2012 Legislative Session Wrap Up

MADA went into this Legislative Session with three major Legislative priorities:

1) Remove the requirement that license plates/registration stickers be attached at time of sale when using the CVR system;
2) Simplify the ability to obtain a lien release on liens older than 7 years old when the lien holder cannot be found; and
3) Simplify bonded title procedure on cars where one or more owners cannot be located.

MADA is pleased to announce that all three priorities were passed by the Legislature and signed into law by Governor Dayton.

The 2012 Legislative Session was dominated by major battles over a new Vikings Stadium, bonding projects, and tax reform. Ultimately, Governor Dayton’s two major legislative priorities—passing a bonding bill and securing a new Vikings stadium did pass. The Legislature passed two tax policy bills—considered a major Republican priority – which were both ultimately vetoed by the Governor.

Unlike last session, this was not a budgeting year. Traditionally, the second year of the biennium (the two year Legislative cycle), is reserved for bonding. Several Republicans, however, did not believe a bonding bill was necessary this session in light of the fact that the Legislature approved a $500 million bonding bill last session.

Eventually, the Legislature passed, and Governor signed a slimmed down $496 million bonding bill which included several regional projects and monies for much needed restoration and renovation work to the State Capitol building.

Overall, this year saw at total of 1,291 bills introduced in the House and 1,148 bills introduced in the Senate. Of the 2,439 bills which were introduced 182 were sent to Governor Dayton for his signature; 151 were signed into law and 31 were vetoed.

The Legislature will reconvene, following the fall elections, on January 8, 2013.
MADA Bill Increasing Flexibility for CVR Users

HF2187 – Rep. Bruce Vogel (R-Willmar)
SF1791 – Sen. Al DeKruif (R-Madison Lake)
CH. 174
Effective Date: Immediately

MADA advocated for a change to the law to remove the requirement that the vehicle license plate or registration sticker must be attached to the vehicle on the same day of the vehicle sale when dealers are using the optional Computerized Vehicle Registration (CVR) system. This change will allow dealers more flexibility in using the CVR system.

This bill should ease concerns of some dealers who may have resisted using CVR because of the requirement to issue registration immediately. Several dealerships were reluctant to move control of plates and stickers out of the business office, other dealers resisted CVR for fear of releasing vehicles with registration attached pending completion of financing or checks clearing. These issues have been addressed by this new law, giving the dealers the flexibility needed to enable broader implementation the CVR program.

MADA Bill to Streamline Lien Releases

HF2187 – Rep. Bruce Vogel (R-Willmar)
SF1791 – Sen. Al DeKruif (R-Madison Lake)
CH. 174
Effective Date: August 1, 2012

This bill allows dealers who are holding a vehicle for resale to obtain a lien release by sending a letter to the lienholder by certified mail, return receipt requested. The dealer can then present to the department the returned letter as evidence of the attempted contact and be granted a clean title from the state. This mechanism would be available for liens more than seven years old.
MADA Bonded Title Procedure

HF2685 – Rep. Mike Beard (R-Shakopee)
SF2321 – Sen. Joe Gimse (R-Willmar)
CH:287
Effective Date August 1, 2012

MADA advanced a change in the law that will create a more efficient bonded title procedure. Under the new law, a dealer, or customer will be able to avoid going to court to get a clean title on a vehicle five years old or more when one or more owners cannot be found. Using this new procedure to obtain a title, the applicant must pay all required taxes and fees, file a bond worth one and half times the value of the vehicle, and submit an affidavit that identifies the make, model year, and vehicle identification number of the vehicle, and include a statement that:

1. The applicant is an owner of the vehicle;
2. The applicant has physical possession of the vehicle; and
3. In attempting to transfer interest in the vehicle or obtain a certificate of title or lien release, the applicant was unable, after using due diligence, to
   (a) determine the names or locations of one or more owners, prior owners, or lienholders; or
   (b) successfully contact one or more owners, prior owners, or lienholders known to the applicant.

The bond would be on record for three years, or prior to that if the vehicle is no longer registered in the State of Minnesota and the title is surrendered.

