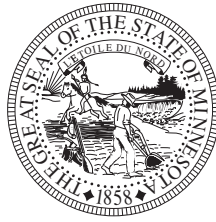


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Minnesota House of Representatives

Steve Sviggum, Speaker

FOR IMMEDIATE RELEASE
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New Laws Effective July 1, 2005

Editor's note: The following is a listing of selected new laws passed during the 2005 Legislative Session that take effect July 1, 2005.

Five new laws in whole take effect on that date, together with provisions from about a dozen others. The most high profile among them is an omnibus public safety law designed to get tough on sex offenders and methamphetamine manufacturers.

House Public Information Services presents complete overviews of the omnibus crime and state government finance laws, as well as highlights from the other select categories.

A complete summary of all laws passed by the 2005 Legislature is expected to be available online soon from the House Public Information Services Office.

Crime

Crime bill 'one of strongest in state's history'

Focused on life sentences with no possibility of release for the "worst of the worst" sex offenders and efforts to curtail the state's methamphetamine epidemic, the omnibus public safety law is "one of the strongest anti-crime bills in Minnesota's history," according to Gov. Tim Pawlenty.

Rep. Steve Smith (R-Mound) and Sen. Jane B. Ranum (DFL-Mpls) sponsored the law, which easily passed both houses with bipartisan support.

Financial provisions of the law are effective July 1, 2005. Other provisions are effective Aug. 1, 2005, unless otherwise noted.

Nearly half of the omnibus law involves sex offenders and meth users, reflecting the priority that both parties placed on these public safety threats.

HF1*/SF609/CH136

Focus on sex offenders

Legislators want dangerous sex offenders, like the one who allegedly abducted and killed college student Dru Sjodin, in prison forever.

First- and second-degree criminal sexual offenders will face life in prison without the possibility of release when their crimes involve force, violence or a dangerous weapon, and either two or more heinous elements exist or the offender has a previous sex offense conviction and one heinous element exists. (Art. 2, Sec. 21)

Also, the law creates a new crime known as "criminal sexual predatory conduct" that applies when an offender commits a predatory crime motivated by sexual impulses, or as part of a predatory pattern of behavior with criminal sexual conduct as its goal. The statutory maximum sentence for this offense is 25 percent longer than for the underlying predatory crime. (Art. 2, Sec. 20)

Other sex offenders could be given indeterminate sentences with the possibility of being on supervised release after serving the minimum sentence. Several factors must be considered when placing an offender on supervised release, including the possible risk to the community, progress in treatment, behavior while in prison, psychological evaluations, past criminal history and other relevant conduct of the offender. (Art. 2, Sec. 5)

The law gives the Department of Human Services access to the predatory offender registry, and requires that administrators of health care facilities be notified if a sex offender is going to live in their facility. Effective July 1, 2005, communication about sex offenders who come from other states to live in Minnesota is also strengthened. (Art. 3, Sec. 2)

Sex offenders are barred from attending their own community notification meetings, which are required when Level III offenders leave prison to serve out the remaining one-third of their sentences under supervision in the community. (Art. 3, Sec. 14)

A conference committee dropped House provisions for chemical castration of some sex offenders and special license plates and driver's licenses that would have publicly identified sex offenders.

Methamphetamine crackdown

Legislators agreed that one way to attack the meth problem is to limit access to ephedrine and pseudoephedrine, key ingredients used to manufacture meth.

Beginning July 1, 2005, it will be harder for methamphetamine manufacturers (and everyone else) to purchase cold and allergy medications in pill form that contains ephedrine or pseudoephedrine. Products like Sudafed® will be located behind the pharmacy counter and buyers will have to ask for them, be at least 18 years old, show identification and sign a logbook. Buyers will also be limited to two packages per transaction, not to exceed six grams. (Art. 7, Sec. 3)

Medications with ephedrine or pseudoephedrine in gel capsule or liquid form are not restricted at this time but if meth manufacturers switch to using those forms, then the state Board of Pharmacy could put the same restrictions on them. (Art. 7, Sec. 4)

A felony crime is established for stealing, purchasing or possessing anhydrous ammonia to be used in the manufacturing of meth. (Art. 7, Sec. 11)

