

from the

MINNESOTA HOUSE OF REPRESENTATIVES

LEGISLATIVE INFORMATION OFFICE, ROOM 8, STATE CAPITOL, ST. PAUL, MINNESOTA 55155 • 612-296-2146

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for immediate release
January 15, 1982

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Spending, tax bill goes into effect without signature

Governor Quie didn't sign the tax and spending bill the Legislature passed on January 11th, but he didn't veto it either. So the bill becomes law without his signature.

Under Minnesota law, the governor has three days to act on a bill, while the Legislature is in session. If he hasn't signed or vetoed the bill after that period, it automatically becomes law.

Provisions of the bill include a seven percent income tax surcharge for the next 18 months; budget cuts of \$402 million, including a \$160 million school aid cut; business tax breaks of \$47.5 million; changes that will increase taxes \$63 million for some state businesses; removal of the limit on short-term borrowing; and establishment of a \$150 million budget reserve.

The bill was the second tax and spending package the Legislature passed this special session. Quie vetoed the first package on December 17.

Special session continues, and the regular session began on January 12.

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Contact: Laura E. Godfrey

State AFDC changes await final legislative action

Minnesota has to cut nearly \$5 million in Aid to Families with Dependent Children (AFDC) benefits to meet federal requirements.

Both the Minnesota House and Senate approved AFDC cuts during the third special session, but the Senate must agree to some technical changes before a bill can go to the governor for signature.

To conform to the federal law and stay in the AFDC program Minnesota must:

- o disqualify strikers' families from AFDC and food stamp benefits.
- o limit a family's gross income to 150 percent of the state's standard of need (or 150 percent of \$446 for a family of two children and one parent.)
- o lower to \$1,000 the limits on resources a family may have and still qualify, excluding equity in a home and household goods and \$1,500 equity in a car.
- o count a stepparent's income in determining benefits, a provision now held up in the federal courts.
- o ignore the first \$30 and one-third of a recipient's income, \$75 for work-related expenses and \$160 a month per child for day care for up to four months.
- o lower the age limit on eligible children to 18, or to 19, if the child will graduate before age 19.

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Voters may decide whether to legalize state lottery

Revenue for the state and a chance for some people in Minnesota to become millionaires are the most compelling reasons Rep. Leo Reding (DFL-Austin) said he could find for his proposal to legalize a state lottery.

A special gambling subcommittee of the House General Legislation and Veterans Affairs Committee recommended passage of Reding's bill on January 14. The bill calls for putting a Constitutional amendment on the ballot so Minnesotans get a chance to vote on whether to allow lotteries in the state.

Gus Harrison, former commissioner of the Michigan state lottery, predicted that a lottery in Minnesota could bring between \$60 and \$100 million a year into the state treasury. And he said with proper administration and good promotion, no lottery would ever go bankrupt.

Vern Ingvalson, Minnesota Farm Bureau, told subcommittee members that the bureau is against any form of legalized gambling, because it "encourages citizens to put their faith in blind chance."

The bill will be on the agenda of the full General Legislation Committee on Thursday, January 21, according to committee chairman Rep. Richard Kostohryz.

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House committee recommends changes
in Congressional district boundaries

The Minnesota House Reapportionment Committee on January 13 recommended passage of a Congressional redistricting plan that, according to its author, Rep. Paul McCarron (DFL-Spring Lake Park), "does very little violence to the current configuration of districts."

Earlier this year, the committee had discussed a plan that split the seven-county metropolitan area into four districts, and the rest of the state into another four. The committee amended that plan to keep the current metro/non-metro split. One district is entirely non-metropolitan; one district contains only a few metropolitan townships; and the remaining six include at least part of the metropolitan area.

The central Twin Cities districts, four and five, would gain suburban areas under the committee's plan, and some state counties and sections of counties shift around to form the remaining districts.

Testimony from Common Cause (a citizens' lobbying group and opponents of the plan) said the plan decreases political competition by assuring that each incumbent will again run in a "safe" district.

The committee endorsed the plan on a voice vote. Next it goes to the full House.

