HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 1014 **DATE:** March 24, 2006

Version: DE amendment H1014DE1-1

Authors: Clark

Subject: Health impact fee on alcohol

Analyst: Rebecca Pirius, 651-296-5044

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Overview

This bill creates an alcohol health impact fee that is intended to be the equivalent of a point-of-sale increase of ten cents per drink. The collected fees are credited to a fund that defrays the costs of legislative initiatives aimed at reducing impaired driving offenses and preventing crime, injury, and loss of life through chemical dependency prevention, screening, and treatment, through increased law enforcement, prosecution, and incarceration efforts, through new prostitution assessment and treatment plans, and through increased penalties on repeat misdemeanant crimes. The fee also funds a two-year pilot project to create the Phillips Neighborhood Safe Zone.

Section

- Legislative findings and intent. Provides legislative findings on the cost of drug and alcohol abuse to society and the legislative intent to defray those costs with an alcohol health impact fee.
- 2 Alcohol health impact fund and fund disbursements.
 - **Subd. 1.** Creates an alcohol health impact fund. Revenue from the health impact fee in **section 28** is credited to this account.
 - **Subd. 2.** Requires the commissioners of public safety, corrections, and human services to certify to the commissioner of finance the state budget costs attributable to

H.F. 1014 March 24, 2006 Version: DE amendment H1014DE1-1 Page 2

Section

alcohol and controlled substance use by April 30 of each fiscal year. Delineates the costs.

Subd. 3. Directs the commissioner of finance to transfer funds from the alcohol health impact fund to the general fund.

- **Emergency shelter zone.** Defines emergency shelter zone to include crisis shelters for battered women or housing networks for battered women.
- **Homeless shelter zone.** Defines homeless shelter zone as a shelter that serves the needs of emergency and long-term homelessness.
- **School zone.** Adds school bus stops to the definition of school zone.
- **Sale crimes.** Adds emergency shelter zone and homeless shelter zone to the controlled substance crime in the first degree.
- **Sale crimes.** Adds emergency shelter zone and homeless shelter zone to the controlled substance crime in the second degree.
- **Possession crimes.** Adds emergency shelter zone and homeless shelter zone to the controlled substance crime in the third degree.
- **Sale crimes.** Adds emergency shelter zone and homeless shelter zone to the controlled substance crime in the fourth degree.
- Level of care recommended in chemical use assessment. R equires all DWI offenders, as well as offenders convicted of another offense arising out of the circumstances surrounding the arrest, to submit to the level of care recommended in their chemical use assessments. Under current law, only repeat offenders and offenders with a blood alcohol content of 0.20 or more must comply with the recommendations of the chemical use assessment.
- When required. Technical conforming amendment with section 13.
- Chemical use assessment. P rovides that chemical use assessments authorized by the commissioner comply with the assessment requirements in Minnesota Statutes, section 169.70, when a driver's record shows a second or subsequent report of a blood alcohol content of 0.07 or more within two years of a prior recorded report,
- Chemical use assessment requirement. Provides that persons convicted of a violent crime must undergo a chemical use assessment. Defines "violent crime" as the crimes listed in Minnesota Statutes, section 609.1095, plus assault in the fourth degree, assault in the fifth degree, and domestic assault.
- **Timing of assessment.** Provides that chemical use assessments be completed at the earliest time possible, preferably while the offender is being initially held in custody after arrest.
- Court's authority to require assessments in other instances. Allows the court to require a chemical use assessment of any person under its jurisdiction in a juvenile, criminal, or civil commitment proceeding.
- **Prostitution assessment and treatment.** Directs the commissioner of human services to promulgate rules to be used in conducting prostitution assessments under section 609.115.
- Strike current law under Minnesota Statutes, chapter 254B, regarding the current chemical dependency treatment funding allocation to conform with the full funding of chemical dependency treatment programs by the Department of Human Services in section 41, paragraph (c) (sections 17 to 19).

Under the bill, local agency chemical dependency treatment duties remain the same (section 20) while the county share of treatment costs falls from 15 percent to 5 percent (sections 21 and 25). Income requirements for nonentitlement services are eliminated (section 22),

H.F. 1014 March 24, 2006 Version: DE amendment H1014DE1-1 Page 3

Section

- though the sliding fee for nonentitlement services remains in place (sections 23 and 24).
- **Tax credit.** Increases the brewer's tax credit to conform with the new fee on beer. The tax credit applies brewers who manufacture less than 100,000 barrels of beer annually.
- **Deposit of proceeds.** Technical conforming change.
- **Alcohol health impact fee.** Imposes a fee on all distilled spirits, wine, fermented malt beverages, and miniature bottles manufactured, imported, sold, or possessed in the state. The fee is intended to be the equivalent of a point-of-sale increase of ten cents per drink.
- Program established. Expands the funding criteria for the community-oriented policing grant program under the Department of Public Safety to include the hiring of extra peace officers to investigate and prevent impaired driving and domestic violence crimes and grants for community policing in areas with high crime rates, gang, drug or prostitution activity. Grants for the latter must include education and training for peace officers and the community, the assignment of designated peace officers for at least a year in an exclusive area, and community outreach programs.
- **Awarding grants.** See above.
- 31 Phillips Neighborhood Safe Zone Pilot Project.

