

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-SECOND LEGISLATURE

FIFTY-SIXTH DAY

St. Paul, Minnesota, Thursday, May 17, 2001

The Senate met at 12:30 p.m. and was called to order by the President.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Jerry Ness.

The roll was called, and the following Senators answered to their names:

Anderson	Higgins	Langseth	Ourada	Scheevel
Bachmann	Hottinger	Larson	Pappas	Scheid
Belanger	Johnson, Dave	Lesewski	Pariseau	Schwab
Berg	Johnson, Dean	Lessard	Pogemiller	Solon
Berglin	Johnson, Debbie	Limmer	Price	Stevens
Betzold	Johnson, Doug	Lourey	Ranum	Stumpf
Chaudhary	Kelley, S.P.	Marty	Reiter	Terwilliger
Cohen	Kelly, R.C.	Metzen	Rest	Tomassoni
Day	Kierlin	Moe, R.D.	Ring	Vickerman
Dille	Kinkel	Murphy	Robertson	Wiener
Fischbach	Kiscaden	Neuville	Robling	Wiger
Foley	Kleis	Oliver	Sabo	
Fowler	Knutson	Olson	Sams	
Frederickson	Krentz	Orfield	Samuelson	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 564, 1964, 494, 960, 1369, 1472, 1666, 1552 and 1721.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1769: A bill for an act relating to transportation; allowing commissioner of

transportation to convey interest in certain land to property owners; modifying provisions for speed limits in highway work zones; modifying seasonal highway weight limitations; transferring responsibilities from transportation regulation board to commissioner of transportation; transferring, discontinuing, or changing description of portions of certain trunk highways; making technical and clarifying changes; repealing obsolete or invalid provisions; amending Minnesota Statutes 2000, sections 161.114; 161.115, subdivisions 36, 48, and by adding a subdivision; 161.24, subdivision 4; 161.442; 169.14, subdivision 5d; 169.825, subdivision 11; 174.02, subdivisions 4 and 5; 174.10, subdivisions 1, 3, and 4; 174A.02, subdivisions 1, 2, and 4; 174A.04; 174A.06; 218.031, subdivision 2; 218.041, subdivisions 4, 5, and 6; 219.074, subdivision 2; 219.384, subdivision 2; and 219.402; repealing Minnesota Statutes 2000, sections 174A.01; 174A.02, subdivision 5; 174A.03; 174A.05; 219.558; 219.559; 219.56; 219.681; 219.69; 219.691; 219.692; 219.695; 219.70; 219.71; 219.741; 219.743; 219.751; 219.755; 219.85; 219.97; 222.631; 222.632; and 222.633.

Senate File No. 1769 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Senator Ourada moved that the Senate do not concur in the amendments by the House to S.F. No. 1769, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 172: A bill for an act relating to crime prevention; limiting the number of offenses that are juvenile petty offenses; amending Minnesota Statutes 2000, section 260B.007, subdivision 16.

Senate File No. 172 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

CONCURRENCE AND REPASSAGE

Senator Ranum moved that the Senate concur in the amendments by the House to S.F. No. 172 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 172 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Bachmann	Frederickson	Kleis	Neuville	Rest
Belanger	Higgins	Knutson	Oliver	Ring
Berglin	Hottinger	Krentz	Olson	Robertson
Betzold	Johnson, Dean	Langseth	Orfield	Robling
Chaudhary	Johnson, Debbie	Larson	Ourada	Sabo
Cohen	Johnson, Doug	Limmer	Pappas	Sams
Day	Kelley, S.P.	Lourey	Pariseau	Samuelson
Dille	Kelly, R.C.	Marty	Pogemiller	Scheevel
Fischbach	Kierlin	Metzen	Price	Schwab
Foley	Kinkel	Moe, R.D.	Ranum	Solon
Fowler	Kiscaden	Murphy	Reiter	Stevens

Stumpf
Terwilliger

Tomassoni

Vickerman

Wiener

Wiger

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1541: A bill for an act relating to commerce; regulating currency exchanges, real estate brokers, real property appraisers, residential contractors, notaries public, and collection agencies; modifying certain continuing education requirements; regulating certain fees, costs, duties, rights, and penalties; regulating nonprofit corporations; requiring a study; appropriating money; amending Minnesota Statutes 2000, sections 45.0295; 53A.081, subdivision 2; 58.10, subdivision 1, by adding a subdivision; 60K.19, subdivision 8; 72B.04, subdivisions 6, 7; 80B.03, subdivision 4a; 82.195, subdivision 2; 82.196, subdivision 2; 82.197, subdivisions 1, 4, by adding a subdivision; 82.22, subdivision 13; 82.24, subdivision 8; 82.27, subdivision 3; 82.34, subdivision 15, by adding a subdivision; 82B.14; 317A.203; 326.91, subdivision 1; 326.975, subdivision 1; 332.41; 359.02; 507.45, subdivision 3.