A written prescription from a veterinarian will be needed to purchase any products with ephedrine or pseudoephedrine for use for animals. (Art. 7, Sec. 1)

Meth is added to the definition of narcotic drug, which gives law enforcement more options for charging defendants. (Art. 7, Sec. 2)

The law criminalizes meth-related activities that impact children and vulnerable adults and establishes a penalty of up to five years in prison and a \$10,000 fine. (Art. 7, Sec. 12)

Effective July 1, 2005, a revolving fund will be established so that city and county governments can borrow funds to clean up mini toxic waste dumps left behind from the manufacture of meth. (Art. 7, Sec. 15)

Ten new agents, at a cost of \$1 million each year, will be added to the Bureau of Criminal Apprehension to work exclusively on statewide meth enforcement and investigation. (Art. 1, Sec. 9)

New crimes

The law creates several new crimes and establishes their penalties.

For example, a crime of domestic assault by strangulation is added to the list of qualified domestic violence-related offenses. Enhanced penalties will apply to those who commit more than one qualified domestic assault within a certain time frame. (Art. 17, Sec. 8)

It will be a crime to knowingly provide false information to a police officer. The law also establishes a crime for falsely reporting police misconduct when a person knows the allegations are not true. (Art. 17, Sec. 30)

Anyone who interferes with ambulance service personnel providing emergency care will face the same penalties as those who obstruct peace officers and firefighters performing their duties. (Art. 17, Sec. 29)

People convicted of gasoline theft will face a 30-day suspension of their driver's license. (Art. 17, Sec. 3)

It's already a crime to flee from a police officer in a motor vehicle, it will also be a crime to flee in other ways to avoid arrest, detention, investigation, or to conceal or destroy potential evidence. (Art. 17, Sec. 28)

The definition of "public place" is expanded for purposes of the prostitution statutes to include a motor vehicle on a public street, alley, parking lot or driveway that connects a parking lot with a street or highway. (Art. 17, Sec. 23)

Identity theft is a growing concern and one way the Legislature responded was by establishing new crime of "phishing," which is the electronic use of false pretense to obtain identities through e-mail, Web sites or any other Internet communication. The crime carries a penalty of up to five years in prison and a \$10,000 fine. (Art. 17, Sec. 35)

The harassment and stalking crime is expanded to include monitoring with the use of technology. (Art. 17, Sec. 46)

Tougher penalties

In addition to increased penalties for sex offenders and meth manufacturers, the bill ramps up penalties for other crimes as well.

For example, to keep penalties proportional, people convicted of premeditated first-degree murder will face life in prison without the possibility of parole just as the "worst of the worst" sex offenders. (Art. 17, Sec. 9)

Gang members who commit crimes against children will have 10 years added to the maximum sentences they receive. The new provision, called "Benny's Law," was inspired by Ben Doran, a 15-year-old St. Paul boy who was killed in 2003 by gang members in a case of mistaken identity. (Art. 17, Sec. 14)

Penalties are increased for selling steroids and specifically to minors. An exception is made for those who properly and legally use steroids in raising animals. (Art. 17, Sec. 1)

Anyone who promotes, trains or is involved in animal fighting now faces a felony penalty. Those who purchase tickets or attend a fight are subject to a misdemeanor penalty. (Art. 17, Sec. 4)

Some prison space will be freed up by a conditional early release provision for some nonviolent drug offenders whose crimes were committed because of drug addiction and not to make money. (Art. 13, Sec. 6)

Other areas of interest

- The bill establishes an all felon predatory DNA database in Minnesota and requires all convicted felons to submit a DNA sample. The new law also requires those arrested for certain violent and predatory offenses to submit a DNA sample after a probable cause determination.

The samples would be destroyed if charges are later dismissed or a person is found not guilty. Parents or guardians of juveniles must be contacted before DNA is taken from their child. (Art. 12, Sec. 1)

- Employees are protected against retaliation when they want to take reasonable time off from work, with advanced notice, to be involved in court proceedings because of domestic violence or because a close family member was the victim of a heinous crime. (Art. 9, Sec. 23)

- Peace officers can be reimbursed every five years for up to \$1,200 for new bulletproof vests. The costs would be split between the state and the government unit that employs the officer. (Art. 11, Sec. 1)

- The Department of Public Safety is required to research and develop a plan to address human trafficking and assist victims of the crime. (Art. 11, Sec. 6)

Dollars and cents

The law includes \$1.65 billion in spending for the biennium, about a 16 percent increase over current year spending for corrections, courts, law enforcement and public safety.

