

# NEWS

from the

# MINNESOTA HOUSE OF REPRESENTATIVES

LEGISLATIVE INFORMATION OFFICE, ROOM 9, STATE CAPITOL, ST. PAUL, MINNESOTA 55155 • 612-296-2146

for immediate release  
April 8, 1983

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## Minnesota House committee okays elderly care tax credit

In an effort to keep low-income elderly in private homes rather than costly nursing homes and hospitals, the House Health/Welfare Committee on April 7, unanimously approved HF33, a bill that would allow a tax credit to friends and families who care for elderly people at home.

Elderly living in private homes would have to qualify for Medical Assistance and be age 65 or older. The bill would also set up a screening system to determine if older persons need nursing or at-home care.

Representative Sally Olsen (IR-St. Louis Park), is author of the bill to give credits of twenty-five percent of costs for food, clothing, transportation, and certain medical expenses, or \$600, whichever is less. Taxpayers could add the credit to other credits, and get the amount due them in a refund if they owed no taxes.

They could apply for the credit until the last legal day for filing 1983 income taxes, including extension time.

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Police may not have to take drunk drivers to detox centers

Mandatory detoxification, which 1982 law requires to go into effect for drunk drivers, in July 1983, would be off the law books under new legislation in the House Criminal Justice Division of the Minnesota Legislature April 6.

Representative Kathleen Vallenga (DFL--St. Paul), author of the proposed legislation, HF918, says last year's DWI law is working and has reduced the number of traffic fatalities in Minnesota by 30 percent. Mandatory detox, she says, may run counter to the intent of that legislation and result in fewer arrests.

"We already have areas where officers are unwilling to make an arrest because it would mean a two or three hour drive to a detox facility. That was not the intention of the DWI legislation that was passed. In the metropolitan area, the problem isn't with transportation. The problem here is with capacity," says Vallenga.

The Criminal Justice Division recommended the bill to pass. It goes next to the Judiciary Committee where legislators may again take up an amendment the division didn't vote on to allow use, as court evidence, an accused person's refusal to take a chemical blood-alcohol test.

Present law says prosecutors can only submit evidence that no chemical test took place, so the jury doesn't know whether the person refused, or police didn't offer the test.

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Farm foreclosure bill gets Minnesota House Committee approval

With the bottom falling out on farm commodity prices, and 200,000 people out of work, Minnesotans are asking for help, Representative Don Bergstrom (DFL--Big Lake) told the House Judiciary Committee April 4. Bergstrom testified on behalf of his bill, HF102, to give district courts the power to postpone foreclosure on homes and farms, extend the redemption period, or order a resale if foreclosure occurs and the owner didn't get a fair price.

Though people around the Capitol call it the "moratorium bill", Bergstrom denies the bill forgives any debt, or that it does anything more than provide temporary relief to homeowners and farmers who can't make payments on their mortgages or contracts for deed.

"If you boil the bill down to its simplest form," says Bergstrom, we're bringing the courts in as a third intervening party to examine the evidence when a person reaches the point of foreclosure. The judge is empowered to work with the redemption period and negotiate an agreement between both parties."

The bill would take into consideration the interests of lenders, according to Bergstrom, because it wouldn't allow courts to extend the period of redemption or reinstatement, or postpone the foreclosure if doing so would create a hardship for the mortgagee or vendor.

The legislation would be temporary, no longer in effect after July 1, 1984. If it passes, the new law wouldn't cover debts someone incurs after the bill's effective date, and it wouldn't be retroactive to cases of foreclosure occurring before that date.

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Minnesota House committee approves Plant Closing and Successor bills

The Minnesota House Labor-Management Relations Committee gave approval April 7, to HF111 (Rice, DFL-Mpls.), the "Successor Bill" and HF124 (Elioff, DFL-Virginia), the "Plant Closure Bill."

HF111 would hold most new owners of a business to the labor contract in existence at the time of purchase if the contract contains a successor clause. Successor clauses require that current employee contracts continue to exist when a business changes hands. Under the successor bill, the labor contract would be enforceable up to three years. After that, the new owners could renegotiate a new contract with workers.

HF124 would require companies with over 100 employees to give their workers at least 270 days notice before they plan to shut down, relocate, or make substantial layoffs, in most instances. The bill also creates a state board to assist communities that plant closings affect, and gives the board and a designated "local action committee" a chance to try to work out a solution that would make a plant closing or relocation unnecessary.

