or products, under the bill.

Other provisions

Among other provisions in the bill, are the following:

- The bill would authorize the use of reverse auction—an electronic bidding process where bidders can see what competitors are offering and may lower their estimates—to purchase goods or services.
- The amount of money permitted for art in the construction or alteration of state buildings could not exceed the lesser of \$100,000 or 1 percent of the total appropriation.
- The Capitol Area Architectural and Planning Board would be moved into the Department of Administration.

A bite out of the deficit

Omnibus bill spends less than Pawlenty plan, but tries to lessen the impact in corrections, courts, and public safety

By Jeff Jones

A plan to spend about \$1.37 billion on the state court system and the departments of Corrections, Public Safety, and Human Rights over the next two years passed the House April 28 on a 78-56 vote.

HF750, sponsored by Rep. Steve Smith (R-Mound), would cut money from the base budgets of most of the agencies it covers and would spend about \$5 million less than Gov. Tim Pawlenty recommended in his budget-balancing plan. But it uses a variety of new and increased fees to soften the impact of cuts in many areas.

Under the bill, the state Supreme Court would receive a 6 percent cut from its base budget, and the Court of Appeals and state district courts would both see 2 percent reductions as compared to 10 percent cuts for each in the governor's proposal. But the bill would cut \$3 million more than the governor's proposal from state funded civil legal services and an additional \$2.8 million from grants to battered women's shelters.

Rep. Michael Paymar (DFL-St. Paul) unsuccessfully offered an amendment that would limit the cuts to battered women's shelter grants. He said the cuts would dramatically impact shelters, especially in rural Minnesota.

"If shelters don't close down, they're going to have to reduce their staffs dramatically," he said. "That means children's advocates and legal advocates will be dismissed or fired."

Smith said recommending such cuts "wasn't easy," but that particular line items could not take priority over "core services" like public safety and public defenders.

Most of the \$34 million restored to the court system would come from increases in filing fees and charges for court services.

Two-thirds of the money the governor would have cut from public defender services would be reinstated by increasing fees for using those services to as high as \$200. In addition, anyone convicted of a crime, except for parking violations, would pay a \$60 surcharge under the bill.

The bill would also set a \$425 fire

inspection fee, imposed every three years, for hotels and resorts in the state. Certain seasonal fishing resorts would be exempt from the fee.

The House approved an amendment, sponsored by Rep. Keith Ellison (DFL-Mpls), to collect a \$75 fee from businesses seeking affirmative action certificates from the Department of Human Rights to help offset the proposed 10 percent cut to that department.

The bill would maintain the governor's 7 percent cut to the Department of Corrections, while looking into prison privatization issues by allowing local jails that have reached capacity to house overflow prisoners in private jails.

At the state level, officials would be required to seek bids from private prison companies for housing certain short-term offenders and report on the feasibility of such plans.

The bill would appropriate \$2.5 million annually to cover the cost of sending inmates with less than six months left in their sentences to county jails. Most prisons and jails would also be able to increase capacity by double-bunking inmates.

Overall, the Department of Public Safety would see a 7 percent budget reduction, down from the 11 percent the governor proposed.

The bill includes policy provisions to more easily prosecute prostitution and identity theft cases, and it would establish a grant program for teams to contain and clean up

methamphetamine labs.

An amendment (originally contained in HF1058) adopted on the floor would allow law enforcement officials to use gun silencers in certain "high-risk" operations, including hostage situations and terrorism incidents.

In the area of judicial policy, the House voted to retain language added in the House Ways and Means Committee April 24 that would cap appeal bonds — the money defendants pay while appealing damage awards from civil cases — at \$25 million.

Rep. Thomas Huntley (DFL-Duluth) suggested the amendment was brought solely at the behest of the tobacco industry, which has faced multi-billion dollar judgments in other states.

The provision has support from companies who would be forced out of business if faced with

high damage amounts sometimes awarded in class action cases, said Rep. Mary Liz Holberg (R-Lakeville). "The limits on these bonds will allow businesses to be able to get their day in appeal court."

Since Minnesota receives annual payments from the nationwide tobacco settlement, Rep. Fran Bradley (R-Rochester) said, "It would create an enormous problem if some of the tobacco industries begin to go bankrupt."

Rep. Ron Latz (DFL-St. Louis Park) called \$25 million "pocket change" to large tobacco companies and said no company has ever gone bankrupt in Minnesota because of appeal bond amounts.