A monthly 25-cent fee increase for 911 service will be charged to each telephone number, effective July 1, 2006. Previously, charges were applied to phone lines. Funds will be used to improve emergency communications. (Art. 10, Sec. 10)

Real estate recording fees will increase to pay for maintaining and updating technology for county recording services. (Art. 14, Sec. 10)

The law includes a 1.5 percent increase for judges, but Mary Pawlenty will decline her salary increase so there is no question of a conflict of interest on the part of her husband, Gov. Tim Pawlenty, said the governor at the bill signing ceremony. (Art. 1, Sec. 2)

Government

State government law has broad scope

From funding some state offices, laying out election guidelines to recognition of the military, the state government finance law covers a lot of ground.

Included is nearly \$597 million in General Fund spending for state agencies and the Legislature. When special funds are included the law's total reaches \$635.1 million.

Rep. Marty Seifert (R-Marshall) and Sen. Sheila M. Kiscaden (IP-Rochester) are the sponsors of the measure.

The following are highlights of the law, effective July 1, 2005, unless otherwise noted.

HF1481*/SF1285/CH156

Appropriations

The law represents a 2.5 percent reduction from the 2004-05 biennium for most state departments and constitutional offices, compared to 10 percent to 15 percent in the previous biennium.

Among the reductions is the elimination of the Legislative Commission on the Economic Status of Women with its duties transferred to the Legislative Coordination Commission. (Art. 1, Sec. 2)

Some areas will see funding increases: Department of Veterans Affairs for special programs, Department of Revenue for additional tax compliance, Office of the State Auditor for the restoration of audit practice staff and the Gambling Control Board for additional staffing. (Art. 1, Secs. 4, 11, 15-18)

New policies

Along with the appropriations, the law contains a number of policy provisions.

The Legislative Coordinating Commission must coordinate efforts between the House and the Senate to provide wireless Internet service in the Capitol and State Office Building. (Art. 1, Sec. 2)

Local governments can file a written resolution in protest of state mandates to the state auditor. The auditor's Web site is to list the mandates with the names of the entity filing the resolution.

The law establishes an application procedure for local governments to request a waiver or exemption from state mandates. School districts “may not seek a waiver of rules under this section if the commissioner of education has authority to grant a variance.”

Applications can be dismissed if they violate federal law, the federal or state constitution or the loss of services to people who are entitled to them. (Art. 2, Secs. 3, 4)

The State Board of Investment is responsible for administering and directing the investment of state funds and the pension assets of the statewide public pension systems. Certain information monitored by the State Board of Investment is made “nonpublic” including all financial, business, or proprietary data collected, created, received, or maintained by the state board in connection with its venture capital and real estate investments. (Art. 2, Sec. 7)

Public employers are prohibited from preventing a peace officer or firefighter from wearing a United States of America flag patch or pin that does not exceed 3 inches by 5 inches in size. If an employer does not comply, the state’s attorney general can bring an action in district court. (Art. 2, Sec. 12)

State contracts of \$50 million or greater must get approval under a “cost-benefit analysis” to be done by the administration commissioner or other executive agency official. An analysis must show benefit to the public and applies to contracts for goods or services expected to have a useful life of more than three years. (Art. 2, Sec. 22)

The law authorizes the Administration Department to use forward pricing mechanisms to buy energy for state facilities up to two years in advance. (Art. 2, Sec. 23)

The law calls for the sale of at least \$6.1 million worth of state lands by June 30, 2007. The governor is instructed to reduce the Administration Department’s General Fund budget by the amount of the difference, if the target is not reached. (Art. 2, Sec. 45)

A city or county with a population of more than 15,000 must annually notify residents of the base salaries and positions of the three highest paid employees. The information can be placed on the entity’s Web site for at least 90 consecutive days, in a publication that is distributed to all residents or as part of the yearly notice of proposed property taxes. (Art. 2, Sec. 39)

An Office of Enterprise Technology is established to replace the current technology office under the Administration Department. As part of the governor’s Drive to Excellence campaign to create efficiencies in government, the office will be independent and be overseen by a chief information officer appointed by the governor. The officer will have oversight of the direction for information and telecommunications technology policy, and the management, delivery, and security of information and telecommunications technology systems and services in the state. (Art. 5)

Public information and media

The House may receive sponsorships for broadcast and print media in an effort to help pay the costs of legislative television and publications. (Art. 1, Sec. 3)

Another provision defines public Web sites and publications, in addition to prescribing what information can be included. The law applies to counties, cities, towns, school districts, municipalities, the Metropolitan Council and metropolitan or regional agencies.