Insurance commissioner recommends workers' comp changes

"Minnesota's workers' compensation benefit provisions need rewriting," Commissioner of Insurance Michael Markman told reporters at a Jan. 12 news conference in the State Capitol. Markman recommended 44 changes to Minnesota's workers' compensation system which he said would cut employer's costs and prompt injured workers to return to their jobs.

"Under the current system," said Markman, "there are a number of situations in which an injured employee can make more money while on workers' comp than they can make while working," which, he said, encourages workers to prolong their disability. According to Markman, the proposed changes would provide incentive for workers to go back to work, make benefits more equal and deliver them faster, reduce the number of costly cases, and limit the number and size of awards for permanent disability.

Markman said a bill to make benefit changes would be ready for introduction in the Legislature in about two weeks. Provisions of the bill would:

- change the benefit level to no more than 80 percent of after-tax income
- require employers to pay the first five days of lost time
- raise the maximum benefit to 150 percent of the statewide average weekly wage
- require employers to pay health insurance costs for injured workers and their families for one year
- provide lump sum benefits to workers only if there is permanent damage to at least 10 percent of the body, with a maximum award of \$50,000.

for immediate release
Jan. 21, 1982
Contact: Jean Mehle

Minnesota House committee looks at
low-level radioactive waste disposal

Minnesota must set up a low-level radioactive waste disposal site by 1986 unless the state joins an interstate compact, Rich Paton from the Governor's Task Force on Low-Level Radioactive Waste told Minnesota House Environment and Natural Resources committee members on Jan. 21. Interstate compacts are groups of states in one region of the country that join together and agree on a site in one of those states (host state) for disposal of low-level radioactive waste that the states in the compact produce within their own borders.

The governor's task force is looking at two compacts Minnesota might join--the Central state compact and the Midwest compact. Both would leave Minnesota on the outer ring of a regional group, which would mean, because of transportation concerns, chances are slim that Minnesota would be a candidate for a low-level radioactive waste disposal site, said Paton.

A state that doesn't join a compact must have a disposal site within the state for low-level radioactive waste and, according to federal law, can't refuse to take waste from other states. A host state in a regional compact, however, can refuse waste from any state not in the compact.

The State Legislature and Congress must approve any compact agreement, because the compact would take precedence over Minnesota laws relating to the disposal of radioactive waste.

Rep. David Battaglia, DFL-Two Harbors, said, "This is a big responsibility. Our decisions can have effects for the next 300 years. It's like holding the Pilgrims responsible for our problems today."

for immediate release
January 22, 1982

Contact: Deborah Friedman

School aids, hospital bonding are subjects
of House committee discussions

Education officials began talking with House Education Committee members on January 20 about how the third special session budget-cutting bill will affect school districts in Minnesota.

Districts will lose about \$90 of state aid per pupil; will face a further reduction of aid that they can recover with an optional 2 mill property tax levy; must change the way they use property tax payments to fund education; and face possible withholding of aids when the state has cash flow problems.

The School Aids Division of the Education Committee plans several meetings in the next few weeks to discuss ways to help school districts deal with the changes, and to talk over possible changes in state mandates (programs the state requires school districts to offer and to fund).

Legislators are questioning the plans and funding for the University of Minnesota replacement hospital. The Legislature approved \$190 million of bonds for the project in 1981, but hospital officials have made a number of revisions in the plans this year, in response to reports that the hospital would not be financially self-supporting at its current cost.

Some legislators have introduced bills to repeal the \$190 million bond authority, saying that \$190 million is too much money for the scaled-down hospital that University officials are now planning.

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January 22, 1982

Contact: Bonnie Kollodge

Legislators work on bill for discipline in schools

Minnesota lawmakers are asking "is there a legislative solution to student discipline problems?"

January 19 a Minnesota House subcommittee on Student Discipline heard from parents and students on the problem and possible solutions.

"A policy on student discipline must be in the hands of each local school district," said Sandy Johnson, a parent from Hopkins. Legislating discipline wouldn't work because communities and their problems differ so much, according to Johnson.

"The legislative focus seems to be on the student as the problem, with emphasis on punishment," said Van Mueller, past president of the Minnesota Parent, Teacher, Student Association. Mueller said discipline is the shared responsibility of all parents, teachers and students. He suggested that lawmakers look at the symptoms or causes of discipline problems, and toward better training for teachers.

