

May 9, 2010

**TO: MAFMIC BOARD OF DIRECTORS, GOVERNMENT AFFAIRS
COMMITTEE AND MANAGERS**

RE: MARCUS MARSH, GOVERNMENT AFFAIRS MANAGER

RE: WEEKLY LEGISLATIVE REPORT

The first part of the week was quiet and non-descript, then the Minnesota Supreme Court announced their ruling in regards to the \$2.7 billion dollars Governor Pawlenty unallotted in 2009. The ruling on a 4 to 3 vote said the Governor overstepped his authority.

It appears the rulings by the four justices who voted against the Governor were based on how they interpreted what the Legislature meant when they wrote the law. The four justices wording in their decision was a balanced budget had to be passed by the Legislature first, then if there was a financial problem, the Governor could unallot. The three dissenting opinions strongly worded their position that the court was going too far in its interpretation of the law or what Legislators meant when they passed it.

The Chief Justice C.J. Magnuson was one of the judges who voted to over turn the Governor. Chief Justice Magnuson was appointed less than three years ago by Governor Pawlenty and was a former law partner of the Governor. Justice Magnuson was on the panel with Secretary of State, Mark Ritchie deciding the Coleman/Franken election. There were several thousand more votes cast in 2008 than people who registered at the polls yet this panel let all the votes count.

Justice Magnuson sent a letter to Governor Pawlenty resigning from the Supreme Court in the near future.

With the court decision it appears the odds for a bill passing for a new Vikings Stadium dropped dramatically as did the hope of a second Bonding Bill.

The obvious big issue now is the remaining budget deficit of \$400 million dollars plus the \$2,700,000,000 deficit the court over turned with just over a week remaining in the Legislative Session. The current budget ends on June 30, 2011. The forecast for the next budget is a \$6,000,000,000 shortfall, that budget starts July 1, 2011 and goes to June 30, 2013.

It appears the only solution is for the Legislature to ratify the Governor's cuts and try to deal with the remaining \$400 million dollar shortfall. If Legislators don't ratify the Governor's cuts it could be a long summer with or without a Special Session(s). The next week will be very interesting.

On Thursday afternoon H.F. 2060/S.F. 1886 “Storm Chaser Bill” Chief Author Phil Sterner (D-Rosemount) was up for a vote on the House floor, Representative Sterner added residential remodelers to the bill to make sure all groups of contractors were covered. After some debate related to the budget and not the bill, the House voted 122 to 9 in favor of the bill. There were some differences between the House Bill and the Senate Bill, the House Bill was preferred and Senator Saltzman agreed to take the House Bill language and concur. By the Senate concurring with the House on Friday there was no need for a Conference Committee so the bill was sent to the Governor for his signature.

Thursday certainly showed that America is about freedom and the cost of that freedom. It was the designated National Day of Prayer, with a sizeable crowd on the Capitol lawn with a singing group and several speakers. In the Capitol Rotunda, the Minnesota Atheists were holding their event. Across the large Capitol lawn and freeway was the funeral for Police Officer Joseph Bergeron at the St. Paul Cathedral. It was quite a sight to watch the funeral procession with over 800 police vehicles from five states pass by with their lights flashing. There were over 4,000 people in attendance at the funeral. The processional lasted over 45 minutes.

Friday the Senate finally passed the Department of Commerce Omnibus Bill S.F. 2839 Senator Linda Scheid, (D-Brooklyn Park). The bill awaits action on the House floor.

The week saw a Health Care Bill pass both the House and Senate with a Conference Committee working out the differences. This bill is likely headed for a veto by Governor Pawlenty.

The 2010 Legislative Session ends on Monday, May 17th but in the second year of the biennium, the session really ends at midnight on Sunday because, according to the State Constitution, no business can be transacted on the last day of session when the Legislature adjourns Sine Die.