Senate File No. 1541 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Senator Oliver moved that the Senate do not concur in the amendments by the House to S.F. No. 1541, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1407: A bill for an act relating to human services; modifying provisions in health care access programs; amending Minnesota Statutes 2000, sections 245B.02, by adding a subdivision; 245B.03, subdivision 1; 252.28, subdivisions 3a and 3b; 256B.056, subdivisions 1a, 4, and 5a; 256B.0595, subdivisions 1 and 2; 256B.0625, subdivision 9; 256B.0635, subdivision 1; 256B.071, subdivision 2; 256B.094, subdivisions 6 and 8; 256B.5013, subdivision 1; 256B.69, subdivision 3a; 256D.03, subdivision 3; and 256L.15, subdivision 1a; Laws 1996, chapter 451, article 2, sections 61 and 62; repealing Minnesota Statutes 2000, section 256B.071, subdivision 5; Laws 1995, chapter 178, article 2, section 46, subdivision 10; Laws 1996, chapter 451, article 2, sections 12, 14, 16, 18, 29, and 30.

There has been appointed as such committee on the part of the House:

Walker, Bradley and Wilkin.

Senate File No. 1407 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 722: A bill for an act relating to energy; providing for comprehensive energy conservation, production, and regulatory changes; amending Minnesota Statutes 2000, sections 16B.32, subdivision 2; 116C.52, subdivisions 4, 10; 116C.53, subdivisions 2, 3; 116C.57, subdivisions 1, 2, 4, by adding subdivisions; 116C.58; 116C.59, subdivisions 1, 4; 116C.60; 116C.61, subdivisions 1, 3; 116C.62; 116C.63, subdivision 2; 116C.645; 116C.65; 116C.66; 116C.69; 216B.095; 216B.097, subdivision 1; 216B.16, subdivision 15; 216B.241, subdivisions 1, 1a, 1b, 1c, 2; 216B.2421, subdivision 2; 216B.243, subdivisions 3, 4, 8; 216B.62, subdivision 5; 216C.41; proposing coding for new law in Minnesota Statutes, chapters 16B; 116C; 216B; 452; repealing Minnesota Statutes 2000, sections 116C.55, subdivisions 2, 3; 116C.57, subdivisions 3, 5, 5a; 116C.67; 216B.2421, subdivision 3.

There has been appointed as such committee on the part of the House:

Wolf, Ozment, Gunther, Holsten and Jennings.

Senate File No. 722 herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 491: A bill for an act relating to health; providing patient protections; amending Minnesota Statutes 2000, sections 45.027, subdivision 6; 62D.17, subdivision 1; 62J.38; 62M.02, subdivision 21; 62Q.56; and 62Q.58; proposing coding for new law in Minnesota Statutes, chapter 62D.

There has been appointed as such committee on the part of the House:

Goodno, Bradley and Greiling.

Senate File No. 491 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 5 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1397: A bill for an act relating to health and human services; changing requirements to background studies for licensed programs; amending Minnesota Statutes 2000, sections 13.46, subdivision 4; 144.057; 245A.02, subdivisions 1, 9, by adding a subdivision; 245A.03, subdivision 2, by adding a subdivision; 245A.035, subdivision 1; 245A.04, subdivisions 3, 3a, 3b, 3d, 6, 11, by adding a subdivision; 245A.06, subdivision 6; 245A.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Rules, parts 9543.3000; 9543.3010; 9543.3020; 9543.3030; 9543.3040; 9543.3050; 9543.3060; 9543.3080; 9543.3090.

There has been appointed as such committee on the part of the House:

Goodno, Bradley, Boudreau, Tuma and Larson.

Senate File No. 1397 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1215: A bill for an act relating to human rights; changing provisions pertaining to business discrimination and inquiry into a charge; permitting discretionary disclosure during investigation; amending Minnesota Statutes 2000, sections 363.01, subdivision 41; 363.03, subdivision 8a; 363.06, subdivision 4; 363.061, subdivision 2.

There has been appointed as such committee on the part of the House:

Holberg, Smith and Swapinski.

Senate File No. 1215 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1154: A bill for an act relating to the metropolitan radio board; extending the expiration date for the board to 2005; amending Laws 1995, chapter 195, article 1, section 18, as amended.

There has been appointed as such committee on the part of the House:

Rhodes, Dempsey and Kahn.

Senate File No. 1154 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 2001

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2036:

H.F. No. 2036: A bill for an act relating to Goodhue county; permitting the appointment of the auditor-treasurer and recorder.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Dempsey, Oskopp and Hilstrom have been appointed as such committee on the part of the House.

House File No. 2036 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 2001

Senator Murphy moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2036, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2362 and 2514.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 2001

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2362: A resolution memorializing Congress to pass legislation requiring cigarettes that are less likely to start fires.

Referred to the Committee on Rules and Administration.