The purpose of the Web site or publication is to provide information about the duties or jurisdictions of a state agency, or to help with access to services and information.

Prohibited from display are pictures and material that could be attributed to an individual or group instead of the public office, state agency, or political subdivision. The publication cannot use words “with the compliance of” or have letters of personal greeting that promote an elected or appointed official of a state agency or political subdivision.

A Web site cannot contain a link to a Weblog or site maintained by the candidate, a political campaign committee, a political party or party unit, a principal campaign committee or a state committee. (Art. 2, Sec. 6)

Military

“Support Our Troops” license plates are established, at a cost of \$40 to an applicant, with \$10 for handling and manufacturing the plate and \$30 dedicated to the “Support Our Troops” account. The funds would be used to support grants for eligible individuals, grants to foundations and veterans’ services. (Art. 2, Secs. 30-31)

Military personnel will receive added benefits, including 100 percent tuition reimbursement for National Guard and reserve soldiers and re-enlistment incentives for retired members would be paid at a higher rank than when they retired based on special skills or experience of a person called back to duty. (Art. 4, Secs. 2, 4)

The Minnesota National Guard Youth Camp at Camp Ripley is appropriated \$60,000 to help maintain the campgrounds and continue the program. The camp serves children between the ages of 10 to 15 and supports activities such as soccer, biking, rifle safety, flag history and etiquette. The program attempts to help children cope with the stress and separation caused by the military duty or a parent, sibling or guardian. (Art. 1, Sec. 16)

The Department of Veterans Affairs will receive increased funding for grants to the Veterans of Foreign Wars, Military Order of the Purple Heart, Disabled American Veterans, Vietnam Veterans of America and Underserved Veterans Outreach Assistance. (Art. 1, Sec. 17)

A memorial plaque to honor Minnesota veterans who served in the Persian Gulf War is to be placed in the Court of Honor on the Capitol grounds. Rep. Judy Soderstrom (R-Mora), who sponsored the House provision, said the plaque is “to

recognize the valiant service to our nation by thousands of brave men and women who served honorably as members of the United States armed forces during the Persian Gulf War.” (Art. 4, Sec. 11)

Elections and Campaign Finance

A bill that was Gov. Tim Pawlenty’s first veto of the session was reworked and is part of this law. It specifies that if, in a municipality or county, there are no partisan or nonpartisan offices for which nominees must be selected, the governing body may decide that no primary will be held.

The vetoed language was not clear in defining a nominee. It referred only to a situation where one person was seeking the elected position. In his veto message, Pawlenty said that the need for a primary is not based on the number of people seeking an office, but whether the elective office requires the conducting of a primary to select nominees of the party. (Art. 6, Sec. 51)

The law adds a new alternative for how a political party can achieve and retain major party status in the state.

A party may put forward a slate of candidates for all constitutional offices, the four congressional offices, 23 Senate seats and 46 House seats. In the past, the only way to achieve major party status was for a candidate running for state or federal office to receive a certain percentage of the vote. (Art. 6, Sec. 11)

Voters with an ongoing reason for keeping them from going to the polls on Election Day can apply for status as an ongoing absentee voter. This status would continue until the voter’s death, the voter requests in writing to have the status changed, the absentee ballot is undeliverable or the voter loses eligibility. (Art. 6, Sec. 23)

Changes to the state’s Electoral College are also addressed in the law. When presidential electors are selected at party delegate conventions, eight alternative members to the Electoral College must be named as well. If an elector does not vote for the appropriate candidate or abstains, the vote would be invalidated and an alternate elector would be chosen. Electors are required to speak loudly and publicly affirm their choice of a candidate in a way that can be heard and not mistaken. (Art. 6, Sec. 57)

Consumers

Omnibus liquor bill approved

Included in a new omnibus liquor law is a provision regarding license fee conformity that takes effect July 1, 2005.