Proponents of HF124 say it will help prevent unnecessary plant closings and relocations and thus save Minnesota jobs. Opponents of the bill contend it will keep businesses out of Minnesota and force some already here to stay open when that's not an economically viable choice.

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School boards would enact discipline policies under House bill

The Minnesota House of Representatives voted 116-12 April 11 to require local school districts to set up rules for disciplining students. Representative Carolyn Rodriguez (DFL-Apple Valley) is author of the bill which would direct local boards to give teachers specific grounds for removing disruptive students from class, including endangering pupils or property, disrupting the rights of others and violating school regulations.

Education lobbyists support the bill and say it gives direction, yet allows local school boards to decide how discipline will occur. Opponents say school boards already have the right to establish such policies on their own, and the state should let the boards decide if they need them or not.

Rodriguez told House members school districts that have written discipline policies are able to enforce discipline better than those that don't.

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Minnesota House recommends "Co-op Bill of Rights" to pass

The Minnesota House debated the proposed "Co-op Bill of Rights" April 11 and finally recommended it to pass in a form its author opposed.

HF91 (Minne, DFL-Hibbing) gives the state's electrical co-op members the chance to opt into a "bill of rights" which includes access to co-op records and membership lists, notification and openness of co-op meetings, and the consideration of members' petitions for bylaw changes at annual meetings.

Minne's original proposal would automatically put co-ops under the bill of rights. Co-ops that wanted to opt out could, by petition and election. The House reversed that procedure March 7 and instead gave co-ops the right to opt in.

Minne and other House members tried to amend the bill back to original form April 11, but their motions failed. Minne said petitioning for the bill of rights would be difficult for members, because some co-ops deny access to necessary membership lists.

Under the bill, five percent of the co-op members must sign a petition for a general election on the bill of rights. But House members didn't agree on whether the bill language requires a majority of the co-op members, or a majority of members voting on the questions for it to pass.

Proponents of the opt-in procedure say the state should let the co-op members decide about the bill of rights. Opponents maintain they are basic rights that all co-op members should be entitled to.

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Earlier property tax payment dates could become law

Homeowners and other property taxpayers could help Minnesota over a financial hump and reduce the state's need to borrow \$850 million to pay its bills, by paying property taxes 15 days early.

The House Taxes Committee on April 12 began hearing a proposal to move payment dates up in May and October. The payment change goes along with a change in spending schedules, whereby the state would send smaller state aid payments to school districts in months when districts have more aid from other sources, such as the property tax.

Together, the two parts of the proposal would reduce state borrowing needs about \$150 million a year by smoothing out the state's cash flow, says Representative John Tomlinson (DFL-St. Paul), author of the proposal.

"The May change is important to school districts because a previous payment shift means that they receive a great portion of their revenues from the May property tax right at the end of their school year, so the two week speed up helps them," said Tomlinson.

"The October 31st payment date being moved up is very important to everybody, because it's right at the state's cash flow low point and it's generally a problem for school districts as well. So if you can get the property tax money in earlier then the state has less need to pay aid to the school districts, so it helps the state's borrowing at its low point," said Tomlinson.

The committee will continue looking at this and other cash flow proposals, for possible inclusion in the omnibus tax bill.

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Rent control ban clears House subcommittee

The threat of rent control is having a bad effect on the state's housing market, say supporters of HF648, a bill in the Minnesota Legislature that would prevent cities or counties from establishing local rent controls.

Bill author Representative Jerry Schoenfeld (DFL-Waseca) said the control threat discourages investors from building new rental property and landlords from taking good care of existing properties, because they feel they couldn't adequately protect their investment.

Schoenfeld says it's important to pass the control ban now, to assure potential investors that Minnesota is still a good place to build rental units. And it's a statewide issue, he said because a ban in one city or town has an effect on all cities in the state.

Opponents to the bill include St. Paul Mayor George Latimer, who says he opposes rent control, but believes the state shouldn't preclude a city's option to enact controls if they feel it's right for their area.

Susan Carroll, from the Coalition for Affordable Housing, says rent control isn't as bad for landlords as many people think. Although the coalition isn't planning to push to have the issue on the Minneapolis ballot again right away, they would like to have the option for the future, says Carroll.