Motor Vehicle Salvage Title Regulations Modified

HF2136 – Rep. Tim Sanders (R-Blaine)
SF1734 – Sen. Paul Gazelka (R-Brainerd)
CH: 267
Effective Date: August 1, 2012

The Association of Automotive Service Providers and the Insurance Federation of Minnesota came together to advance a bill to reform the state’s salvage title law. The bill originally had two main objectives: (1) to remove “high value vehicles” (that is, vehicles older than 6 years old, with actual cash value of greater than $5,000) from the requirements of the state salvage title brand law; and (2) to redefine the damage threshold that triggers a salvage title brand. The first provision of the bill did not survive the Legislative process, but the second section became law.
The first provision of the bill, which attempted to remove vehicles older than 6 years old from the state salvage title brand law was opposed by MADA. This provision also drew a fiscal note from the state budget office due to the fact that the proposed change would have decreased the number of vehicles subject to state salvage inspections. Since fewer salvage inspections also mean fewer inspection fees being paid to the state, the loss in revenue meant that the bill was out of balance. The bill’s author ultimately removed the section from the bill, leaving the current law subjecting high value vehicles to salvage title brands unchanged.

The second provision of the bill changes the threshold for the amount of damage a vehicle can sustain before a salvage title brand is triggered. The current law requires a title brand when a vehicle has sustained damage in excess of 70% of the actual cash value of the vehicle, excluding the cost to repair and replace the airbag and airbag components. The new law raises the damage threshold to 80% of the vehicle’s actual cash value, and the damage calculation now includes the cost to replace and repair airbag and airbag components.

MADA expects the bill’s advocates to attempt to again change the salvage title threshold for high value vehicles in 2013.

**Veteran’s Plates Surcharge for One-Ton Trucks Eliminated**

HF2685 – Rep. Mike Beard (R-Shakopee)  
SF2321 – Sen. Joe Gimse (R-Willmar)  
CH:287  
Effective Date: Immediately

Current law allows DVS to issue special license plates to applicants who served in the active military service in a branch of the armed forces of the United States or of a nation or society allied with the United States in conducting a foreign war, was discharged under honorable conditions, and is a registered owner of a passenger automobile, recreational motor vehicle, or one-ton pickup truck. The current law requires payment of an additional $10 fee for each set of veteran’s plates, and it imposes another $5 surcharge for plates issued for one-ton trucks. This year, the Legislature eliminated the $5 surcharge on veteran’s plates for one-ton trucks.
Vehicle Sales Tax Exemptions Expanded

HF2685 – Rep. Mike Beard (R-Shakopee)
SF2321 – Sen. Joe Gimse (R-Willmar)

CH: 287

Effective Date: Effective retroactively for sales and purchases made on and after January 1, 2011

The Legislature has expanded the list of vehicle purchases exempt from the motor vehicle sales tax to include motor vehicles purchased exclusively as mobile medical units for medical or dental services by a federally qualified health center from certain taxes and fees. Please note the retrospective effective date of this provision.

Authorizing a New Deputy Registrar Office in Scott County; Golden Valley Deputy Registrar Office Provision Eliminated

HF1175 – Rep. Mark Buesgens (R-Jordan)
SF0929 – Sen. Claire Robling (R-Jordan)

CH: 219

Effective Date: August 1, 2012

The Legislature has directed the MN Department of Public Safety to establish an additional deputy registrar facility in the City of Elko New Market in Scott County. During debate of the Scott County deputy registrar bill, an amendment was added to this bill which directed DVS to reopen the Golden Valley deputy registrar’s office. However, the Golden Valley language was stripped out during negotiations, after DVS agreed to reopen the Golden Valley office, without legislation, during the summer of 2012.

Additional Tax Authorized for Excessive Gross Weight Limits for Heavy Duty Trucks

HF2685 – Rep. Mike Beard (R-Shakopee)
SF2321 – Sen. Joe Gimse (R-Willmar)

CH: 287

Effective Date: October 1, 2012 and applies to all registrations and special permits issued on or after that date

This provision authorizes the Commissioner of MNDot to impose an additional tax on the special permit fee if the excessive gross weight of a heavy duty truck is greater than the gross weight for which the vehicle is registered. The additional tax must equal the amount of
additional registration tax that would be due if the vehicle were registered at the weight allowed by the permit, prorated to the number of days the permit will be valid.

Annual Permit for Overdimensional Loads

HF2685 – Rep. Mike Beard (R-Shakopee)
SF2321 – Sen. Joe Gimse (R-Willmar)
CH:287
Effective Date: August 1, 2012

This bill creates a new category for overdimensional vehicles weighing from 145,000-155,000 pounds, and authorizes an annual permit fee of $900 per vehicle. Under current law, vehicles in that weight class must obtain single-trip permits based on weight and distance travelled.