H.F. No. 2514: A bill for an act relating to agriculture; expanding emergency authority of the board of animal health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals in the state; amending Minnesota Statutes 2000, section 35.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 35.

Senator Moe, R.D. moved that H.F. No. 2514 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Senator Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 634 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
634	648				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 634 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 634 and insert the language after the enacting clause of S.F. No. 648, the first engrossment; further, delete the title of H.F. No. 634 and insert the title of S.F. No. 648, the first engrossment.

And when so amended H.F. No. 634 will be identical to S.F. No. 648, and further recommends that H.F. No. 634 be given its second reading and substituted for S.F. No. 648, and that the Senate File be indefinitely postponed.

Pursuant to Rule 45, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred the following appointment as reported in the Journal for January 22, 2001:

MINNESOTA HOUSING FINANCE AGENCY

Marge Anderson

Reports the same back with the recommendation that the appointment be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred the following appointment as reported in the Journal for February 1, 2001:

MINNESOTA HOUSING FINANCE AGENCY

Marina Lyon

Reports the same back with the recommendation that the appointment be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred the following appointment as reported in the Journal for March 8, 2001:

WORKERS' COMPENSATION COURT OF APPEALS

Miriam Rykken

Reports the same back with the recommendation that the appointment be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which were referred the following appointments as reported in the Journal for April 18, 2001:

MINNESOTA HOUSING FINANCE AGENCY

Lee Himle

WORKERS' COMPENSATION COURT OF APPEALS

Thomas Johnson

Reports the same back with the recommendation that the appointments be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Anderson from the Committee on Jobs, Housing and Community Development, to which was referred the following appointment as reported in the Journal for May 8, 2001:

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT
COMMISSIONER

Rebecca Yanisch

Reports the same back with the recommendation that the appointment be confirmed.

Senator Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF HOUSE BILLS

H.F. No. 634 was read the second time.

MOTIONS AND RESOLUTIONS

Senator Metzen introduced--

Senate Resolution No. 133: A Senate resolution congratulating William Armstrong of West St. Paul, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

SPECIAL ORDERS

Pursuant to Rule 26, Senator Moe, R.D., Chair of the Committee on Rules and Administration, designated the following bills a Special Orders Calendar to be heard immediately:

S.F. No. 386, H.F. Nos. 655, 1310 and 1406.

SPECIAL ORDER

S.F. No. 386: A bill for an act relating to crime prevention; requiring the collection and analysis of data and the adoption of policies on racial profiling; requiring the retention of an independent outside expert to analyze data for the study; requiring law enforcement officers to provide information to drivers of stopped vehicles; requiring law enforcement training and conferences in eliminating racial profiling; requiring a report; appropriating money; amending Minnesota Statutes 2000, section 13.871, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 626.

Senator Day moved to amend S.F. No. 386 as follows:

Page 5, line 9, delete everything after the period and insert "Local law enforcement agencies that receive grants under section 626.9517 for the installation"

Page 7, after line 12, insert:

"Subd. 8. [APPLICABILITY TO STATE PATROL.] The state patrol is not required to participate in the study under this section."

Page 7, line 13, delete "8" and insert "9"

Page 13, delete line 5 and insert "section 626.9517, applies to the state patrol."

Page 13, line 33, delete everything after "626.9517" and insert a semicolon

Page 13, delete lines 34 and 35

Amend the title accordingly

CALL OF THE SENATE

Senator Ranum imposed a call of the Senate for the balance of the proceedings on S.F. No. 386. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Day amendment.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Bachmann	Frederickson	Larson	Oliver	Robling
Belanger	Johnson, Debbie	Lesewski	Olson	Schwab
Day	Kierlin	Lessard	Ourada	Stevens
Dille	Kleis	Limmer	Pariseau	Terwilliger
Fischbach	Knutson	Neuville	Reiter	

Those who voted in the negative were:

Anderson	Hottinger	Krentz	Price	Scheid
Berglin	Johnson, Dave	Langseth	Ranum	Solon
Betzold	Johnson, Dean	Lourey	Rest	Stumpf
Chaudhary	Johnson, Doug	Marty	Ring	Tomassoni
Cohen	Kelley, S.P.	Metzen	Robertson	Vickerman
Foley	Kelly, R.C.	Orfield	Sabo	Wiener
Fowler	Kinkel	Pappas	Sams	Wiger
Higgins	Kiscaden	Pogemiller	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Senator Kelly, R.C. moved to amend S.F. No. 386 as follows:

Page 3, line 19, delete "three" and insert "five"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 46 and nays 18, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, Debbie	Lesewski	Pariseau	Stevens
Chaudhary	Johnson, Doug	Lessard	Rest	Stumpf
Day	Kelly, R.C.	Limmer	Ring	Terwilliger
Dille	Kinkel	Lourey	Robertson	Vickerman
Fischbach	Kiscaden	Metzen	Robling	Wiener
Foley	Kleis	Neuville	Sams	Wiger
Fowler	Knutson	Oliver	Samuelson	
Frederickson	Krentz	Olson	Scheevel	
Johnson, Dave	Langseth	Orfield	Schwab	
Johnson, Dean	Larson	Ourada	Solon	

Those who voted in the negative were:

Anderson	Cohen	Kierlin	Price	Scheid
Belanger	Higgins	Marty	Ranum	Tomassoni
Berglin	Hottinger	Pappas	Reiter	
Betzold	Kelley, S.P.	Pogemiller	Sabo	

The motion prevailed. So the amendment was adopted.