The House also approved an amendment (originally contained in HF737) to eliminate a requirement that prosecutors pay defendants' costs when court rulings are appealed.

In the Senate, criminal justice system appropriations are contained in SF1524, sponsored by Sen. Richard Cohen (DFL-St. Paul). It was passed 34-29 April 29.



PHOTO BY ANDREW VON BANK

The double bunking of prisoners in prisons in the state is one provision in the \$1.37 billion judiciary omnibus bill that passed the House April 28.

Tracking new laws, vetoes

Once a bill has passed both the House and Senate in identical form, it's ready to be sent to the governor for consideration. The governor, who has several options when considering a bill, can:

- 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 first year of the biennium, the important thing to remember is that the governor has three days from the time of "presentment" to veto a bill. If the governor doesn't sign the bill within this time frame,

it will become law with or without his signature. (Sundays are not counted in the three-day time limit, but holidays are.)

Only on appropriations bills can the governor exercise the line-item veto authority. This option allows the governor to eliminate the appropriation items to which he or she objects. As with all vetoes (save pocket vetoes that occur in the days after the Legislature has adjourned sine die), 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 appropriations 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. Or, retrieve bill status updates on the House Web site (http://www3.house.leg.state.mn.us/bills/chapters.asp?ls_year=83&session_number=0)

Key:

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

CH	HF	SF	Description	Signed	Vetoed
1	111	94*	St. Cloud state land conveyance description correction.	2/27	
2	273*	195	Revisor's bill correcting erroneous, ambiguous, and omitted text and obsolete references.	3/19	
3	64	61*	State agencies rule adoption procedures modified.	3/24	
4	95*	291	Archaic prohibition on misrepresenting the size of certain items relating to wagons repealed.	3/31	
5	112*	92	Title, lien, and mortgage technical changes provided.	3/31	
6	744	726*	State building code cumulative fees collection.	4/3	
7	457	356*	Child de facto custodian provisions modifications.	4/4	
8	415	512*	Rockford Metropolitan Council jurisdiction removal.	4/2	
9	1158*	993	County nursing home payment adjustment increased, and money appropriated.	4/7	
10	267*	176	Fire insurance standard policy provisions modified relating to terrorism.	4/7	
11	330	293*	Public employment labor agreements ratified.	4/9	
12	166	112*	Uniform Guardianship and Protective Proceedings Act.	4/11	
13	1054	1001*	Solid waste management plans updating and content requirements modified.	4/17	
14	94	187*	State fair season circuses prohibition repeal (24-hour waiting period for abortions).	4/14	
15	774	790*	Department of Human Services Background Studies Act.	4/17	
16	647*	533	Nicollet Co. nursing home construction moratorium exception provided.	4/17	
17	827	768*	Capitol Area Architectural and Planning Board enabling language modified.	4/17	
18	912	1095*	State soldiers assistance fund use restriction clarification.	4/17	
19	51*	537	Health insurance provisions clarified relating to long-term care insurance.	4/23	
20	266*	224	Purchasing alliance stop-loss fund modified relating to health plan companies.	4/23	
21	536*	382	Joint underwriting association coverage and market assistance responsibilities modified.	4/28	
22	678	578*	Civil commitment examiner and health officer definitions clarified.	4/28	
23	268*	225	State fair police dept. authorized to employ additional part-time peace officers.	4/28	
24	850*	841	Sibley Co. land conveyance from Minnesota Valley state recreation area.		
25	1112*	1185	Veterans Affairs Dept. authorized to access certain state databases.		
26	1189	1064*	Minors working as assistant soccer referees exempted from child labor age restrictions.		
27	920	907*	Corrections Dept. forensic pathologists authorized to issue death certificates.		
28	823	842*	DNR authority modified relating to employees, gifts, and grants; concealed carry handgun permit requirements modified.	4/28	

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

Friday, April 25

HF1580—Stang (R) Higher Education Finance

University of Minnesota Board of Regents selection criteria provided.

HF1581—Larson (DFL) Jobs & Economic Development Finance

Airport impact tax free zone established, tax exemptions provided, and repayments required under certain circumstances.

HF1582—Kahn (DFL) Governmental Operations & Veterans Affairs Policy

Minnesota Twins community ownership provided.

HF1583—Slawik (DFL) Education Finance

Mary McEvoy endowment fund for young children established by proposed constitutional amendment.