A House subcommittee of the Local and Urban Affairs Committee approved the control banning bill on April 12. It goes next to the full committee.

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Minnesota House committee hears human rights bill

Legislation that would prohibit discrimination against people because of their affectional or sexual orientation, and provide for protection of their rights under the Human Rights Act, got a hearing in the Minnesota House Judiciary Committee, April 11.

House author, Representative Karen Clark (DFL--Mpls), says she's not asking lawmakers to make a moral judgment on gays and lesbians, but to make a decision granting civil rights to homosexuals that other citizens already have.

Clark said one myth she'd like to dispel is that the bill, HF109, grants special privileges to a particular class of people. "I don't think there is any special privilege in having a job, access to education, housing, and credit," said Clark. "This is strictly a civil rights bill for the 10 percent of the population who need the protection."

But opponents don't agree that the issue is civil rights. To those who testified against the bill, HF109 would legitimize learned, immoral behavior.

"This is not a civil rights issue," said former State Senator Wayne Olhoft speaking on behalf of the Berean League. "Civil rights is based on personhood, the person who has been created. What you're dealing with today is behavior. We cannot accept those actions to be forced on others and deny other people their rights to choose people they will be surrounded with, whether its in a public or private school, employment, or whatever."

The committee expects to take a vote on the bill April 18.

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### Minnesota House division approves governor's tuition, financial aid plan

The Education Division of the Minnesota House Appropriations Committee recommended approval of the governor's tuition and financial aid plan for the state's post-secondary students April 20. Students would pay a larger share, 33 percent, of their instructional costs under the plan. Average tuition for community college students would rise from the current \$771 to \$1077, from \$849 to \$1368 at state universities, and from \$1448 to \$1864 at the University of Minnesota by 1984-85.

The governor originally proposed students pay 35 percent of costs, but savings from phasing in new engineering programs over three years, instead of two, enabled the division to reduce the student share. But legislators noted that additions to instructional costs at the three systems will lessen savings to students.

Representative John Brandl (DFL--Mpls), a Humphrey Institute professor, is sponsor of a financial aid plan to increase state scholarship and grant funds and target more money to students with the most need. The division approved a rider to the bill to dedicate \$600,000 in grants for part-time students for the 1983-85 biennium, if the state scholarship and grant program doesn't fully consolidate part-time grants.

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House division approves property tax relief, local aid changes

One-fourth of Minnesota's budget, or about \$2 billion, goes for local services through property tax relief and local government aids. On April 21, the Tax Laws Division of the Minnesota House approved a bill that would change the method for distributing that money.

The bill, HF937 (Osthoff, DFL-St. Paul), would cut the percent of a homeowner's property tax bill the state pays through homestead credit in areas with low mill rates, and would pay credit for only the first \$60,000 of value. Property owners with incomes above \$40,000 wouldn't qualify for tax relief in the circuit breaker refund. The bill would repeal the rent capitalization method for determining farmland value.

The bill sends \$250 million directly to cities, towns, and counties through a complicated formula on the basis of how much they need to provide certain basic services and what they can raise locally through a standardized mill rate--11 mills for cities and towns; 20 mills for counties. With some exceptions, the state would pay the difference between need and capacity (ability to raise needed funds). The local government aid is not new, but the bill changes the distribution formula.

Other features which affect local government aids and spending, and, therefore, may affect property tax levels, include repeal of attached machinery aid and reduced assessment aids, and continuation and adjustment of levy limits, which caps the levy increases local governments can enact. Overall, the bill saves the state about \$92 million, according to the bill's author Representative Tom Osthoff.

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### House committee approves job retraining program

"The Minnesota Legislature has responded to hard times in two ways," says Representative John Brandl (DFL--Mpls), "through providing short term jobs as an immediate response, and through attempts to foster investment in high technology."

Brandl is author of HF857, the Minnesota Job Skills Partnership, which he told members of the House Governmental Operations Committee, April 20, is a third response to the poor economy.

"The bill incorporates the notion that we ought to invest not only in machinery and hardware, and high technology," said Brandl, "but, also, in retraining displaced workers, another form of investment."

The bill would set up partnerships between secondary education institutions and private firms, to help educational institutions coordinate job-training programs and employer needs, and to train displaced workers. The job skills partnership would provide grants to eligible educational institutions, which businesses would match in the form of funding, equipment, or faculty.