Senator Limmer moved to amend S.F. No. 386 as follows:

Page 8, lines 12 and 35, delete "attorney general" and insert "commissioner of human rights"

Page 9, lines 1 and 8, delete "attorney general" and insert "commissioner of human rights"

Page 11, line 28, delete "attorney general" and insert "commissioner of human rights"

Page 14, line 33, delete "ATTORNEY GENERAL" and insert "HUMAN RIGHTS"

Page 14, line 35, delete "attorney general" and insert "commissioner of human rights"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 37, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, Debbie	Lesewski	Ourada	Schwab
Belanger	Kierlin	Lessard	Pariseau	Stevens
Day	Kiscaden	Limmer	Reiter	Terwilliger
Dille	Kleis	Neuville	Robertson	
Fischbach	Knutson	Oliver	Robling	
Frederickson	Larson	Olson	Scheevel	

Those who voted in the negative were:

Anderson	Hottinger	Lourey	Ranum	Stumpf
Berglin	Johnson, Dave	Marty	Rest	Tomassoni
Betzold	Johnson, Dean	Metzen	Ring	Vickerman
Chaudhary	Kelley, S.P.	Murphy	Sabo	Wiener
Cohen	Kelly, R.C.	Orfield	Sams	Wiger
Foley	Kinkel	Pappas	Samuelson	
Fowler	Krentz	Pogemiller	Scheid	
Higgins	Langseth	Price	Solon	

The motion did not prevail. So the amendment was not adopted.

Senator Pariseau moved to amend S.F. No. 386 as follows:

Pages 8 and 9, delete section 8 and insert:

"Sec. 8. [626.9515] [TOLL-FREE TELEPHONE NUMBER FOR RACIAL PROFILING COMPLAINTS.]

The attorney general shall establish and maintain a toll-free telephone number for racial profiling complaints involving traffic stops."

Page 15, line 2, after the semicolon, insert "and"

Page 15, line 7, delete "; and" and insert a period

Page 15, delete lines 8 and 9

Amend the title as follows:

Page 1, line 6, delete everything after "study;"

Page 1, line 7, delete everything before "requiring"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 33, as follows:

Those who voted in the affirmative were:

Bachmann	Johnson, Debbie	Lesewski	Pariseau	Stevens
Belanger	Kierlin	Lessard	Reiter	Stumpf
Day	Kiscaden	Limmer	Rest	Vickerman
Dille	Kleis	Neuville	Robertson	
Fischbach	Knutson	Oliver	Robling	
Fowler	Langseth	Olson	Scheevel	
Frederickson	Larson	Ourada	Schwab	

Those who voted in the negative were:

Anderson	Hottinger	Lourey	Pogemiller	Scheid
Berglin	Johnson, Dave	Marty	Price	Solon
Betzold	Johnson, Dean	Metzen	Ranum	Tomassoni
Chaudhary	Kelley, S.P.	Moe, R.D.	Ring	Wiener
Cohen	Kelly, R.C.	Murphy	Sabo	Wiger
Foley	Kinkel	Orfield	Sams	
Higgins	Krentz	Pappas	Samuelson	

The motion did not prevail. So the amendment was not adopted.

Senator Ranum moved to amend S.F. No. 386 as follows:

Page 5, after line 31, insert:

"(d) The elements listed in paragraph (b) are the minimum that a law enforcement agency participating in the study must collect. Nothing in this section prohibits an agency from voluntarily collecting additional data elements. If an agency collects additional data elements, the data are classified as provided in subdivision 7."

Page 8, line 4, delete "executive director" and insert "president"

Page 8, line 6, delete "executive directors" and insert "presidents"

The motion prevailed. So the amendment was adopted.

Senator Neuville moved to amend S.F. No. 386 as follows:

Page 3, after line 9, insert:

"Sec. 2. Minnesota Statutes 2000, section 357.021, subdivision 6, is amended to read:

Subd. 6. [SURCHARGES ON CRIMINAL AND TRAFFIC OFFENDERS.] (a) The court shall impose and the court administrator shall collect a \$25 \$29 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the \$25 \$29 surcharge, collect the surcharge and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the state treasurer.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the state treasurer."