Paragraph (a) Directs the commissioner of public safety to establish a two-year Phillips Neighborhood Safe Zone pilot project that seeks to reduce criminal activity in the Phillips neighborhood.

Paragraph (b) Directs the commissioner to establish an oversight committee or utilize an existing committee to monitor the pilot project, conduct an evaluation, and disperse funds.

Paragraph (c) Directs the commissioner to report to the chairs and ranking minority members of the senate and house divisions having jurisdiction over criminal justice funding and policy on the results of the pilot project, by January 15, 2009.

- **Requirement to provide chemical dependency treatment.** Requires the state to fund and the counties to provide comprehensive chemical dependency treatment programs and services to individuals within the criminal justice system.
- Chemical use assessment required. Requires that pre-sentence investigations for persons convicted of a violent crime as defined in Minnesota Statutes, section 609.1095, subdivision 1, assault in the fourth degree, assault in the fifth degree, or domestic assault, include chemical use assessments.
- **Prostitution assessment required.** Requires a person who is convicted of a controlled substance crime or a prostitution crime (not including patrons) to undergo a prostitution assessment. The prostitution assessment report must include a recommended treatment plan. Treatment plans may include chemical dependency treatment, mental health treatment, aftercare services, sexual abuse treatment, or an individualized program focusing on counseling and social services.
- Chemical dependency treatment assessment charge. Makes the offender liable for the cost of the assessment. Payment is in addition to the criminal surcharge under Minnesota Statutes, section 357.021, subdivision 6, and is not waivable, unless the court finds that the defendant is indigent.
- **Violation of an exclusion order.** Creates a gross misdemeanor penalty for violation of a court-ordered exclusion order. An exclusion order is defined as an order entered by the court as a condition of release or probation that an individual is not to enter a specified

H.F. 1014 March 24, 2006

Version: DE amendment H1014DE1-1 Page 4

Section

geographic area.

- Certain persons to receive mandatory chemical dependency treatment. Requires persons convicted of a violent crime, but whose sentence has been stayed by the court, to submit to the level of care recommended in the chemical use assessment described in Minnesota Statutes, section 169A.70, as a condition of their probation.
- **Application.** Adds trespass to the list of misdemeanors that may be enhanced to a gross misdemeanor if the court determines that the offender has two or more prior convictions. Amends the local ordinance provision to include trespass or loitering with intent to commit a crime.
- **Study; Sentencing Guidelines Commission.** Directs the commission to study the feasibility and effectiveness of extending the sentencing guidelines to include presumptive, fixed sentences for offenders convicted of misdemeanor and gross misdemeanor crimes. A report is required by January 15, 2007.
- **Judicial training.** Requires the Supreme Court to include training on a judge's powers and duties relating to chemical use assessments in its judicial education program.
- 41 Appropriations.

Paragraph (a), contains blank appropriations to the Commissioner of Public Safety to fund the following:

- more state troopers;
- community-oriented policing grants to combat impaired driving;
- community-oriented policing grants to combat domestic abuse;
- liquor license compliance checks; and
- domestic violence and victim services grants.

Paragraph (b) contains blank appropriations to the Commissioner of Corrections to fund the following:

- grants to counties for the incarceration of and programming for impaired drivers;
- incarceration of and programming for felony DWI offenders in state facilities;
- grants to counties for DWI repeat offender programs;
- increased chemical dependency treatment in the state prison system; and
- increased chemical dependency treatment for offenders on supervised release.

Paragraph (c) contains blank appropriations to the Commissioner of Human Services to fully fund chemical dependency treatment programs under Minnesota Statutes, section

H.F. 1014 March 24, 2006 Version: DE amendment H1014DE1-1 Page 5

Section

254B.04, subdivision 1.

Paragraph (d) contains blank appropriations to the chief justice of the Supreme Court to fund the following:

- increased judicial training regarding chemical use assessments; and
- grants to counties for costs related to conducting chemical use assessments and prostitution assessments.

Paragraph (e) contains blank appropriations to the Commissioner of Health to fund the following:

• education and prevention initiatives designed to eliminate underage drinking.

Paragraph (f) contains a blank appropriation to the commissioner of public safety to implement the Phillips Neighborhood Safe Zone Pilot.

Paragraphs (a) to (e) are added to the base appropriation of the corresponding department. Paragraph (f) is a one-time appropriation that carries over into FY 2008.

Section 30 repeals Minnesota Statutes 2004, sections 254B.02, subdivisions 2, 3 and 4; and 254B.09, subdivisions 4, 5 and 7, relating to chemical dependency treatment funding allocation.