In support of the bill, Tobey Lapakko, AFL-CIO says, "In today's troubled economy we're talking about permanent cutbacks and job closings, about people who will never return to their previous jobs and job skills. This bill, says Lapakko, will help retrain workers with obsolete skills, and help them move into jobs of tomorrow."

The bill, which calls for a \$2 million appropriation, goes next to the House Appropriations Committee.

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State may crack down on child support dodgers

"There are two reasons I'm asking for support of this bill," said Representative John Brandl, a DFLer from Minneapolis. "One is the outrage over large numbers of non-custodial parents, particularly of children on AFDC, who do not support their children even though they have the means to do so. The second is fiscal concern that in many cases AFDC is paying child support for people who could help support their children themselves."

Brandl authors HF762, a bill to tighten child support laws and their enforcement. According to Brandl, only half of employed non-custodial parents with children on AFDC are under court order to pay child support, and of that half, only one-fourth actually make any attempt to pay.

April 21, the House Health/Welfare Committee unanimously approved Brandl's bill which would specify minimum support payment guidelines on the basis of monthly income and number of children.

Supporters of the bill say the state's child-support-enforcement workers would have an easier time finding and collecting from parents who leave the state. And courts could hear paternity suits up to three years from the time a child goes on AFDC, rather than three years after birth. The parents liable for child support must also name their children as beneficiaries on health insurance and pay past delinquent payments under the bill.

"The matter is not just enforcement. In many instances the court is not requiring support. I would argue that a humane society provides AFDC for children that need it, but that a just society does a better job than we're doing now," said Brandl.

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Bill combines lower corporate tax rate with deduction repeals

Corporate income tax rates could go down under a proposal that got approval in a tax division at the Minnesota House on April 19.

Representative Randy Kelly (DFL--St. Paul) is author of HF660, a bill to reduce the corporate tax rate from 12 to 11 percent.

But total tax burden for some companies would go up because the proposal eliminates deductions for taxes corporations pay other states. It also eliminates the capital gains tax credit. Kelly said, businesses that do all their business in Minnesota would get the most help. Businesses that operate in many states, not as much.

Although the \$29 million tax reduction, less the \$20 million gain from the capital gains and taxes-paid-to-other-states provision, would cost the state about \$9 million a year, legislators on the tax division agreed the bill would encourage businesses to stay in Minnesota.

The division also approved HF1137, a bill Representative Todd Otis (DFL-Minneapolis) has authored to give tax credits as incentives to businesses to create new jobs.

The bill would give employers a tax credit equal to 20 percent of the wages they pay on a newly-created job, but wouldn't allow the credit until the job had existed for two years. Representative Otis told the division that provision will assure that the bill rewards creation of long-term jobs, not those created only to get the tax benefit.

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### Minnesota House committee amends liquor laws

Liquor sales on election day might become law in Minnesota under an amended bill the Minnesota House Regulated Industries Committee approved April 25.

Originally, SF201, would have allowed only wine and cordial sampling in liquor stores so customers could taste products before purchasing. But Representative Joel Jacobs (DFL-Coon Rapids), House author on the bill added an amendment authorizing liquor sales on statewide election days.

Current law prohibits sale of on and off-sale liquor until election polls officially close around the state. Representative John Sarna (DFL-Minneapolis) says restaurants and bars lose money and have to reduce staff on election days causing a hardship.

Opponents say Minnesota could lose its good-government reputation and that limiting election-day liquor sales shows the nation that Minnesotans take elections seriously.

The bill was further amended to allow Minnesota liquor retailers to advertise in border-state newspapers, if border-state taxes on distilled liquor are substantially lower than Minnesota's tax.

The committee plans to look at shorter bar hours on Christmas eve. Rep. Tony Bennett of Shoreview, a police officer, says too many people stop at bars instead of going home the night before the big holiday, increasing domestic problems and the workload of peace officers.

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House subcommittee looks at minimum pricing legislation on ag products

Minimum price fixing on some agriculture crops would do more harm than good, according to some people who testified at an April 25 meeting of a Minnesota House of Representatives Agriculture subcommittee.