Rep. Joe Hoppe (R-Chaska) and Sen. Sandra L. Pappas (DFL-St. Paul) sponsored the legislation that conforms license fees and production levels for brewpubs and small brewers, authorizes temporary licenses to small brewers and modifies other municipal licenses.

HF286/SF171*/CH25

Education

Prinsburg receives approval

Prinsburg School District 815 can use voter-approved levy referendum money to pay off a debt to a neighboring school district, under a new law.

Funds will also be used to provide special education services for school district residents who attend a private religious school in the district.

Prinsburg owes about \$280,000 to the neighboring MACCRAY School District for tuition of Prinsburg residents who attended the district through an informal arrangement a few years ago.

Prinsburg has no students and is one of only two remaining common school districts in the state. Because of its unique situation, state approval was required for levy recertification and authority.

Rep. Al Juhnke (DFL-Willmar) and Senate Majority Leader Dean E. Johnson (DFL-Willmar) sponsored the legislation, most of which is effective March 8, 2005, and applies to taxes payable in 2005.

A provision effective July 1, 2005, exempts Prinsburg from offering a comprehensive elementary and secondary education program by a current law that exempts a district where at least 75 percent of the pupils attend an existing private school. The provision lowers for Prinsburg the minimum percentage of students that attend an existing private school to 50 percent of the district’s total eligible pupils.

HF248*/SF485/CH8

Employment

Some employees put under new compensation plan

A new law will put unclassified employees of the State Board of Investment under a new compensation plan as of July 1, 2005.

Once the board establishes a compensation plan, it must be submitted to the Department of Employee Relations for review within 14 days. Under the law, the Legislature and the Legislative Coordinating Commission must also approve the plan.

Another provision exempts the executive director from the salary cap placed on commissioners that maximized their compensation at 95 percent of the governor’s salary.

Rep. Neil W. Peterson (R-Bloomington) and Senate President James P. Metzen (DFL-South St. Paul) sponsored the legislation.
HF1692*/SF1598/CH55

An end put to dumping by employers

Changes to the state's unemployment law are designed to end "dumping," which occurs when employers use mergers, acquisitions or restructuring schemes to try to lower their unemployment experience ratings.

Sponsored by Rep. Anthony "Tony" Sertich (DFL-Chisholm) and Sen. Ellen Anderson (DFL-St. Paul), the new law will change the unemployment law to curb state unemployment tax act (SUTA) avoidance and make Minnesota law consistent with the federal SUTA Dumping Prevention Act of 2004. Many provisions are effective July 1, 2005.

Minnesota, like other states, distributes unemployment insurance costs among employers through an unemployment experience rating based on the number of former employees who have received unemployment benefits.

Some employers try to "dump" their poor ratings by changing or merging companies or shifting employees between companies. The "dumping" compromises the rating system by shifting the cost of one employer's unemployment experience to other employers.

A number of technical and housekeeping changes to Minnesota's unemployment insurance law, also included in the new law, are effective July 1, 2005.

HF898*/SF944/CH112

Energy

Routing high-voltage lines

Authority to route and site high-voltage electric lines and large energy facilities will be transferred from the Environmental Quality Board to the Public Utilities Commission (PUC), effective July 1, 2005. The transfer is part of an omnibus energy law that includes a wind energy tariff, and specifies conditions under which the PUC can approve tariffs that would allow utilities to automatically recover certain transmission costs.

Another provision in the new law will allocate \$150,000 in fiscal year 2006 from available funds in the renewable development account to the Agricultural Utilization Research Institute for disbursement over three years as grants for a project that uses soy diesel generators as backup power for wind energy conversion systems.

Rep. Torrey Westrom (R-Elbow Lake) and Sen. Ellen R. Anderson (DFL-St. Paul) sponsored the law.

HF1344/SF1368*/CH97

Environment

State timber management addressed

A new law should help the Department of Natural Resources manage timber sales more efficiently.

Effective July 1, 2005, the new law addresses public notice and input on the state timber management plan, rewards for state timber trespassing informants and sales procedures.