High school students from Plymouth, Minneapolis, Mora, and St. Paul gave their opinions on school discipline problems. Some said disruptive classmates were not a problem, others disagreed.

"I think we're being too easy on students. They're not as fragile as we make them out to be," said Jeff Bertz, St. Paul, a student at Highland Senior High. "Teachers and course work are not tough enough."

Within the month, the subcommittee on Student Discipline will finish their bill based on testimony from meetings over the past six months.

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Jan. 22, 1982

Contact: Bonnie Kollodge

Minnesota House subcommittee hears recommendations for DWI legislation

"In the same ten year period that the United States lost 54,000 young people in the Viet Nam war, we lost 300,000 people on the highways due to the drinking driver," Dr. Thomas Briggs from the Minnesota Medical Association told the Minnesota House Law Reform subcommittee.

The subcommittee is looking at ways to improve Minnesota laws on DWI, and on Jan. 21, the subcommittee heard testimony from the Minnesota Highway Patrol, the Trial Lawyers Association, MADD (Mothers against Drunk Drivers) and others. "With an apprehension rate of one out of 300 drunk drivers, we suggest that you change the perception drunk drivers have so they think they will get caught," said Terry Slattery, President of the Minnesota Chapter of MADD. "And if they do get caught, punishment will be swift and reasonably severe."

A number of people testified at the Jan. 21 meeting to emphasize the need to get at the problem drinker. The subcommittee plans to meet Thursday, Jan. 28, to take action on specific drunk driving legislation.

In other action in the Minnesota House of Representatives, a bill which draws new lines for Minnesota's eight congressional districts got approval in the House with a 104-24 vote. The plan makes few changes and "meets the Constitutional requirement of nearly equal population," according to House sponsor, Rep. Paul McCarron, (DFL-Spring Lake Park). Because the Senate has presented a different plan, it looks as if the bill will end up in conference committee to work out differences.

A bill asking voters whether to repeal the Constitutional prohibition against lotteries is in the Rules Committee, after approval in the General Legislation and Veterans Affairs Committee, and the bill may come up for a House vote later in the session.

for immediate release
Jan. 29, 1982

Contact: Deborah Friedman

Minnesota House bill would require disclosure of car insurance surcharge policies

How much do your car insurance rates go up when you have an accident? Most people don't know, Representative Ann Wynia (DFL-St. Paul) told the House Financial Institutions and Insurance Committee on Jan. 27. Wynia is the author of HF776, a bill requiring insurance companies to disclose their surcharge policies when customers renew old policies or buy new coverage.

A surcharge is an increase in premium rates that insurance companies add on when a policy holder has an accident, or commits certain traffic violations, such as DWI.

Most insurance companies increase rates for two to five years if a driver has an accident; those increases can be anywhere from 10 percent to 40 percent of the base rate for the first accident, and up to 100 percent for subsequent ones. Accidents where someone hits the policy holder's parked car, and some other no-fault type accidents, do not usually result in surcharges.

Several legislators said they agreed that insurance companies should disclose surcharge policies, but they see problems with sections of the bill that would allow surcharges only for accidents for which the driver was at least 40 percent at fault. So the committee heard some testimony on the bill but laid it over until the next committee meeting on February 3.

for immediate release
January 29, 1982

Contact: Laura E. Godfrey

Group recommends state keep Rochester hospital campus

Hold off on selling the Rochester State Hospital, a study group told the Minnesota House Education Division Jan. 28 in St. Paul.

Minnesota law says the state must sell the 160 acre campus and its 64 buildings as soon as possible after it closes July 1, 1982. But, the state could save money by saving the campus, according to the Task Force on Rochester State Hospital report.

It would be cheaper, the report says, to remodel the hospital's buildings than to build, repair, or expand facilities at the Rochester Community College, the area vo-tech, or the Women's Correctional Facility in Shakopee.

Other organizations such as the Department of Natural Resources, the Rochester school board, and mental health clinics have expressed interest in using part of the Rochester campus. Some groups already rent space on the hospital site, and may have to close if they can't find other facilities.