Page 13, line 29, delete "year ending June 30, 2001" and insert "biennium ending June 30, 2003"

Page 14, lines 30 and 34, delete "year ending June 30, 2001" and insert "biennium ending June 30, 2003"

Page 15, lines 11 and 12, delete "year ending June 30, 2001" and insert "biennium ending June 30, 2003"

Page 15, lines 26 and 27, delete "year ending June 30, 2001" and insert "biennium ending June 30, 2003"

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 386 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 46 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, Dave	Lourey	Pogemiller	Scheid
Berglin	Johnson, Dean	Marty	Price	Stumpf
Betzold	Johnson, Doug	Moe, R.D.	Ranum	Terwilliger
Chaudhary	Kelley, S.P.	Murphy	Rest	Tomassoni
Cohen	Kelly, R.C.	Neuville	Ring	Wiener
Fischbach	Kinkel	Olson	Robertson	Wiger
Foley	Kiscaden	Orfield	Robling	
Frederickson	Kleis	Ourada	Sabo	
Higgins	Knutson	Pappas	Sams	
Hottinger	Krentz	Pariseau	Samuelson	

Those who voted in the negative were:

Bachmann	Fowler	Larson	Oliver	Stevens
Belanger	Lesewski	Reiter	Scheevel	Vickerman
Day	Kierlin	Lessard	Schwab	
Dille	Langseth	Limmer		

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 655: A bill for an act relating to unemployment insurance; making technical and substantive changes; providing that certain applicants on leaves of absence are ineligible for benefits; modifying definitions; clarifying procedures; treating Indian tribes the same as the state for purposes of the unemployment insurance program; providing workers' compensation and disability insurance offsets; providing eligibility for benefits for certain victims of domestic abuse; instructing the revisor to renumber sections and change terms; amending Minnesota Statutes 2000, sections 268.03, subdivision 1; 268.035, subdivisions 4, 5, 20, 29, and by adding subdivisions; 268.042, subdivision 1; 268.045; 268.047; 268.051, subdivisions 1a, 3, 4, and 7; 268.052, subdivisions 1, 2, and by adding a subdivision; 268.053, subdivisions 1 and 3; 268.059; 268.07, subdivisions 1, 2, 3a, and 3b; 268.085, subdivisions 1, 2, 3, 6, 7, 14, 15, and by adding subdivisions; 268.086, subdivisions 1 and 7; 268.095, subdivisions 1, 2, 8, and 11; 268.101, subdivisions 1 and 2; 268.105, subdivision 7; 268.131, subdivision 2; 268.18, subdivision 2b; 268.184; 268.192, subdivision 1; 268.6715; and 268.976, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Laws 1999, chapter 107, section 22.

Senator Frederickson moved to amend H.F. No. 655, as amended pursuant to Rule 45, adopted by the Senate April 20, 2001, as follows:

(The text of the amended House File is identical to S.F. No. 1277.)

Page 34, line 21, delete "such"

Page 42, line 3, delete "518A.01" and insert "518B.01"

The motion prevailed. So the amendment was adopted.

H.F. No. 655 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Cohen	Fischbach	Frederickson
Bachmann	Betzold	Day	Foley	Higgins
Belanger	Chaudhary	Dille	Fowler	Hottinger

Johnson, Dean	Knutson	Murphy	Price	Scheid
Johnson, Debbie	Krentz	Neuville	Ranum	Schwab
Johnson, Doug	Langseth	Oliver	Reiter	Stevens
Kelley, S.P.	Larson	Olson	Rest	Stumpf
Kelly, R.C.	Lesewski	Orfield	Ring	Terwilliger
Kierlin	Lessard	Ourada	Robling	Tomassoni
Kinkel	Limmer	Pappas	Sams	Vickerman
Kiscaden	Lourey	Pariseau	Samuelson	Wiener
Kleis	Marty	Pogemiller	Scheevel	Wiger

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1310: A bill for an act relating to construction; giving the state building official final authority for interpreting the State Building Code and prescribing its enforcement; requiring municipalities to submit annual reports on construction-related fees; regulating construction-related fees; prohibiting municipalities from requiring waivers of rights as a condition for issuance of a construction-related permit; amending Minnesota Statutes 2000, sections 16B.61, subdivision 1; 16B.62, subdivision 1; 16B.63, by adding a subdivision; 326.90, subdivision 1; 462.353, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 462.

Senator Johnson, Doug moved that the amendment made to H.F. No. 1310 by the Committee on Rules and Administration in the report adopted May 15, 2001, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Murphy moved to amend H.F. No. 1310 as follows:

Page 2, after line 18, insert:

"Sec. 2. Minnesota Statutes 2000, section 16B.61, subdivision 2, is amended to read:

Subd. 2. [ENFORCEMENT BY CERTAIN BODIES.] Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota Electrical Act, the provisions relating to plumbing shall be enforced by the commissioner of health, the provisions relating to high pressure steam piping and appurtenances shall be enforced by the department of labor and industry. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules of the state board of electricity. Under direction of the commissioner of public safety, the state fire marshal shall enforce the Minnesota Uniform Fire Code as provided in chapter 299F. The commissioner, in consultation with the commissioner of labor and industry, shall adopt amendments to the mechanical code portion of the state building code to implement standards for process piping.