The new law will require the department to conduct annual public meetings in the forested areas of the state to discuss the way in which its timber sales and management plan will shake out for the upcoming fiscal year.

Rep. Greg Blaine (R-Little Falls) and Sen. Thomas M. Bakk (DFL-Cook) sponsored the legislation.

HF823*/SF802/CH141

Cleaning up after dry cleaners

A new law makes permanent the flexibility given to the Pollution Control Agency in 2001 to maintain a minimum balance in a state account that helps Minnesota dry cleaners clean up after themselves.

The Dry Cleaner Environmental Response and Reimbursement Account was established in 1995 to help the dry cleaning industry pay for investigation and cleanup of deal leaks or spills of dry cleaning chemicals that have contaminated land or water. Annual registration fees paid by dry cleaning facilities and solvent fees collected by retailers of certain dry cleaning chemicals support the fund.

Effective July 1, 2005, the new law will allow the Pollution Control Agency to adjust the fees as necessary to maintain a balance of \$650,000 in the account.

Rep. Tom Hackbarth (R-Cedar) and Sen. Dallas C. Sams (DFL-Staples) sponsored the legislation.

HF1470*/SF1424/CH157

Family

Child support/custody changes approved

For the first time in more than two decades, the state's child support and custody laws have received an overhaul. The legislation's sponsors herald the new provisions as more reflective of today's family circumstances.

The new law focuses primarily on how child support will be calculated using the parents' combined gross income and a presumption of joint, legal custody by the court if parents can't decide on their own parenting plan.

Most policy provisions are effective Jan. 1, 2007, but a number of fee changes are effective July 1, 2005.

To help cover the costs of implementing the new law, \$860,000 is appropriated for fiscal year 2006 and \$450,000 in fiscal year 2007 from the General Fund to the human services commissioner. The state will be able to recoup some of the money through some new fees, effective July 1, 2005, and modifications to ones already being charged. For example, a \$50 fee will be added on to the fee already charged to those filing for divorce. (Secs. 2-6, 30)

Additionally, the law modifies numerous other fees relating to child support. For example, \$20 from each fee collected for modifications to child support agreements will go into the county's general fund to help pay for county child support enforcement efforts and \$35 will be credited to the state general fund. (Secs. 1-3)

Rep. Steve Smith (R-Mound) and Sen. Thomas M. Neuville (R-Northfield) sponsored the legislation.

HF1321/SF630*/CH164

Government

Claims against the state to be paid

A new law will authorize the payment of \$45,142 to the Department of Corrections in various claims against the state.

A claim against the state is filed when someone cannot otherwise take legal action against state agencies, under Minnesota's tort law.

Most claims included in the new law stem from injuries suffered by inmates and people performing community service and sentence-to-service work. One claim will reimburse a corrections employee for eyeglasses damaged by an inmate.

Effective July 1, 2005, the new law will increase from \$250 to \$500 the amount the Corrections and Human Services departments can pay to reimburse an employee for property damage caused by patients or inmates in an attempt to escape an institution.

Rep. Bruce Anderson (R-Buffalo Township) and Sen. Wesley J. Skoglund (DFL-Mpls) sponsored the legislation.

HF2371/SF2160*/CH128

Health

'Positive Alternatives Act' enacted

The so-called "Positive Alternatives Act," will award millions of dollars in grant money to programs that encourage and assist women in carrying their pregnancies to full term.

The law is intended to reduce the number of abortions by giving money to organizations that provide information, referrals and services to women to help them carry their pregnancies to term and care for their babies after birth.

The health commissioner is responsible for administering and monitoring the grants. A \$2.5 million appropriation from the General Fund will be made available for the program for the fiscal year ending June 30, 2007. The base funding for fiscal years 2008 and 2009 is \$2.5 million per year.

Rep. Brad Finstad (R-New Ulm) and Sen. Dallas C. Sams (DFL-Staples) sponsored the law, effective July 1, 2005.

HF952/SF917*/CH124

Omnibus health licensing law

A new law makes changes to health occupations licensing and regulation provisions.

Rep. Thomas Huntley (DFL-Duluth) and Sen. Sheila M. Kiscaden (IP-Rochester) sponsored the law, which has various effective dates.