The Rochester Community College and the AVTI are within a half mile of the hospital and would like to use part of the hospital facilities. And, Winona State University's upper-division nursing program in Rochester needs space.

How well the different groups can combine programs to fit Rochester's needs, may determine whether Minnesota can afford to keep the state hospital site as a community and education center.

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Contact: Deborah Friedman

Energy Committee proposal would encourage
private hydropower projects

Harnessing the power of Minnesota's waterways is the goal of HF1208, a bill the Minnesota House Energy Committee approved on January 26. The bill would allow state and local governments to lease publicly owned hydroelectric generating sites and dams to private developers, and would exempt hydropower equipment on those sites from capital equipment taxes.

Ron Visness, Minnesota Energy Agency, said the bill reduces financial risks the developer would face, by allowing governments and the developer to set the long-term lease and tax costs before the project begins.

Al Johnson, former director of the Energy Agency, said there are many publicly owned sites that are in good enough condition to start producing power, but governments can't get the capital to get the projects up and running. HF1208 (J. Clark, DFL-Mpls) would encourage private power production. The government and the developer would benefit from such an arrangement, said Johnson, because the developer can then provide low-cost energy to the community.

The bill goes next to the House Taxes Committee for discussion of the tax-exempt sections of the proposal.

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Contact: Jean Mehle

Minnesota House subcommittee approves increase
in snowmobile registration fees

"Snowmobilers support an increase in registration fees on their machines," said C.J. Ramstad, editor of Snowmobile Magazine, at a Jan. 26 meeting of the Minnesota House Recreation and Open Space subcommittee.

Rep. Arlene Lehto's (DFL-Duluth) bill, HF1477, was on the Jan. 26 subcommittee agenda. HF1477 would increase the three-year snowmobile registration fee from \$12 to \$18, and put those fees back into snowmobile trails.

As of Jan. 15, Minnesota had 233,000 registered snowmobiles, said Don Carlson from the Department of Natural Resources. Registration fees bring in about \$865,000 each year. According to Carlson, Minnesota has a good snowmobile trail system, and the department has no plans for constructing new trails. "The state could use connecting links between trails, however. In some areas a connecting link of a mile or two could increase recreational opportunities for snowmobilers by 100 miles," said Carlson.

Funds from the registration would go for maintaining and grooming trails, posts and markers, enforcement, snowmobile safety programs, and administering registration. The last increase in snowmobile registration was in 1971.

The subcommittee recommended passage of the bill on Jan. 28, and sent it to the full environment committee.

The Environment and Natural Resources Committee has also scheduled a Feb. 2 meeting to hear reports from the Minnesota Pollution Control Agency on acid rain, and from the Environmental Quality Board on uranium exploration.

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Contact: Bonnie Kollodge

Minnesota House Committee looks at Legislation to prohibit "look-alike" drugs

To sell substances that look like illegal or prescription drugs would be a crime, even if the substances themselves aren't illegal, under a bill now in the Minnesota House of Representatives.

On Wednesday, Jan. 27, the House Law Enforcement & Corrections subcommittee approved Representative Jim Swanson's (DFL-Richfield) "look-alike drug bill," HF1573. Swanson explained to committee members that look-alike drugs are substances, such as caffeine, that drug producers manufacture to look like controlled drugs (illegal or prescription).

"These substances do meet FDA (Federal Drug Administration) labeling requirements," said David Holmstrom from the Minnesota Board of Pharmacy. "The problem is, drug pushers can buy these look-alikes, package them as they want, and sell them for a profit."

Other testimony at the Jan. 27 meeting was that look-alike drugs can be dangerous if people take them in excess, and the look-alikes encourage the drug culture because they're easy to get. Expensive advertising campaigns claim the substances are safe, legal, and easily available, making them acceptable to the public, according to Larry Snyder, U.S. Department of Justice.

When people take look-alike drugs thinking they have the real thing, and at some point, instead, get the more potent substances, effects can be fatal. Also, serious withdrawal symptoms can result if someone who takes controlled substances mistakenly takes the look-alikes.

The bill got subcommittee approval, and comes up next in the full Criminal Justice Committee.