Oversize/Overweight Permits May Be Carried In Electronic Format

HF2685 – Rep. Mike Beard (R-Shakopee)
SF2321 – Sen. Joe Gimse (R-Willmar)
CH:287
Effective Date: August 1, 2012

Permits for oversize or overweight loads may now be carried in electronic format if the permit is easily read. Current law requires the permit to be in the vehicle and available for inspection.

Electronic Insurance Verification

SF1875 – Sen. Gary Dahms (R-Hutchinson)
CH: 185
Effective Date: August 1, 2012

This bill will allow auto insurers to provide proof of insurance in an electronic format if the insured driver agrees.
Increase in Conciliation Court Threshold

HF868 – Rep. Ron Shimanski (R-Silver Lake)
SF506 – Sen. Julianne Ortman (R-Chanhassen)
CH: 283
Effective Date: August 1, 2012

The Legislature increased the maximum limit for filing a claim in the conciliation court from $7,500 to $10,000, and left the limit the same at $4,000 for consumer credit claims where the lender is the claimant. In addition, the maximum limit increases from $10,000 to $15,000 for claims filed after August 1, 2014. No changes are made to limits for claims on consumer credit transactions.

Conciliation court actions must be conducted without a jury and by a simple and informal procedure. The filing fee in conciliation court is $65, compared to $310 in District Court.

Pioneer Vehicle Titles

HF2239 – Rep. Mike Benson (R-Rochester)
SF2202 – Sen. Carla Nelson (R-Rochester)
CH: 195
Effective Date: August 1, 2012

This bill creates a new class of vehicle title brand for “restored pioneer vehicles” (those originally manufactured before 1919 and have had one or more essential parts replaced). The bill will allow restored pioneer vehicles to bear a special "pioneer" license plate. It also changes the title application process and vehicle title application information required for restored pioneer vehicles.

Sheriff Vehicle Color Expansion

HF2685 – Rep. Mike Beard (R-Shakopee)
SF2321 – Sen. Joe Gimse (R-Willmar)
CH:287
Effective Date August 1, 2012

This bill expands the allowable main color of the vehicle of a county sheriff’s office to include black or gold. Currently, the vehicles are restricted to be predominantly brown or white. Furthermore, it allows security companies to continue to operate gold security vehicles if they were put into use prior to August 1, 2012.
Unmarked DNR Vehicles Must Display Plates

HF2685 – Rep. Mike Beard (R-Shakopee)
SF2321 – Sen. Joe Gimse (R-Willmar)
CH:287
Effective Date: August 1, 2012

The Legislature has decreased the list of vehicles exempt from taxes, registration fees, or plate display to now require vehicles used by conservation officers of the Division of Enforcement and Field Service of the Department of Natural Resources to be registered and display appropriate license number plates.

Junked Motor Vehicle Buyer Class Eligibility Expanded

HF2736 – Rep. Chris Swedzinski (R-Ghent)
SF2273 – Sen. John Howe (R-Red Wing)
CH. 163
Effective Date: August 1, 2012

This bill will allow new and used motor vehicle dealers who hold a "scrap metal processor" license to acquire a vehicle declared as an “unrepairable total loss” from a salvage pool or insurance company, dismantle the vehicle, and sell both the parts and the remaining scrap materials. Currently such activity is only allowed if the new or used motor vehicle dealer holds a "used vehicle parts dealer" license. This bill was brought to the Legislature by salvage pool operators aiming to expand the pool of eligible buyers of vehicles that are sold for parts or scrap.

Vehicle Combination Allowed To Transport Property and Equipment

HF2793 – Rep. Ron Shimanski (R-Silver Lake)
SF2426 – Sen. Al DeKruif (R-Madison Lake)
CH: 147
Effective Date: March 31, 2012

This bill expands the types of transport allowable for certain vehicle combinations that under state statutes can be longer than the general maximum combined length of 75 feet so that movement of property or equipment (in addition to commodities) is permitted for the combinations. This bill was necessary so that larger scale equipment for events such as the state fair could be more efficiently transported.
Snowmobile Fees Increased

HF2171 – Rep. Tom Hackbarth (R-Eidelweiss)
SF1943 – Sen. Bill Ingebrigtsen (R-Alexandria)
CH: 277
Effective Date: July 1, 2012

This bill increases the fees for registration of each snowmobile owned by an individual, other than those used for an agricultural purpose, from $45 to $75 for three years and from $4 to $10 for a duplicate or transfer. The $30 fee increase reflects the fee for the current state trail sticker that has been combined with snowmobile registration under this bill.