The subcommittee met to look at HF1173 (Anderson, B., DFL--Slayton), a bill which would call for minimums on milk, corn, soybeans, wheat, oats, rye, barley, and other products. The bill's author said its intent is to ensure that farmers get a fair price for their goods, continued employment, economic growth, and an adequate food supply.

The Agriculture commissioner would set minimum prices at 80 to 100 percent of parity, when 60 percent of the previous year's United States production of a commodity is subject to a minimum price.

According to opponents, minimum price fixing would encourage production in other parts of the country, and the world, sending buyers to sellers who could undercut prices.

Those in favor of the bill say low pricing is not always a bargain. People who work farms should get fair returns, and low prices are now driving people off farms.

According to Jack Nelson, an expert on world hunger, low farm prices can discourage agricultural production in some countries, and invite soil erosion on farmland.

The subcommittee didn't act on the bill, but will take it up for study during the interim.

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Division reaches Health, Welfare funding decisions

The Minnesota House Health, Welfare, and Corrections Appropriations Division is moving toward an all-inclusive bill to send on to the full Appropriations Committee and the full House.

The jobs bill, HF243 (Norton, DFL-St. Paul), got division approval April 28 in amended form--trimmed from \$209 million to \$71 million. The bill's main components remain: a small business incentive program, a public service jobs program, and grants for people unable to work.

"I'd rather have people employed than be on public welfare. I think it's much healthier," said Representative Mary Forsythe (IR-Edina) cautioning against cutting the jobs bill any further.

On April 27 the division approved a raise in the personal asset limitations for persons on Medical Assistance from \$2000 to \$3000. The bill would also remove pre-paid funeral contract limits, but consider those contracts as part of the \$3000 limit. According to Representative John Sarna (DFL-Minneapolis), author of a bill the division incorporated into the omnibus bill, the current funeral savings limit of \$750 the Legislature established in 1973 is too low.

Community mental health centers and certain non-prescription drugs for Medical Assistance recipients get funding under the bill. To increase cash flow for health programs, counties would have to pre-pay their share of assistance payments to the state. The state would pre-pay prospective hospital costs for low-income patients instead of on a fee-for-service basis.

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Unemployment compensation would be taxable in amended tax bill

The Minnesota House Taxes Committee has turned down most amendments that committee members offered to the omnibus tax bill, HF1259, (Tomlinson, DFL-St. Paul). But on April 27, the committee adopted an amendment by Representative Jim Evans (IR-Detroit Lakes) to tax part of the unemployment compensation that goes to people with income over \$20,000 (single) and \$30,000 (couple filing jointly).

People now pay federal tax on part of unemployment compensation if other income was over \$12,000 or \$18,000. On state taxes, they can subtract the federally taxed comp money. Evans' amendment removes that subtraction for people with non-comp income over \$20,000 or \$30,000. They'd have to pay state tax on the amount they pay federal tax on.

The committee turned down amendments that would have: sunset the six percent sales tax and ten percent income surtax which the bill makes permanent; removed the one percent motor vehicle excise tax increase (from five to six percent); repealed the unitary method of taxing multi-state corporations; and allowed businesses to keep deductions for capital gains and taxes they pay to other states.

Income and sales tax, cash flow, levy limits, and business tax incentives sections of HF1259 are complete. On May 2 and 3 the committee plans to consider amendments to property tax and local government aid.

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House appropriation division approves Indian scholarship boost

The Minnesota Indian Scholarship program would get a financial boost in the next two years, under funding the Education Division of the House Appropriations Committee approved April 26.

The division altered the governor's proposal for free tuition for the state's American Indian students by targeting all the money for tuition aid into the existing Indian Scholarship Program, for a biennial appropriation of \$4.8 million. From 1981-82, the program had only \$1.2 million available.

Under the proposal, student need would determine amounts of tuition aid. Representative Dick Welch (DFL-Cambridge), a member of the Education Division, said he was reluctant to go the free tuition route because it wasn't need-based, and the financial condition of most Indian students would qualify them for scholarships.

The demand for scholarships has increased in recent years because of rising college tuition and costs, loss of social security for some students, stricter guidelines on federal Pell grants, and reductions in tribal grants. During 1981-82, 384 eligible Indian students couldn't get funding through the scholarship program because of lack of funds, causing 168 of them to delay their education.

The division designated \$300,000 each year of the biennium for grants to school districts, to support programs for Indian students still in secondary schools.