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Full Plate!

We have a full plate of legislative issues to deal with this session. Here is a quick look at just a few issues that will likely get attention during this legislative session.

Amendment to MN's TB Management Authority Statute

As Minnesota moves forward to TB free status it is important that the necessary authority be in place to properly regulate activities related to TB under an upgraded status. Current statutory language is worded in such manner that the Board of Animal Health's authority to regulate cattle movements is specific to just a Modified Accredited (MA) TB zone.

In order to be ready to advance the current MA zone in the northwest Minnesota up to Modified Accredited Advanced (MAA) status and the rest of Minnesota to TB Free status it is important that the BAH have the proper regulatory authority necessary to continue to control any area that remains 'at-risk' due to TB. This "catch 22" in the statutory language could result in a delay in Minnesota gaining upgraded TB status.

Additionally, USDA is in the process of changing the national program, and may be moving away from using the terms MA, MAA, TB-Free. In order to minimize the potential for any future misunderstandings with respect to management authority simply deleting the term "MA Zone" and inserting the term "tuberculosis control zone" in the current statute (Chapter 35.244, Sections 6 & 7) should get the job done.

Expanded Wolf Complaint Investigation Resources

Minnesota Statute 3.737 requires a conservation officer or extension agent to investigate a wolf depredation incident for the purposes of filing a claim for loss due to wolves killing livestock. To ensure timely investigation of complaints it is necessary to increase the resources available to do those investigations. One way to do that would be to allow county sheriff's to designate their deputies to also be able to conduct those initial investigations.

In many parts of the state it is difficult to get a response to a wolf depredation complaint within 24 hours. Our Conservation Officers' (CO) already have a huge variety of response requirements. CO's are spread pretty thin across rural Minnesota and state budgeting issues does not support increasing their numbers. County based animal science extension agents are essentially a thing of the past. Today, animal science extension specialists operate from regional offices. Those specialists where they do exist lack the funding, the time and equipment to carry out the statewide investigative mandate that MN Statute 3.737 currently suggests.

Virtually all rural County Sheriff's Departments have deputies either on duty or on immediate call 24/7. A change to the existing statute allowing a county sheriff to designate deputies to respond and conduct that initial investigation would greatly increase the flexibility and shorten the response time on wolf complaints.

Because county law enforcement is primarily funded from local property taxes, it is important that any change not impose a mandatory requirement on local law enforcement. It should be left to each county sheriff (an elected official) to determine if and how many of their deputies would be designated for this type of duty.

Should the statute be changed it is also critical that those designated deputies be provided training specific to investigating wolf complaints. While sheriff's department personnel conduct a wide range of complicated investigations as part of their daily assignments, it would be important for them to receive specialized training from the USDA/APHIS Wild Life Services personnel on what exactly to look for in these types of investigations.

It should be noted, that if the law is changed it would not be the intent that the conservation officer's role be reduced or eliminated in this area. Rather, this would simply provide additional local resources that would be able respond and formally document a wolf depredation complaint. It is anticipated that this change would provide new flexibility at the local level for both the CO's and sheriff's departments to serve their constituents.

With respect to the extension service's role, it is probably overdue to recognize that the most appropriate proper role for the extension service is to simply assist the Department of Ag in determining the fair market value of animals lost to wolves. That is essentially how it is working today. It's time to adjust our laws to match what we are doing.

Green Acres Program

Several bills have been introduced that would change the green acres program. Green acres provides property tax relief for farmers whose land values are driven up by surrounding non-farm use land property valuations. (continued upper right column)

Bruce Kleven

Legislative Consultant



2010 Session Begins!

The 2010 legislative session began at noon on Thursday, February 4. Outside the chambers, the Capitol rotunda was overflowing with low-income people calling for immediate reinstatement of the general assistance medical care program that was cut by the governor last summer. At the same time, hunters and conservationists were rallying outside the Capitol to let legislators know they are unhappy with the way dedicated funds from the 3/8 sales tax increase are being spent on outdoor recreation. These two groups unknowingly illustrated how out-of-whack our state budget priorities have become: basic medical care for the needy has been chopped, while conservationists complain the legislature is not buying enough recreational land fast enough.

State of the State Address. Governor Pawlenty gave his eighth and final state of the state address to a joint session of the House and Senate on Thursday, February 11. He proposed familiar themes which include reducing government spending, reducing both personal and corporate income taxes, and requiring performance pay for teachers. A few of the new ideas the Governor proposed in his speech include setting a budget cap in the state Constitution based on the previous biennium's revenue, ratification by the legislature of his controversial unallotment of \$2.7 billion from the budget last summer, providing \$10 million in tax credits for emerging businesses, allowing Minnesotans to buy health insurance across state lines, and requiring teachers to re-apply for tenure every five years. DFL leaders agree with the concept of the tax credits for emerging businesses, but little else. They say the speech failed to address the key issue of the session, which is the chronic nature of the continuing budget deficit and the Governor's unwillingness to consider any additional revenue sources.

