

MSBA Capitol Connection

March 19, 2010



Today is the "second deadline" at the Capitol, the day by which bills must pass all policy committees in both the House and Senate in order to remain alive. Weary legislators, staff members, and lobbyists have been working nonstop to push bills through committees. The MSBA was active on numerous pieces of legislation this week. To check the status or read the full text of any bill, visit <http://www.leg.state.mn.us/leg/legis.asp>.

Probate & Trust Bill

SF2427, a bill from the Probate & Trust Section made it through the Senate Judiciary Committee this week. The bill contains four major parts:

- Clarifying that distributions of short-term and long-term capital gains by regulated investment companies and real estate investment trusts will be treated as distributions of principal for purposes of trust accounting.
- Providing for appointment of a conservator on an emergency or temporary basis.
- Addressing an ambiguity in the federal estate and generation-skipping transfer taxes.
- Clarifying the parent-child relationship in intestacy cases.

The companion bill (HF2825), carried by lawyer-legislator Melissa Hortman (DFL-Brooklyn Park), breezed through the House Civil Justice Committee earlier this month, but the parent-child provisions in the intestacy section of the bill caused a lengthy debate in the Senate Judiciary Committee on Tuesday night. Attorneys Peter Hatinen and Scott Nelson testified for the bill, which is carried by lawyer-legislator Sen. Don Betzold (DFL-Fridley). A vigorous discussion continued past 10 p.m., at which point the committee chair, lawyer-legislator Sen. Mee Moua (DFL-St. Paul) noted that the hour was getting late and

suggested taking up the bill again on Thursday. The hearing resumed yesterday and it was quickly clarified that the bill merely brings intestacy laws in line with the current Parentage Act. The bill then passed with minimal discussion. The legislation now awaits floor votes in both the House and Senate.

Business Law Bill

A bill from the Business Law Section, HF3025, advanced this week. The bill contains two parts, the first from the Business Law Section (operation and regulation of business corporations, nonprofit corporations, and limited liability companies), and the second from the Secretary of State (registered agents and officers of business entities consistent law requirement; prohibition against certain business names repealed). The bill, carried by lawyer-legislator Rep. Dave Olin (DFL-Thief River Falls) sailed through the House Civil Justice Committee Wednesday morning and was sent to the House floor. The companion bill (SF2705), carried by lawyer-legislator Sen. Ron Latz (DFL-St. Louis Park) is also ready for a floor vote.

Real Property Bills

Three proposals from the Real Property Section met committee deadlines this week.

SF2231 (clarifying the mortgage registry tax on mortgages that secure less than the full amount of the debt) and SF2232 (adding supplemental declarations to the list of documents that may be recorded against common interest community certificates of title) passed the Senate Judiciary Committee on Tuesday and were sent to the Senate floor. Attorney Kevin Dunlevy testified in support of the bills, which were quickly passed by the committee. Lawyer-legislator Sen. Linda Scheid (DFL-Brooklyn Park) is carrying the bills for the MSBA.

HF3393, carried by lawyer-legislator Rep. Gail Kulick Jackson (DFL-Milaca), passed the House Civil Justice Committee on Wednesday morning. Attorney Tom Bray testified in support of the bill. The 97-page bill amends the Minnesota Common Interest Ownership Act, making clarifying, conforming, and technical changes. The companion bill (SF2985), carried by lawyer-legislator Sen. Ron Latz (DFL-St. Louis Park), awaits a vote on the Senate floor.

Uniform Law Bills Advance

A trio of bills from the Uniform Law Commission inched closer to passage this week. The Uniform Unsworn Foreign Declarations Act (HF3318), carried by lawyer-legislator Rep. Melissa Hortman (DFL-Brooklyn Park), passed through two House committees: Civil Justice and Public Safety Policy & Oversight. The Uniform Foreign Country Money Judgments Recognition Act (HF776), carried by lawyer-legislator Rep. John Lesch (DFL-St. Paul) also passed the House Civil Justice Committee. Finally, the Revised Uniform Arbitration Act (SF891), carried by lawyer-legislator Sen. Mary Olson (DFL-Bemidji) passed the Senate Judiciary Committee. These Uniform Acts, all of which were vetted by the MSBA, now await floor votes in the House and Senate.

Justice System Funding

On Monday evening the House and Senate are expected vote on the first of several budget bills. The House proposes justice system cuts of roughly 2% while the Senate bill contains cuts of about 2.5%. To learn more about the MSBA's efforts to support an adequately funded justice system, visit <http://1000supporters.org/>