

May 18, 2010

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

**FR: MARCUS MARSH, GOVERNMENT AFFAIRS MANAGER**

**RE: WEEKLY LEGISLATIVE REPORT**

The 2010 Minnesota Legislative Session is over.

The Legislature adjourned at 12:00 PM on Sunday evening after Legislative Leaders and Governor Pawlenty came to an agreement on the budget. At 12:01 AM the Governor called a Special Legislative Session which recessed until the next morning allowing the Revisor's Office to draft the agreement in bill form. By noon on Monday the House and Senate both passed the compromise budget bill and sent it to the Governor. The Legislature adjourned until January 4, 2011.

The compromise budget bill delays \$2 billion dollars in school aid payments into the next budget which starts July 1, 2011. The bill approved about \$2 billion in budget cuts the Governor unallotted that was over turned by the State Supreme Court. The third major item Governor Pawlenty allows the next governor to decide if they wish to sign Minnesota up for a new extended Medicare Health Program that was part of the Federal Health Care Bill passed in Congress a few weeks ago. The concern Governor Pawlenty raised as to why he would not agree to sign up Minnesota is because the Federal Rules and Guidelines have not yet been set and there is no clear understanding of the costs of the program and who is paying. The incentive from the Federal Government of \$1 billion dollars that some Legislators were touting was a risk because for money up front, the State of Minnesota is committed to a program of which there is no switching back once the state has signed up.

I wrote in my last report the next State Budget is already projected to be \$6 billion dollars in the red, so with the delay in payments to school districts that budget is now at least \$8 billion dollars in deficit.

For us in the Property and Casualty Insurance Industry we had a good session, nothing passed that hurt us as we stopped all harmful legislation.

The Storm Chaser Bill H.F. 2060/S.F. 1886 Chief Authors Representative Phil Sterner (D-Rosemount) and Senator Kathy Saltzman (D-Woodbury) passed and was signed by Governor Pawlenty. This new law becomes effect August 1, 2010 and should help control the out of state roofers because it prohibits rebates or offering to pay the insured's

deductable. Also, it allows the insured to rescind a contract or written agreement with a contractor if the insurer denies the claim.

The Department of Commerce Omnibus (Technical) Bill H.F. 2942/S.F. 2839 Representative Joe Atkins (D-Inver Grove Heights) and Senator Linda Scheid (D-Brooklyn Park) passed and was sent to the Governor. There were no provisions in the bill that hurt our member companies.

There are several members of the House and Senate that are not running for re-election, plus indications are voters are not happy with government at any level so it will be an interesting election. Without doubt there will be several new Legislators and a new Governor for the 2011 Legislative Session.

Once again we were successful at MAFMIC because of everyone working together, calling, e-mailing, writing, or speaking in person to your representative and senator.  
**Thank you.**