The bill also removes a requirement that temporary snowmobile registration permits indicate whether a state trail sticker was purchased, since registered snowmobiles will no longer be required to display a state trail sticker. State trail stickers are now required to be affixed to the snowmobile only if they are not registered in the state, or if the snowmobile is registered by a manufacturer or dealer for demonstration, research or testing purposes. A $70 penalty will be imposed for violation of the requirement of the snowmobile state trial sticker law.

Additionally, snowmobiles that have unexpired registration and valid state trail stickers as of July 1, 2012 are required to continue to display the trail sticker until it is time to renew registration under the new law.

An exemption to snowmobile registration requirements has been added for snowmobiles registered by an Indian tribal member if the snowmobile has been outside the tribal reservation boundary for less than 30 consecutive days.
Vikings Stadium

HF2958 Rep. Morrie Lanning (R-Moorhead)
SF2469 Sen. Julie Rosen (R-Fairmont)
CH: 299
Effective Date: Various Dates

The Vikings stadium was an issue that hung over the entire Legislative Session. This bill, along with a bonding bill, were considered to be Governor Dayton’s two major Legislative priorities. The final plan is for a $975 million stadium with a seating capacity of 65,000, to be constructed downtown Minneapolis at the current Metrodome location.

The new stadium plan includes a fixed roof although the team’s owners may decide to put on a retractable roof—an expense to be covered by the team. The Vikings will sign a 30-year lease at the new stadium, receive the revenue from the field’s naming rights, and, importantly, will be responsible for any cost over-runs.

The final stadium payment structure includes $477 million of construction costs to be covered by the Vikings, the City of Minneapolis will pay $150 million, and the State will spend $348 million. Minneapolis’ contribution to the cost will be generated from an existing set of sales taxes. These existing taxes include a citywide general sales tax, a downtown restaurant and liquor tax, and a tax on hotel rooms. As part of this deal the City of Minneapolis will also able to redirect a portion of those sales tax contributions to renovate the aging Target Center—home of the Timberwolves and Lynx basketball teams.

Minnesota’s contribution will come from a modernization of lawful, charitable gambling by implementing electronic pulltabs and bingo. No General Fund money will be used. The final vote in the House (71-60) and Senate (36-30) were the final acts of official business of the 2012 Legislative Session.
BILLS THAT DID NOT PASS

Single License Plate Amendment
Amendment to SF2321 by Sen. Geoff Michel (R-Edina)
Amendment to HF1284 by Rep. Joe McDonald (R-Delano)

During the House of Representatives debate of the Omnibus Transportation Policy Bill I, HF1284, Rep. Joe McDonald (R-Delano) along with 70 bi-partisan co-authors, successfully amended the bill to include a provision that would allow vehicles to display only a single license plate on the rear bumper. MADA supports the single plate amendment.

This marked the first time in recent memory that the single plate amendment has moved past a committee hearing. After the sudden and unexpected inclusion of the single plate amendment to the House bill, MADA worked quickly to gain support in the Senate.

MADA worked closely with Sen. Geoff Michel (R-Edina) who offered the single plate amendment to SF2321 (The Senate Omnibus Transportation bill). This amendment, like the House amendment, would require a license plate only on the back bumper of a vehicle. Even with bipartisan support from Senate leaders like Michel, Sen. Warren Limmer (R–Maple Grove), Sen. David Tomassoni (DFL–Chisholm), who spoke favorably on the amendment, the amendment failed 22-31, and was not adopted onto the larger bill. Senators speaking against the amendment were Sen. Bill Ingebrigtsen (R-Alexandria), Sen. Mike Parry (R-Waseca), and Sen. John Howe (R-Red Wing).

“Ban The Box” Legislation
HF1448 –Rep. Carol McFarlane (R-White Bear Lake)
SF1122 – Sen. Doug Magnus (R-Slayton)

This bill would add private employers (the law currently applies only to public employers) to those who cannot inquire about a job applicant’s criminal history, credit history, or credit score until the applicant has been selected for an interview. This bill was brought to the Legislature by the Second Chance Coalition, a non-profit seeking to help reformed felons seek employment under the assumption that those who “mark the box” on a job application are treated unfairly and denied interviews.