Monday, April 28

HF1584—Lesch (DFL) Taxes

Cigarette and tobacco product sales tax modified relating to manufacturer rebates or discounts, proceeds from elimination of discounts provided to fund youth tobacco use prevention programs, and money appropriated.

HF1585—Samuelson (R) Taxes

New Brighton intoxicating beverage tax referendum required.

Tuesday, April 29

HF1586—Nelson, P. (R) Governmental Operations & Veterans Affairs Policy

Prior service credit purchase authorized for a specified teachers retirement association member.

HF1587—Abrams (R) Taxes

Airline meal sales tax exemption provided and carryover for jobs credit modified.

HF1588—Jaros (DFL) Taxes

Tax increment financing affordable housing or hazardous substance remediation activity elections authorized.

HF1589—Lenczewski (DFL) Jobs & Economic Development Finance

Bloomington arts center funding provided, bonds issued, and money appropriated.

Wednesday, April 30

HF1590—Jacobson (R) Taxes

Property tax increases prohibited for taxes payable in 2004 and 2005 unless approved by referendum.

HF1591—Howes (R) Environment & Natural Resources Policy

Game and fish agent license agreement provisions modified.

HF1592—Westrom (R) Taxes

Property tax refund schedule modified for homeowners and renters.

HF1593—Strachan (R) Health & Human Services Policy

Dangerous animal ownership limitations provided, registration required, and criminal penalties imposed.

Thursday, May 1

HF1594—Howes (R) Education Policy

Independent School District No. 2170, Staples-Motley, election to detach land for a new school district provided.

COMMITTEE SCHEDULE

MAY 5 - 9, 2003

House floor session times had not been announced as of Session Weekly press deadline.

TUESDAY, May 6, 2003

8:00 AM

Topic Selection Subcommittee of the Legislative Audit Commission

Room: 300S State Office Building

Chair: Rep. Tim Wilkin

Agenda: Working session to review background papers on 13 proposed topics and select 6-8 topics to recommend to the Legislative Audit Commission.

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Reflections

It's time to say goodbye.

I am leaving the Legislature on May 2, after an unparalleled journey of 16 years, four months, and five days. It has been my fortune to meet some extraordinary people, and a few not so great. But that defines what society is — an amalgam of individuals from all walks of life who are very distinct in their beliefs and actions.

My time here has been educational, fulfilling, and gratifying in knowing that I always tried to give more than 100 percent of my commitment and dedication to public service by educating walk-ins, school groups, university students, and the general public about the legislative process and public policy.

While I was fortunate to teach a few lessons, I learned much more from outstanding instructors such as Chief Clerk Edward Burdick, House Journal Editor Pat Murphy, Rep. Mary Murphy with her demand for excellence, and the quiet and peace-loving Rep. Bernie Lieder. There are so many others to mention, but space will not permit.

And how could one forget former Rep. Dave Bishop, who was a stickler for “dotting the i’s and crossing the t’s?”

My recollections are many. They include meeting then-Czech President Vaclav Havel, playwright August Wilson, and sculptor Amerigo Brioschi, who with his father Carlo in 1938 created the arched wall behind the speaker’s chair, “The Spirit of Government.”

My journey has taken me in many directions, like having an office in the beautiful Capitol building, where my staff and I shared a private rest room with the lieutenant governor and her staff. I experienced seeing the “ghost” of former Associate Justice P.E. Brown, who died in office, and I observed lawmakers at work on the House floor from vantage points behind the ceiling of the elaborately decorated dome of the chamber.

I also traveled through state history to report on events in past “Reflections.” One trek took place in a small southern Minnesota town where a lawmaker was on a hand-shaking tour during festival season. Each year, the participants — bands, floats, and tractors — had what they called a “stand still parade” where the spectators were the ones who walked by.



My columns took readers to all corners of the state, including the Northwest Angle — the northernmost point in the continental United States — where schoolchildren take boats or snowmobiles across Lake of the Woods to get to school. Another journey was to the most southwestern farm in the state where Dutch students and others came to learn more about American dairy farming and agriculture.

Thanks to the outstanding assistance from many staff in the Legislative Reference Library, I discovered that the Red River Valley was part of ancient Lake Agassiz some 10,000 years ago, and that of the 201 members of the Minnesota black population at the start of the Civil War, 100 volunteered to fight with the 1st Minnesota Regiment.