[EFFECTIVE DATE.] This section is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Wiener moved to amend H.F. No. 1310 as follows:

Page 2, line 30, delete everything after the period

Page 2, delete line 31

Page 2, line 32, delete the new language and insert "A municipality may appeal the disapproval of a more restrictive ordinance to the commissioner. An appeal under this subdivision is subject to the schedule, fee, procedures, cost provisions, and appeal rights set out in section 16B.67."

The motion prevailed. So the amendment was adopted.

Senator Rest moved to amend H.F. No. 1310 as follows:

Page 6, after line 2, insert:

"Sec. 7. Minnesota Statutes 2000, section 327A.01, subdivision 2, is amended to read:

Subd. 2. [BUILDING STANDARDS.] "Building standards" means the ~~structural, mechanical, electrical, and quality standards of the home building industry for the geographic area in which the dwelling is situated~~ State Building Code, adopted by the commissioner of administration pursuant to sections 16B.59 to 16B.75, that are in effect at the time of the construction or remodeling.

Sec. 8. Minnesota Statutes 2000, section 327A.02, subdivision 1, is amended to read:

Subdivision 1. [WARRANTIES BY VENDORS.] In every sale of a completed dwelling, and in every contract for the sale of a dwelling to be completed, the vendor shall warrant to the vendee that:

(a) during the one-year period from and after the warranty date the dwelling shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards;

(b) during the two-year period from and after the warranty date, the dwelling shall be free from defects caused by faulty installation of plumbing, electrical, heating, and cooling systems due to noncompliance with building standards; and

(c) during the ten-year period from and after the warranty date, the dwelling shall be free from major construction defects due to noncompliance with building standards.

Sec. 9. Minnesota Statutes 2000, section 327A.02, subdivision 3, is amended to read:

Subd. 3. [HOME IMPROVEMENT WARRANTIES.] (a) In a sale or in a contract for the sale of home improvement work involving major structural changes or additions to a residential building, the home improvement contractor shall warrant to the owner that:

(1) during the one-year period from and after the warranty date the home improvement shall be free from defects caused by faulty workmanship and defective materials due to noncompliance with building standards; and

(2) during the ten-year period from and after the warranty date the home improvement shall be free from major construction defects due to noncompliance with building standards.

(b) In a sale or in a contract for the sale of home improvement work involving the installation of plumbing, electrical, heating or cooling systems, the home improvement contractor shall warrant to the owner that, during the two-year period from and after the warranty date, the home improvement shall be free from defects caused by the faulty installation of the system or systems due to noncompliance with building standards.

(c) In a sale or in a contract for the sale of any home improvement work not covered by paragraph (a) or (b), the home improvement contractor shall warrant to the owner that, during the one-year period from and after the warranty date, the home improvement shall be free from defects caused by faulty workmanship or defective materials due to noncompliance with building standards.

Sec. 10. Minnesota Statutes 2000, section 462.351, is amended to read:

462.351 [MUNICIPAL PLANNING AND DEVELOPMENT; STATEMENT OF POLICY.]

The legislature finds that municipalities are faced with mounting problems in providing means of guiding future development of land so as to insure a safer, more pleasant and more economical environment for residential, commercial, industrial and public activities, to preserve agricultural

and other open lands, and to promote the public health, safety, and general welfare. Municipalities can prepare for anticipated changes and by such preparations bring about significant savings in both private and public expenditures. Municipal planning, by providing public guides to future municipal action, enables other public and private agencies to plan their activities in harmony with the municipality's plans. Municipal planning will assist in developing lands more wisely to serve citizens more effectively, will make the provision of public services less costly, and will achieve a more secure tax base, and will provide for an adequate supply of affordable housing. It is the purpose of sections 462.351 to 462.364 to provide municipalities, in a single body of law, with the necessary powers and a uniform procedure for adequately conducting and implementing municipal planning.

Sec. 11. Minnesota Statutes 2000, section 462.352, is amended by adding a subdivision to read:

Subd. 19. [AFFORDABLE HOUSING.] "Affordable housing" means housing that is affordable to persons and families whose income does not exceed 80 percent of the greater of state median income, or area or county median income as determined by the United States Department of Housing and Urban Development, or as defined by the municipality."

