

GAVEL-TO-GAVEL COVERAGE OF THE 2007 MINNESOTA LEGISLATIVE SESSION

EDITOR'S CORNER

We are one week away from the constitutional date of adjournment of the 2007 legislative session. What was a sleepy session is now becoming pretty interesting due to Governor Tim Pawlenty's use of his veto pen to derail DFL spending initiatives for capitol bonding, health care, higher education, state departments and jobs and economic development. Still more vetoes are expected between now and the end of session, relating to the proposed increase in the gas tax and higher tax rates to fund property tax reform and/or education.

Legislative leaders met with the governor last week, presumably to discuss an end-of-session plan to complete the work of the Legislature and avoid the need for a special session. To meet the adjournment date of May 21, legislators are either going to have to override the governor's vetoes or redo their budget, bonding and tax bills. It does not appear that the override has legs (with a possible exception of the gasoline tax increase), so it would seem that legislative leaders are going to have to adjust their expectations and conform to the governor's demands.

We hope you enjoy this issue of CapitolWatch! Please call us if you have questions.

NAMES AND NUMBERS

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Minority Leader Dave Senjem.....651-296-3903

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ISSUES TO WATCH:

A QUESTION OF DEDICATION

by Julie Perrus

The House and Senate spent several hours on Friday debating an amendment to the Minnesota constitution that, if supported by voters, would raise the state sales tax by three-eighths of 1 percent for a period of 25 years beginning July 1, 2009. The legislation would raise more than \$280 million in its first year alone. It would divide revenues as follows:

- 25 percent for fish and wildlife habitat;
- 25 percent for the protection and restoration of surface waters;
- 15 percent for parks and trails;
- 15 percent for protecting drinking water sources;
- 10 percent for arts and cultural heritage; and
- 10 percent for the Legislature to appropriate for the above purposes.

The amendment has been debated for almost a decade. It is now named the Dallas Sams Outdoor and Cultural Legacy Act in honor of the late Senator Dallas Sams (DFL-Staples) who served in the Legislature for sixteen years and passed away earlier this year. Sams was a powerful advocate for this amendment, but strong legislative and public support for the purposes embodied in the legislation has not meant an easy path. There are some who do not like the idea of budgeting through the constitution and the Senate Tax Committee agreed by requiring approval through the governor rather than the voters. Senator Pogemiller (DFL-Minneapolis), the bill's author, changed the language back to voter approval in the Rules Committee and the bill withstood a similar amendment on the Senate floor. The bill ultimately passed the Senate with a vote of 52-14.

The legislation has not yet been debated on the House floor, but is likely to be on the agenda by mid-week.

TO BE OR NOT TO BE?

by Marnie Moore-Lindman

To Be: The Freedom to Breathe Act passed off both the House and Senate floors last week with supporters outnumbering detractors. A conference committee of legislators tasked with ironing out the differences in the earlier House and Senate versions of the bill came back with language stricter than many members imagined. Designed to protect the health of all workers, the new law leaves room for few exceptions. Smokers will still have the option of lighting up on outdoor patios, but not in designated "smoking rooms." With Governor Tim Pawlenty stating in advance that the bill will not be vetoed, the official signature should be coming soon.

Not To Be: On a vote of 73-58 the House completed the last step towards sending a property tax relief bill to the governor. Not to be confused with the Omnibus Tax Bill, this stand-alone bill creates a new fourth-tier income tax on Minnesota couples earning more than \$400,000 annually. At 9 percent, this new tier is expected to raise \$452 million. However, the governor continues to vehemently oppose any new tax increases and this legislation surely awaits a placement in the veto pile.