

GAVEL-TO-GAVEL COVERAGE OF THE 2004 MINNESOTA LEGISLATIVE SESSION

EDITOR'S CORNER

Members of the Minnesota House of Representatives will spend a good deal of time on the House floor this week as some of the bills containing House funding proposals will be debated and voted upon. House leaders expect to pass at least three of the funding bills this week. The House higher education, judiciary and K-12 education omnibus bills made their way through the committee structure and will be processed for future conference committee deliberations with the Minnesota Senate. Senate committees got closer to finishing their funding proposals, but are still at least a week away from floor action. Last week at the State Capitol was a study in participatory democracy as a highly controversial piece of legislation was debated. A bill to put a constitutional amendment on the ballot banning gay marriage was passed off the House floor, but rejected in a Senate committee. Those actions were almost a side line to the two massive Capitol rallies held by advocates from both sides. Estimates suggest more than 8,000 people took part in the two rallies. Today, another contentious measure gets a hearing in the House: a bill authorizing financing for stadiums for the Minnesota Vikings and Minnesota Twins will be heard in the House State Government and Veterans' Affairs Committee.

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Issues to Watch:

JOBZ on Senate Hot Seat:

Last year, many DFLers in the Minnesota Senate opposed Minnesota Governor Tim Pawlenty's JOBZ proposal which was adopted by the legislature. The JOBZ program created a number of "job opportunity building zones" in rural Minnesota to grant tax incentives to businesses that locate within the zones. Two bills approved by the Senate Jobs, Energy and Community Development Committee seek to limit the use of JOBZ incentives. The first, sponsored by State Senator Mee Moua (DFL-St. Paul), disqualifies retailers from JOBZ eligibility. The bill's language was included in the Senate's JOBZ proposal last year, but was stripped out of the bill in conference committee. Representatives of the Minnesota Retailers Association testified against the limitation arguing retailers should not be singled out for non-eligibility. The second bill, authored by committee chair, State Senator Ellen Anderson (DFL-St. Paul), eliminates JOBZ eligibility for a controversial tire-burning plant proposed for the City of Preston. Senator Anderson and others consider the plant a potential health hazard to residents of the community. Both bills passed and were referred to other committees.

House Adopts Health Care Funding Bill:

The House Health and Human Services Finance Committee adopted its supplemental omnibus funding bill on Thursday following three days of committee review and debate and public testimony. The House bill, sponsored by committee chair, State Representative Fran Bradley (R-Rochester), spares health care and human service providers from many of the cuts proposed by Governor Pawlenty. It also adds \$17.6 million back into the system for what Representative Bradley described as "fixing priority needs" cut in last year's budget-balancing measure. Committee DFLers criticized the funding bill, particularly a provision which transfers \$70 million from the Health Care Access Fund to the state's general fund. The Access Fund supports the MinnesotaCare program, the state's insurance plan for low-income Minnesotans. DFLer Tom Huntley of Duluth, a strong backer of the program, said "MinnesotaCare is only good for those who are healthy." The bill will be heard in the House Ways and Means Committee later this week.

AMT Analyzed in Senate Committee:

The Senate Tax Committee reviewed two bills proposed by Assistant Senate Majority Leader Ann Rest (DFL-New Hope) related to the Alternative Minimum Tax (AMT). The AMT was created by the federal government in the 1970s to get at extremely high-income earners who were not paying income tax. Modification of the AMT in the State of Minnesota has been a subject of discussion by state lawmakers for several years. The problem with the tax, as Senator Rest and others see it, is that it has not been indexed for inflation, so it now applies to many middle-income families with children. Senator Rest cited a statistic that 90% of current AMT payers are doing so because they have dependent exemptions, standard deductions or itemized deductions for state and local taxes and medical expenses. Her proposals lower the threshold for deduction for charitable donations and increase AMT exemption amounts and index the exemption amounts to inflation. Senate Tax Committee members held the bills over for possible inclusion in the committee's omnibus legislation.

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