Page 6, after line 33, insert:

"Sec. 14. Minnesota Statutes 2000, section 462.357, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY FOR ZONING.] For the purpose of promoting the public health, safety, morals, and general welfare, a municipality may by ordinance regulate on the earth's surface, in the air space above the surface, and in subsurface areas, the location, height, width, bulk, type of foundation, number of stories, size of buildings and other structures, the percentage of lot which may be occupied, the development of affordable housing, the size of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands, as defined in sections 103F.201 to 103F.221, access to direct sunlight for solar energy systems as defined in section 216C.06, flood control or other purposes, and may establish standards and procedures regulating such uses. To accomplish these purposes, official controls may include provision for purchase of development rights by the governing body in the form of conservation easements under chapter 84C in areas where the governing body considers preservation desirable and the transfer of development rights from those areas to areas the governing body considers more appropriate for development. No regulation may prohibit earth sheltered construction as defined in section 216C.06, subdivision 2, relocated residential buildings, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. The regulations may divide the surface, above surface, and subsurface areas of the municipality into districts or zones of suitable numbers, shape, and area. The regulations shall be uniform for each class or kind of buildings, structures, or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adopted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

Sec. 15. Minnesota Statutes 2000, section 462.357, subdivision 2, is amended to read:

Subd. 2. [GENERAL REQUIREMENTS.] (a) At any time after the adoption of a land use plan for the municipality, the planning agency, for the purpose of carrying out the policies and goals of the land use plan, may prepare a proposed zoning ordinance and submit it to the governing body with its recommendations for adoption.

(b) Subject to the requirements of subdivisions 3, 4, and 5, the governing body may adopt and amend a zoning ordinance by a majority vote of all its members. The adoption or amendment of any portion of a zoning ordinance which changes all or part of the existing classification of a zoning district from residential to either commercial or industrial requires a two-thirds majority vote of all its members of the governing body.

(c) The land use plan must provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the land use plan.

Sec. 16. Minnesota Statutes 2000, section 462.357, subdivision 5, is amended to read:

Subd. 5. [AMENDMENT; CERTAIN CITIES OF THE FIRST CLASS.] The provisions of this subdivision apply to cities the adoption or amendment of any portion of a zoning ordinance which changes all or part of the existing classification of a zoning district from residential to either commercial or industrial of a property located in a city of the first class, except a city of the first class in which a different process is provided through the operation of the city's home rule charter. In a city to which this subdivision applies, amendments to a zoning ordinance shall be made in conformance with this section but only after there shall have been filed in the office of the city clerk a written consent of the owners of two-thirds of the several descriptions of real estate situate within 100 feet of the total contiguous descriptions of real estate held by the same owner or any party purchasing any such contiguous property within one year preceding the request, and after the affirmative vote in favor thereof by a majority of the members of the governing body of any such city. The governing body of such city may, by a two-thirds vote of its members, after hearing, adopt a new zoning ordinance without such written consent whenever the planning commission or planning board of such city shall have made a survey of the whole area of the city or of an area of not less than 40 acres, within which the new ordinance or the amendments or alterations of the existing ordinance would take effect when adopted, and shall have considered whether the number of descriptions of real estate affected by such changes and alterations renders the obtaining of such written consent impractical, and such planning commission or planning board shall report in writing as to whether in its opinion the proposals of the governing body in any case are reasonably related to the overall needs of the community, to existing land use, or to a plan for future land use, and shall have conducted a public hearing on such proposed ordinance, changes or alterations, of which hearing published notice shall have been given in a daily newspaper of general circulation at least once each week for three successive weeks prior to such hearing, which notice shall state the time, place and purpose of such hearing, and shall have reported to the governing body of the city its findings and recommendations in writing.

Sec. 17. [CONSTRUCTION CODES ADVISORY COUNCIL; TECHNICAL ADVISORY GROUP.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] The construction codes advisory council created under Minnesota Statutes, section 16B.76, shall establish a technical advisory group to study and make recommendations on model development and redevelopment ordinances for adoption by local jurisdictions. The purpose of the advisory group is to recommend ways that local governments may simplify and reduce the cost of redevelopment in fully developed areas and mixed-use and compact new development. The advisory group shall:

(1) examine current laws, codes, rules, and standards relating to redevelopment and mixed-use new development;

(2) review development codes implemented in other states and evaluate the feasibility of implementing such provisions in Minnesota;

(3) recommend steps that state agencies may take to encourage adoption and implementation of these model development ordinances; and

(4) draft model ordinances that include, but are not limited to, standards relating to building height, building setbacks, lot size, density, bulk and scale, street widths, sustainable streets, parking requirements, and open space and landscaping.

Subd. 2. [MEMBERSHIP.] In addition to the members of the construction codes advisory council, the council may appoint the following persons to serve on the advisory group established under subdivision 1:

- (1) the director of the strategic and long-range planning office or the director's designee;
- (2) the commissioner of the housing finance agency or the commissioner's designee;
- (3) the chair of the metropolitan council or the chair's designee;
- (4) a local planning official;

(5) in consultation with the association of metropolitan municipalities, league of cities, Minnesota association of townships, and league of small cities, four representatives of local units of government, which may include mayors, city council members, directors of economic or housing development authorities, and local planning officials;

(6) one member appointed by the speaker of the house of representatives, one member appointed by the minority leader of the house of representatives, one member of the majority caucus of the senate, and one member of a minority caucus of the senate, appointed by the subcommittee on committees of the senate committee on rules and administration; and

(7) other interested persons, not to exceed 15 persons, as deemed appropriate and necessary by the commissioner of the housing finance agency.