Effective July 1, 2005, provisions relating to licensed professional counselors will be modified and the voluntary licensure of alcohol and drug counselors will be allowed, under the law.

Individuals applying for professional counseling licensure will be allowed to complete certain requirements postdegree if certain requirements are met. The law will also extend from two years to four years the timetable for a licensee to provide evidence to the Board of Behavioral Therapy and Health of completion of 12 additional postgraduate semester credit hours in counseling.

Applicants for licensure will be exempt from meeting some requirements if they can document five years of full-time postdegree work experience within the practice of professional counseling. (Art. 5, Secs. 3-5)

The list of activities for which an applicant or licensee may be disciplined by the board or face temporary licensure suspension will be modified, according to the law. (Art. 5, Secs. 7-8)

The definition of mental health services will be expanded to include behavioral health care, spiritual counseling and hypnosis when not used for entertainment. (Art. 8, Sec. 1)

The Office of Mental Health Practice will be transferred from the Health Department to the mental health-related licensing boards. The law will also create the Mental Health Practices Committee and outlines its duties and responsibilities. (Art. 8, Sec. 2)

HF1161/SF1204*/CH147

Human Services

Forecast adjustments made

A new law makes forecast adjustments for human services and pre-kindergarten through grade 12 education programs.

Sponsored by Rep. Fran Bradley (R-Rochester) and Sen. Richard J. Cohen (DFL-St. Paul), the legislation adjusts forecast numbers and provides for human services savings. The mostly technical bill will update appropriations to match the February forecast numbers. The education provisions are effective June 4, 2005; the human services provisions are effective July 1, 2005. (Arts. 1-2)

HF2448*/SFnone/CH155

Insurance

Insurance regulation changes

A series of changes to insurance regulations, most of them technical, are part of the 2005 omnibus insurance law.

Sponsored by Rep. Tim Wilkin (R-Eagan) and Sen. Linda Scheid (DFL-Brooklyn Park) at the behest of the Department of Commerce, several provisions of the law are effective July 1, 2005.

The law will increase from \$75 to \$90 the fee for filing insurance forms and premium rates that insurance companies pay to the department. A \$250 filing fee for a worker's compensation large risk alternative rating option plan that meets a \$250,000 threshold in annual premiums from a single employer will be eliminated. (Sec. 1)

Former law required these option plans to be filed with the commerce commissioner, but did not require certification by the insurer. The new law will allow an insurer to charge a premium without filing it with the commissioner if the insurer files a certification that the premium rate is being used only with a specified employer that generates at least \$250,000 in annual workers' compensation premiums. Violations could result in a fine of up to \$100 for each day the failure to file continues. (Secs. 26-27)

The initial and annual renewal licensing fee charged to data service organizations that develop workers' compensation premium rates will increase from \$50 to \$1,000. Third party administrators' licensure will be changed from a \$1,000 fee for two years to \$1,500 for three years. (Secs. 3, 28)

Self-insurance policies will also change. State law allows the mandatory auto insurance requirement to be satisfied through self-insurance under certain conditions. The new law changes the initial application fee for motor vehicle self-insurance from \$1,500 to \$2,500 and the renewal period from annual to three years. The renewal fee for political subdivisions changes from \$400 per year to \$1,200 for three years, and for nongovernmental entities from \$500 annually to \$1,500 for three years. (Sec. 21)

HF1809*/SF1783/CH132

Taxes

Tax recodification enacted

A new law makes minor changes to the tax code and includes some common elements of the omnibus tax bills that passed the House and Senate.

The omnibus bills failed to clear a conference committee before the regular legislative session ended, but the Senate took some elements of the omnibus bills and amended them into the recodification bill, sponsored by Rep. Ron Abrams (R-Minnetonka) and Sen. Lawrence J. Pogemiller (DFL-Mpls).

According to an analysis from the Department of Revenue, the changes will make it easier for everyone to use the tax code.

Effective dates vary, but one aspect of the new law that is effective July 1, 2005, authorizes the commissioner of revenue to inspect the place of business of a linked bingo game provider and the book and records required to be maintained under law.

Another change effective July 1 makes tax-forfeited land suitable for agriculture in a reforestation area taxable in the assessment year in which it is sold.

HF2228*/SF1675/CH151