Supplemental Budget Proposal. Governor Pawlenty released his supplemental budget recommendations on Monday, February 15. The administration's proposal cuts \$1.2 billion from the current budget to address the projected deficit without increasing state taxes. Specific details will be made available during committee hearings in the coming weeks, but the general categories include \$347 million in reductions to health and human service programs, \$250 million in cuts to local governments, \$47 million in cuts to higher education institutions, \$181 million in reductions to state agencies, and an extension of enhanced federal Medicaid funding worth \$387 million. The Governor has also proposed several tax cuts to spur job growth, which include a 20% cut in the corporate tax rate, a 20% tax reduction for small business, \$10 million in tax credits for emerging businesses, \$34 million in tax credits for research and development, a capital gains exclusion for qualifying small businesses, and the establishment of a \$100 million capital pool for emerging green businesses.

One-Time Budget Fixes. According to the National Conference of State Legislatures, Minnesota ranks second in the nation for relying on one-time money to deal with budget problems. The top state was Alaska, which used one-time money to close 44% of their budget gap last year, followed by Minnesota in second place at 41% and Mississippi in third at 27%. One time budget fixes are things like debt restructuring, delayed payments, alternative borrowing, and transfers between funds. The biggest one-time fix used by Minnesota was the delay in payments to school districts. Looking ahead to 2011, Minnesota ranks ninth on the chart for states with the highest projected budget gap for 2011 as a percentage of the 2010 budget, at 26.4%. Nevada is first with an expected shortfall of 54.6% of their 2010 budget, followed by Illinois at 34.3%. Every state except Montana and North Dakota are expected to have significant budget gaps this year.

Short Term Borrowing. In addition to the \$423 million that is being withheld from school districts for a few months, the Minnesota Office of Management and Budget has prepared a plan to borrow as much as \$600 million "just in case." Commissioner Tom Hanson told a joint legislative committee on Wednesday, February 3, about the plan, although he added he is fairly positive the state won't need to implement it. In addition to the delayed payment to school districts, the administration's plan would delay \$52 million to the University of Minnesota and delay \$60 million in corporate and sales tax refunds. In order to manage cash flow, the state needs to keep approximately \$400 million in the cash flow account, but that number is expected to drop to \$227 million in March, negative \$143 million in April, and \$19 million in May. Administration officials are hoping for an agreement between the governor and the legislature to stave off the cash flow problem.

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Full Plate!

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May 1, 2010 is an important enrollment deadline for the green acres program, see page 1 & 8 for more info. Producers with an interest in the green acres program are encouraged to closely follow the progress of bills currently under consideration in this legislative session.

HF2983/SF2729 would repeal recent legislative changes (2008-2009) to the green acres program. The bill has a lot of authors. Legislators signing onto HF2983/SF2729 include: Representative's Eastlund, Davids, Kiffmeyer, Dettmer, Hamilton, Urdahl, Drazkowski, Shimanski, Cornish, Anderson, B., Murdock, Scott, Gottwalt, McNamara, Anderson, P., Westrom, Nornes, Severson, Pappin, Lanning, Emmer, Sanders, Hoppe, Holberg, Kohls, Anderson, S., Kelly, Zellers, Brod, Dean, Torkelson, Garofalo, Beard, Hackbarth, Loon and Senators Olseen, Fobbe, Dahle, Erickson Ropes, & Koch.

There are two other bills dealing with green acres. HF3161/SF2745 would extend the 2010 withdrawal date from the Green Acres program from May 1, 2010 to August 16, 2010. HF316/SF2731 would adjust the method for valuation of agricultural property enrolled in the green acres program. For the latest info on these bills visit at: www.leg.state.mn.us Also see related article on page 1

The most important thing you can do to help influence these issues is contact your legislator by phone, email or a visit. Contact data for all legislators is also available at: www.leg.state.mn.us

2010 Session Begins!

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Bonding Bill. As promised by legislative leaders, the 2010 bonding bill is off to an incredibly fast start. The Senate bill, SF-2360 (Langseth), was heard on Thursday, February 4, (opening day) in the Senate Capital Investment Committee. The bill was debated for a couple of hours and then passed by the Committee and referred to the full Senate Finance Committee. The Senate Finance Committee heard and passed the bill the next morning and it was passed by the full Senate on Tuesday, February 9 by a vote of 52-14. The companion bill, HF-2700 (Hausman), was heard on Tuesday, February 9 in the House Capital Investment Committee, the House Finance Committee on Wednesday, and the House Ways and Means Committee on Thursday. The full House passed the bill on Monday, February 15 by a vote of 92-37, and from there it will quickly head to a conference committee. Both bills total roughly \$1 billion and are 30% larger than what Governor Pawlenty said he would support, setting the stage for a showdown on the overall size of the bill.