This legislation also posed a bit of a problem for MADA’s government affairs team this year. MADA has been employing the law firm of Lockridge, Grindal, and Nauen (LGN) to supplement its government affairs team for the last several years. However, between the time MADA’s 2011 contract with LGN ended, and the 2012 contract was to renew, LGN agreed to represent the Second Chance coalition in their efforts to advance the “Ban the Box” legislation. Due to this unfortunate conflict of interest, MADA choose to work with the government affairs attorneys at Winthrop & Weinstine instead. MADA was part of a larger business coalition, including the Minnesota Chamber of Commerce and Minnesota Business Partnership, opposed
to this legislation. This bill was not heard in either a House or Senate committee in 2012. However, MADA expects to see this legislation revisited in 2013.

Occupational Licensure Modification
SF1629 – Sen. Chris Gerlach (R-Apple Valley)

This legislation was an attempt to severely limit the government’s ability to impose occupational licensure requirements in Minnesota. This bill would create a right for an individual to pursue a lawful occupation free from any regulations that pose a significant difficulty or cost. Most importantly, the bill created a cause of action for individuals who believe that state regulation of an occupation is too onerous. Should an individual bring a claim based on this bill, the government would be required to prove by the highest standard of evidence in civil court that the regulation protects citizens against “present and recognizable harm to the public health or safety,” and that the regulation is the least restrictive means of protecting the public health or safety.

This proposal would essentially turn occupational licensing upside-down, and would increase litigation over long-established licensing regulations in several sectors of the state’s economy.

Under current law, new and used auto dealers must be licensed in Minnesota. MADA opposed this bill because of concerns that it would allow individuals to engage in automobile sales without a license which could result in fraud and abuse. MADA was part of a larger coalition, including the Minnesota Department of Commerce, opposing this bill. MADA met privately with several of the bill’s co-authors to express our concerns and testified against this bill during the Senate Commerce Committee hearing.

This bill passed the Senate Commerce Committee, but did not move beyond that committee nor did it receive a hearing in the House this session. However, the plaintiff’s law firm that is advocating for passage of this legislation has already indicated their intent to continue to pursue the bill in 2013.

Scrap Metal Sales Modification
HF1901 – Rep. Carol McFarlane (R-White Bear Lake)
SF2411 – Sen. John Harrington (DFL-St. Paul)

This bill proposed to make it more difficult to sell vehicles for scrap by requiring proof of ownership of all motor vehicles at the time of sale to a scrap metal dealer. This bill was being promoted by a coalition of law enforcement groups driven by the increase in vehicle thefts. MADA successfully worked with the Ramsey County Attorney and the bill’s author to protect dealer’s ability to efficiently sell vehicles for scrap. This bill received a hearing in the House Transportation Committee but never received a hearing the Senate.
Rent-To-Own and Lease-To-Own Used Vehicles Sales Tax Collection Timing
HF2636 – Rep. Kelby Woodard (R-Belle Plaine)
SF2272 – Sen. Al DeKruif (R-Madison Lake)

This bill proposed to change the sales tax collection timing on rent-to-own and lease-to-own used motor vehicle purchases by specifying that the sales tax is due on the amount of the down payment when the down payment is paid, and on each periodic payment when a periodic payment is made. This bill was vetoed by Governor Dayton as part of the larger Tax Omnibus bill (HF2337) and vetoed a second time when it was included in a second Tax Omnibus Bill (HF247). MADA expects to see the Legislature revisit this issue in 2013.

Online Vehicle Insurance Verification
HF1323 – Rep. Joe Hoppe (R-Chaska)
SF752 – Sen. Gary Dahms (R-Redwood Falls)

This bill would have established a new mechanism for verifying mandatory automobile insurance coverage, under a real-time online system to be designed and maintained by the Department of Public Safety. Essentially, it would have created an online motor vehicle insurance verification system. Among the bill’s provisions, the bill provides for rulemaking to establish the system, sets various system design and administrative requirements, authorizes use of the system to verify auto insurance, and mandates a Legislative report. MADA voiced concern with this bill because the bill originally paid for the new electronic system through a new tax on motor vehicle registration. This bill was heard in the House and Senate Transportation Committees, this year, but died during the committee process.

