

Capitol Report

by Cory Bennett, MVMA Lobbyist

The 2016 Legislative Session convened on March 8th with several challenges and obstacles awaiting legislators. Just to name a few, this session began with the latest session start date in memory, capitol construction which closed off the capitol building except for the House Chambers, election year politics, and a \$900 million surplus that legislators and caucuses had different spending priorities.

Throughout session legislators emphasized that the main priorities for this year were transportation, taxes, bonding and a supplemental appropriations package. As is the case, that seems to be more common than rare, the close of a legislative session was a wild finish as legislators scrambled to finish their work by the constitutional deadline of midnight May 22nd. However, in the end lawmakers fell short of those goals as only two of the four bills were passed in the waning hours of the last day of session as lawmakers passed tax and supplement budget packages but fell short on striking agreements on transportation and bonding. The governor has 14 days to decide whether to sign those bills.

Governor Dayton could call legislators back for Special Session to wrap up their unfinished work. Republican and Democratic leaders have expressed an interest in continuing their work in a special session, but Governor Dayton has not yet decided if and when that will occur.

The 2017 Legislative Session is scheduled to begin on January 3, 2017.

Below are items that the Minnesota Veterinary Medical Association's lobbying team was actively engaged in or monitored during the 2016 Legislative Session.

Taxes

The legislature did pass a compromised tax bill with \$260 million in tax cuts and credits in 2017 and \$500 million in the next fiscal biennium. The package is mix of property tax relief, tax credit for college graduates with loan debt and increases state aid to local governments.

Bill provisions of interest include:

Student loan credit: Student debt continues to be a major issue for many Minnesota students. A recent report found that Minnesota's students rank fifth in the nation in total debt burden. This burden continues to be a drag on the larger economy as students struggle to pay off their debt, start their families, and buy their first homes. This bill creates a credit of up to \$1,000 for eligible individuals who are paying for student loans. Payments must be over 10% of a taxpayer's adjusted gross income to qualify for the credit. The percentages of student loan payments eligible for the credit are:

- 50% of qualified educational loans.
- 65% of qualified loans for eligible individuals in a public service job.
- 75% of qualified loans for eligible individuals in an education profession.

College savings plans: Thirty-three other states have tax incentives to help families save for college. Minnesota's incentive disappeared during past budget deficits, but this bill reinvests in that priority and makes it easier for families to save for college. The omnibus tax bill establishes a maximum credit of

\$500 per year for qualified contributions to Minnesota's 529 savings plans. The bill also allows taxpayers to subtract up to \$1,500 of their contributions to a qualified savings plan from their income tax liability.

Business property tax cuts: Exempts the first \$100,000 in commercial and industrial property tax values from the general levy. This change will save businesses over \$115 million in the next biennium.

Supplemental Appropriations

The 599 page supplemental appropriations budget bill included all the budget areas of state government. The bill increases the state budget by \$182 million over the next biennium and contained numerous budget and policy items. The final packaged included some agriculture provisions of note that represented a combination of House and Senate priorities. The bill reduced the MDA by \$10.8 million of unspent avian flu money and re-appropriated \$4.4 million in other programs within the department. In the end the MDA received a net general fund reduction of \$6.4 million.

Bill provisions of interest include:

- **Veterinary Diagnostic Software:** \$600,000 for FY 2017, \$600,00 for FY 2018 and \$600,00 for FY 2019 to the University of Minnesota VDL to develop a software tool to help veterinarians and producers better understand, monitor and implement security against unique pathogen strains that affect poultry and livestock.
- **Veterinary Laboratory Equipment:** \$283,00 for the University of Minnesota VDL to purchase new Veterinary Diagnostic Laboratory equipment to increase animal disease testing capacity
- **Agriculture Emergency Fund:** \$1.0 million to the MDA for an agriculture emergency fund for the department to utilize in case another animal or plant disease occurs that requires quick action on the part of the department.

Temporary License Suspensions for Health Care Professionals

Language in the bill, SF1512, modifies and clarifies the temporary suspension provisions for health-related licensing boards under chapter 214.

- Requires a health-related licensing board to issue an order temporarily suspending a regulated person's authority to practice if the board receives a complaint regarding the regulated person and has probable cause to believe that the regulated person has violated a statute or rule that the board is empowered to enforce and continued practice by the regulated person presents an imminent risk of serious harm. The temporary suspension order must include the statute or rule alleged to have been violated. The temporary suspension order takes effect upon personal service on the regulated person or their attorney or upon the third calendar day after the order is served by first class mail to the most recent address provided to the board for the regulated person or their attorney.
- Specifies that the temporary suspension order remains in effect until the board completes an investigation, holds a contested case hearing pursuant to the Administrative Procedure Act, and issues a final order.
- Requires the board to schedule a contested case hearing on the merits of whether disciplinary action is warranted at the time it issues the temporary suspension order. Makes other clarifying

changes by referring to a contested case hearing and the effective service of the temporary suspension order.

- Requires the administrative judge who is presiding over the contested case hearing to issue a report and recommendation to the board no later than 30 days after the final day of the hearing. The board is required to issue a final order within 30 days of receipt of the administrative law judge's report. If the board has not issued its final order within this time period the temporary suspension is lifted
- Specifies that if the regulated person requests a delay in the contested case proceedings for any reason, the temporary suspension remains in place until the board issues a final order.

The bill has been signed into law by Governor Dayton.

Animal Trusts

This bill, SF1196/HF1372, allows for a person to create a trust for the care of their pet. Provisions in the legislation allows for the creation of a trust to provide for the care of an animal.

This legislation requires:

- The animal be an animal that is alive during the settlor's lifetime.
- The trust terminates after the death of the animal or animals who are the beneficiary of the trust, and no later than 90 years after the enforcement of the trust.
- The trustee be appointed by the trust or by the court and that a person interested in the animals welfare can ask for someone to be appointed or removed.
- The property in trust be used as intended by the trust, unless that court determines there is an excess of property in the trust for the intended purpose and then the amount in excess is distributed pursuant to the provisions in the trust or consistent with Minnesota probate law, as if the grantor had died intestate (without a will).

The bill has been signed into law by Governor Dayton.

Bills That Did Not Pass

SF3199/HF3617 – Prohibiting animal euthanasia by nonanesthetic gas.

SF1751 - Prohibiting use of medically important antimicrobials for nontherapeutic use in animals.

SF120/HF271 - Veterinary medicine board appointments to reflect the geography of the state; veterinarian licenses temporary suspension process modification.

HF2711 - Animal abuser registry established, public safety commissioner required to post identifying information on the commissioner's website, and money appropriated.

MVMA members are encouraged to meet with their legislators during the summer and fall months. All members of the house and senate are up for re-election. The MVMA will coordinate setting up these personal visits at your office by simply contacting the MVMA office to schedule the meeting at a time and date that is convenient for you and your legislator. These meetings have proven to be very effective in helping legislators better understand the veterinary profession and the issues we face. We also encourage you to include a VET-PAC donation when you receive your dues renewal notice. These dollars are important to the MVMA in supporting key legislators and party caucuses. A \$50 donation is suggested and the personal check or payment can be made out to VET-PAC, 101 Bridgepoint Way, Ste. 100, So. St. Paul, MN 55075. Thank you for your support of the MVMA's legislative activities this year.