The library staff also pointed me in the right direction to find information about how the roots of Greyhound Lines, Inc. are in Hibbing. I also learned more about Joe Rolette, who stole the bill to make St. Peter the Capitol. He traveled from the far northwestern part of the state to pass laws in the Territorial Legislature. When Rolette arrived in St. Paul on a dog sled decorated with bells and bright ribbons, throngs of people would be on hand to greet the odd-looking lawmaker dressed in furs from head to toe.

The library staff often go unrecognized for their contribution to the legislative process, but I know all too well how our work could not be done without them.

During my tenure, the Minnesota Historical Society’s State Capitol staff taught me quite a bit about Cass Gilbert’s passion for the Capitol, as well as some little known facts about his building’s interior.

I also connected the Legislature to the

hundreds of yellow school buses that visit in the spring, the Hale-Bopp Comet, and even detailed the original reason why Minneapolis and St. Paul are rival cities.

I will cherish all the memories and enlightenment I gained while here — particularly from so many staff, and especially those in House Public Information Services who put in long hours of dedication and excellence each week.

The journey has been extraordinary, but it’s time to say goodbye. While it took some tough decision-making on my part, the outcome is a wise move. So as I leave, I challenge members, staff, lobbyists, and others at the Capitol to be honest, to always work to make a positive difference in the lives of others, and to be willing to stand up for convictions you know are for the greater good of all Minnesotans.

Goodbye, and Godspeed.

— **LECLAIR GRIER LAMBERT**

Editor’s Note: This will be the final Reflections column in Session Weekly. As you read, LeClair Lambert, known to most of us as Lee, is retiring from the House after more than 16 years of service.

We will miss his contributions each week. But even more, we will miss his warmth, charm, support, loyalty, and character. Over the years he has shown us how to approach life’s challenges with class and dignity. And he taught us to think before we speak and to always judge the actions of others fairly. Lee never felt as though any tasks were beneath him. He was always approachable and quick to bestow kindness on House staff members, representatives, lobbyists, and strangers alike.

The people of Minnesota will miss his unparalleled commitment to public service and to providing information to the public about the legislative process. That commitment has taken him around the world to impart his knowledge and insights to officials in developing democracies and other states in this nation.

Above all, he has been an unparalleled ambassador for the Minnesota House of Representatives as an institution. He is irreplaceable. And I will personally miss his intuition and humor.

— **M. KIBIGER**

MINNESOTA HOUSE OF REPRESENTATIVES
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MAJORITY LEADER: ERIK PAULSEN
MINORITY LEADER: MATT ENTENZA

MINNESOTA

I N D E X

On the water

Boats registered to Minnesotans, as of Dec. 31, 2002	834,974
In 2001	826,173
In 1997	768,555
State rank in boat registrations in 2001	4
Approximate person to boat ratio	6:1
State rank	1
Number of aluminum outboard boats between 16 feet and 26 feet in length	
in 2002	226,871
Aluminum outboards less than 16 feet	188,777
Aluminum canoes	84,485
Registered personal watercraft (jet ski, waverunner, other) in the state in 2002	37,871
Percentage increase from 2001	5.7
County with the highest percentage of state boat use (Hennepin) in 2002	11
Second, as percent (St. Louis)	7.9
State that is home to most out-of-state Minnesota registrations	
(North Dakota)	12,016
Second (Wisconsin)	4,310
Fifth (Florida)	1,811
Earliest time during the day that personal watercraft may be used, by law	9:30 a.m.
By law, minutes before sunset that personal watercraft use must stop	60
Approximate number of public accesses to lakes and rivers in state	3,000
Approximate number managed by the Department of Natural Resources ...	1,500
Number of days an owner has to remove a sunken vehicle or boat from	
a lake or river	30
Number of hours to report a sunken item to the county sheriff	48
Boating deaths in Minnesota last year	30
Number of boating deaths per 100,000 registered boats	3.95
Victims in 2002 who were wearing a lifejacket	4
Boating deaths in 2001	16
Deaths in 1992	22
Deaths in 1975	56
Number of reportable nonfatal accidents in 2002	135
In 2001	129
Amount of property damage in 2002	\$407,242
In 2001	\$584,339
Percentage of 2002 incidents that involved a collision with another boat	43
Water sports/skiing/tubing mishaps, as percent of accidents	20

Sources: 2002 Boat and Water Safety Fact Sheet, Minnesota Department of Natural Resources, April 2003; 2003 Minnesota Boating Guide, Minnesota DNR; www.boatus.com.

FOR MORE INFORMATION

For general information, call:
House Information Office
(651) 296-2146 or
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the status of a specific bill, call:
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