A modified provision was added to SF1875/HF2307, which was signed into law, which will allow auto insurers to provide proof of insurance in an electronic format if the insured driver agrees. That provision becomes effective August 1, 2012.
Event Ticket Practices
HF657 – Rep. Joe Hoppe (R-Chaska)
SF425 – Sen. Chris Gerlach (R-Apple Valley)

When this bill was originally introduced, in 2011, it included a host of burdensome regulations on ticket issuers (like the Twin Cities Auto Show) including mandates to:

- maintain a toll-free telephone number for complaints and inquiries regarding its activities in the sale of event tickets;
- make available to consumers who purchase event tickets an independent third-party dispute resolution procedure for resolving disputes with consumers regarding the sale or resale of event tickets;
- provide advance public notice of its ticket policies including numbers of tickets to be made available to gen public and tiers/classes of tickets available and required new disclosures on tickets.

The bill was ultimately pared down to its final version, which merely prohibits a ticket issuer from restricting ticket resale, and ensures that ticket purchasers may resell or transfer their tickets. This bill passed the House of Representatives and the Senate Commerce Committee in 2012 but failed to make its way through the entire Senate committee process.

Sales Tax Exemption for Foreign Car Sales for Overseas Service members
HF1948 – Rep. Dean Urdahl (R-Grove City)
SF1812 – Sen. Mike Parry (R-Waseca)

The bill would have exempted from state sales tax the first $25,000 of the value of a passenger automobile or motorcycle purchased outside the United States by a member of the U.S. Armed Forces while serving in federal active service outside the U.S. This exemption would be limited to the purchase of one passenger auto or motorcycle during the person’s lifetime, irrespective of whether the service member is a resident of this state at the time of purchase. This bill was heard in several House committees but was never heard in the Senate.

Electric Vehicle Registration Fee Increase
HF2315 – Rep. Mike Beard (R-Shakopee)
SF2308 – Sen. Al DeKruif (R-Madison Lake)

This bill proposed an increase in electric vehicle registration tax per year by $100 for electric vehicles. Currently roads, bridges, and other essential infrastructure projects are in part funded through the state’s gas tax. Due to the lost gas tax revenue from electric cars this was an attempt by the state to recuperate some of that money. This bill never received a hearing in either the House or the Senate.
Coolant/Antifreeze Regulation
HF2599 – Rep. John Kriesel (R-Cottage Grove)
SF2232 – Sen. Katie Sieben (DFL-Newport)

This bill would ban engine coolant or antifreeze that contains more than ten percent ethylene glycol. It would prohibit antifreeze or coolant from being manufactured, distributed, or sold in this state unless it contains denatonium benzoate at a minimum of 30 parts per million and a maximum of 50 parts per million as an aversive agent so as to render the product unpalatable. This bill did not receive a hearing in either the House or Senate.

License Plate Clarification
HF2517 – Rep. Ron Shimanski (R-Silver Lake)
SF1140 – Sen. Mike Parry (R-Waseca)

This bill clarifies how and where a vehicle’s front and rear license plates must be displayed and mounted on the vehicle. Both plates must be mounted either on the bumpers or on another exterior location designed to hold a license plate. This bill was passed in the Senate but was not heard in the House.

Sales Tax Exemption Expansion
HF2689 – Rep. Carol McFarlane (R-White Bear Lake)
SF1483 – Sen. Chuck Wiger (DFL-Maplewood)

This bill would expand sales tax exemptions to include schools, the US government, certain governmental organizations, hospitals, and nursing homes. This bill would not, however, exclude building or construction materials, lodging, and goods and services from the sales tax exemption. MADA’s interest in this bill was due to the fact that leased motor vehicles, unless leased by the government, were included in those goods not exempt from sales tax. This bill did not receive a hearing in either the House or the Senate.
Embedded Equipment and Vehicles Recovery Standards  
HF1617- Rep. John Persell (DFL- Bemidji)

This bill proposed greater requirements to operate recovery vehicles, such as tow trucks. These changes included, among other things, mandatory increases in:

1) Training;  
2) Inspection;  
3) Communication during recovery; and  
4) Greater equipment requirements.

This bill never received a hearing in the House.

Reduced Statute of Limitations  
SF373 – Sen. Julianne Ortman (R – Chanhassen)  

Minnesota’s general statute of limitations is six years, the longest time period in the country in which to bring a claim for damages. All civil claims are subject to statutes of limitations, basically a legal countdown beginning when someone is injured. When the time expires, a claim can no longer be brought. This legislation proposed to reduce Minnesota’s statute of limitations from six years to four years.

