

# *MSBA Capitol Connection*

February 19, 2010



## *Governor's Budget Deficit Solution Includes Justice System Cuts*

This week Gov. Pawlenty [unveiled his proposal](#) to erase the state's \$1.2 billion budget gap. The largest chunk of Pawlenty's budget fix is \$387 million in anticipated federal health care dollars. The governor's proposal resolves the rest of the deficit through a \$347 million cut to health care and human services programs, \$250 million in reduced local government aid, \$47 million in higher education cuts, and 6 percent reductions to most government agencies and programs. Democrats will offer their own solution soon. Senate Majority Leader Larry Pogemiller (DFL-Minneapolis) said DFLers will cut higher education and health care at least as much as the governor, but will lessen cuts to local governments.

The governor's proposal contained cuts to justice system funding. The impact on courts, public defense, and civil legal services is as follows:

- Courts (District, Appeals, and Supreme): Reduced by 3 percent of unspent funds in FY2010 and 3 percent of operating budget in FY2011. A part of this proposal involves shifting implied consent cases involving license revocation from district courts to the Office of Administrative Hearings.
- Supreme Court Grant Budget (civil legal services): Reduced by 6 percent of unspent funds in FY2010 and 6 percent of grant budget in FY2011.
- Tax Court: 3 percent reduction of operating budget.
- Judicial Standards Board: 3 percent reduction of operating budget.

- Public Defense Board: 3 percent of unspent funds in FY2010 and 3 percent of operating budget in FY2011. The grant budget (primarily public defense corporations) is reduced by 6 percent of unspent funds in FY 2010 and 6 percent of the grant budget in FY 2011.

Next week the Senate Judiciary Budget Division will take testimony on the governor's recommendations.

### ***MSBA Legislative Activity***

It was a busy week for the MSBA at the Capitol:

- [\*\*HF2823/HF2828\*\*](#): These bills from the Real Property Section, carried by lawyer-legislator Rep. Gail Kulick Jackson (DFL-Milaca), passed the House Civil Justice Committee on Monday. Attorney Kevin Dunlevy from the Real Property Section testified in support of the bills. HF2823 adds supplemental declarations to the list of documents that may be recorded against common interest community certificates of title. HF2828 clarifies the mortgage registry tax on mortgages that secure less than the full amount of the debt. The companion bills await action in the Senate Judiciary Committee.
- The MSBA's Tax Law Section opposed a provision in [\*\*HF2972\*\*](#) that would allow licensed assessors who are not licensed as real property appraisers to provide expert testimony and submit appraisals in tax court. This legislation would override a pair of recent tax court cases. The issue turned into quite a controversy during a hearing Wednesday in the House Tax Committee, with attorney Gina DeConcini testifying for the Tax Law Section. The House Tax Committee will revisit the bill on Monday; its Senate counterpart will hear the companion bill on Wednesday.
- [\*\*HF3025/SF2705\*\*](#): This legislation from the Business Law Section was introduced in the House and Senate this week. The bill relates to regulating the organization and operation of business corporations, nonprofit corporations, and limited liability companies. It is carried by lawyer-legislators Sen. Ron Latz (DFL-St. Louis Park) and Rep. Dave Olin (DFL-Thief River Falls).

### ***Other Legislative Activity of Interest to Lawyers***

- The House Public Safety and Oversight Committee passed:
  - [\*\*HF2888\*\*](#) (penalty provided for careless driving resulting in death). This bill was referred to the Transportation and Transit Policy and Oversight Division.

- [HF2607](#) (detention placement options clarified for extended jurisdiction juveniles pending revocation hearings).
  - [HF2757](#) (measurement of the actual weight of controlled substance residue for determining severity of offenses). This legislation is a reaction to the Minnesota Supreme Court’s decision in the “bong water” case ([State v. Peck](#)).
- This morning the House Crime Victims / Criminal Records Division passed [HF2608](#) (protection area extended to a reasonable area around residence or dwelling in ex parte orders for protection).
- Legislators seem to have foreclosure fever. [Numerous bills have been introduced](#) aimed at addressing the foreclosure crisis.

### ***Office of the Legislative Auditor Releases Report on Public Defense System***

A report released by the Office of the Legislative Auditor found that workloads for Minnesota's public defenders are too high, resulting in limited time with clients, problems in preparing cases, and little oversight or supervision. The report noted that Minnesota’s public defenders handle almost twice the caseload recommended by state and national standards. The report stated that Minnesota’s public defenders are, in general, excellent attorneys, but heavy workloads are having a noticeable impact on adequate and ethical representation of clients. [The full report is available here.](#)

### ***Minnesota Chamber Files Campaign Finance Lawsuit***

The Minnesota Chamber of Commerce filed a lawsuit to clarify that Minnesota’s campaign finance laws will not prevent corporate activity in elections. Campaign finance rules became unclear after the U.S. Supreme Court’s recent decision in [Citizens United v. Federal Election Commission](#). Business leaders are hoping for a clear declaration of what campaign activities are now permitted in Minnesota.



Minnesota State Bar Association  
600 Nicollet Mall #380  
Minneapolis, MN 55402  
(612) 333-1183 | (800) 882-6722