This bill was one of four tort reform initiatives spearheaded by Minnesotans for Lawsuit Reform, a coalition of businesses which included MADA. The bill passed both Houses of the Legislature before ultimately being vetoed by the Governor.
Pre-judgment Interest Rate Reform  
SF530 – Sen. Julianne Ortman (R – Chanhassen)  
HF770 – Rep. Pat Mazorol (R – Bloomington)

In 2009, the Legislature increased the pre-judgment interest rate applied to larger awards and settlements (those greater than $50,000) from an index gauged to the one-year Treasury bill rate (which reflects the current interest rate environment) with a floor of 4%, to a flat 10% prejudgment interest rate. The higher 10% rate is having the negative impact of causing plaintiffs to not want an expeditious settlement of their case because of the ability to make more money generating interest under the prejudgment interest law than by investing funds in other investments. In 2010, the Legislature exempted all government units from having to pay the new 10% prejudgment interest rate. This bill would have restored the market rate calculation that determines the pre-judgment interest rate, applied to all public and private entities.

This bill was one of four tort reform initiatives spearheaded by Minnesotans for Lawsuit Reform, a coalition of businesses which included MADA. The bill passed both Houses of the Legislature before ultimately being vetoed by the Governor.

Class-Action Lawsuit Abuse Reform  
SF149 – Sen. Julianne Ortman (R – Chanhassen)  

Minnesota’s rules to prevent frivolous class-action lawsuits are among the weakest in the nation. It has become too easy in Minnesota to file questionable lawsuits, and companies often go through an expensive pre-trial process of providing information to plaintiff’s attorneys looking for evidence (known as the discovery process). Discovery should be stopped while an appellate judge rules on whether the lawsuit should be classified as a class action.

However, in Minnesota, discovery proceeds while the class certification is being challenged. Also, class action plaintiffs don’t have to prove they suffered any monetary damages to join a class. This leads to large cases based on the weakest of facts, where no real harm was done.

This bill makes Minnesota’s class certification process similar to other states so cases can be judged on their worthiness before the expense of most discovery is incurred. It also prevents frivolous lawsuits by requiring class members to prove they were actually harmed by the conduct of the defendant and to show they suffered at least some out-of-pocket loss.

This bill was one of four tort reform initiatives spearheaded by Minnesotans for Lawsuit Reform, a coalition of businesses which included MADA. The bill passed both Houses of the Legislature before ultimately being vetoed by the Governor.
Offer of Settlement
SF429 – Sen. Newman (R– Hutchinson)
HF747 – Rep. Mazorol (R – Bloomington)

In many areas of state law, the winning side in a lawsuit can be awarded attorneys’ fees. But in Minnesota, recent court decisions have made it nearly impossible for a defendant that wins a case to have their attorney’s fees paid. This is unfair to businesses particularly in employment law cases. In many cases, attorneys’ fees have even exceeded the amount of the monetary settlement or the court awarded verdict. Stacking the deck against the employers leads many employers to settle a case to avoid incurring high uncollectable attorney’s fees just to prove they are innocent.

This bill limits the amount of attorney’s fees that can be awarded if the plaintiff rejects a settlement offer, then wins a smaller amount once the case goes to trial. This helps prevent the plaintiff’s attorney from trying to force a higher settlement offer. If a plaintiff wins an amount less than what was originally offered, then attorney’s fees would be paid up until the time of the offer. The bill also allows judges to examine the reasonableness of the attorney’s fees sought in relation to the amount of damages that are awarded to the prevailing party.

This bill was one of four tort reform initiatives spearheaded by Minnesotans for Lawsuit Reform, a coalition of businesses which included MADA. The bill passed both Houses of the Legislature before ultimately being vetoed by the Governor.

Sunday Liquor Sales
Amendment to HF 2784 by Rep. Steve Drazkowski (R-Mazeppa)

A Sunday liquor sales amendment was offered to a larger liquor bill on the floor of the House of Representatives. This amendment would have allowed liquor stores to sell alcohol on Sundays and was defeated by a final vote of 97-25.

MADA monitors legislation pertaining to Sunday liquor sales since the legislation is a possible vehicle for amendments on Sunday auto sales. MADA expects to see this issue continue to be debated by the 2013 Legislature.