Subd. 3. [REPORT.] By December 1, 2002, the advisory group shall report its findings and recommendations to the governor and the legislature. The advisory group may recommend changes in laws or rules to promote adoption of the model development ordinances. The advisory group may establish subcommittees to facilitate its work. If the advisory group establishes subcommittees it shall include in their membership representation from entities and organizations expressing an interest in membership. The council shall maintain a list of interested entities and organizations.

Subd. 4. [STAFF.] The housing finance agency, metropolitan council, and the strategic and long-range planning office, shall provide necessary staff and administrative support to the advisory group.

Sec. 18. [EXPIRATION.]

Section 17 expires December 1, 2002.

Sec. 19. [EFFECTIVE DATE.]

Sections 7 to 11 and 14 to 18 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1310 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Chaudhary	Foley	Johnson, Dave	Kelly, R.C.
Bachmann	Cohen	Fowler	Johnson, Dean	Kierlin
Belanger	Day	Frederickson	Johnson, Debbie	Kinkel
Berglin	Dille	Higgins	Johnson, Doug	Kiscaden
Betzold	Fischbach	Hottinger	Kelley, S.P.	Kleis

Knutson	Marty	Pariseau	Robling	Stumpf
Krentz	Murphy	Pogemiller	Sabo	Tomassoni
Langseth	Neuville	Price	Sams	Vickerman
Larson	Oliver	Ranum	Samuelson	Wiener
Lesewski	Olson	Reiter	Scheevel	
Lessard	Orfield	Rest	Scheid	
Limmer	Ourada	Ring	Schwab	
Lourey	Pappas	Robertson	Stevens	

So the bill, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1406: A bill for an act relating to health; establishing maternal death reviews; amending Minnesota Statutes 2000, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 145; repealing Minnesota Statutes 2000, sections 13.3806, subdivision 19; and 145.90.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Knutson	Orfield	Sams
Bachmann	Higgins	Krentz	Ourada	Samuelson
Belanger	Hottinger	Langseth	Pariseau	Scheevel
Berglin	Johnson, Dave	Larson	Pogemiller	Scheid
Betzold	Johnson, Dean	Lesewski	Price	Schwab
Chaudhary	Johnson, Debbie	Lessard	Ranum	Stevens
Cohen	Kelley, S.P.	Limmer	Reiter	Stumpf
Day	Kelly, R.C.	Lourey	Rest	Terwilliger
Dille	Kierlin	Marty	Ring	Tomassoni
Fischbach	Kinkel	Murphy	Robertson	Vickerman
Foley	Kiscaden	Neuville	Robling	Wiener
Fowler	Kleis	Oliver	Sabo	Wiger

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Executive and Official Communications, Messages From the House, Reports of Committees and Second Reading of Senate Bills.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 17, 2001

The Honorable Don Samuelson
President of the Senate

Dear President Samuelson:

I have vetoed and am returning Chapter Number 114, Senate File Number 1528, a bill relating to a special law for the City of Edina that would allow the City to prohibit a homeowner from using recreational motor vehicles on their own property.

I believe that laws that restrict a person from doing as they want on their own land should not be enacted capriciously. Existing laws, like the nuisance law, which help to regulate the balance between a property owner's right to do as they want on their property, and the larger community's interest, are sufficient to address the problem this bill seeks to rectify.

Enacting this type of law for a specific community also troubles me. It begs the question in my mind that if this is good for one city, why have other cities around the state not sought this type of legislation. Simply, it seems very odd to give one community in the state authority to restrict a homeowner's property rights without examining whether other communities are supportive of this type of legislation.

Sincerely,
Jesse Ventura, Governor

Senator Hottinger moved that S.F. No. 1528 and the veto message thereon be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. No. 1614 and 1944.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 2001

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 174, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 174: A bill for an act relating to traffic regulations; allowing gross weight seasonal increase for transporting carrots; amending Minnesota Statutes 2000, section 169.825, subdivision 11.

Senate File No. 174 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 2001

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 179: A bill for an act relating to civil commitment; requiring certain hearings on neuroleptic medications to be combined with a civil commitment proceeding; amending Minnesota Statutes 2000, sections 253B.066, subdivision 1; 253B.07, subdivision 2.

There has been appointed as such committee on the part of the House:

Greiling; Anderson, B. and Bradley.

Senate File No. 179 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 2001

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1561: A bill for an act relating to commerce; revised Article 9 of the Uniform Commercial Code; making corrective and conforming amendments; appropriating money; amending Minnesota Statutes 2000, sections 27.138, subdivisions 2 and 3; 86B.820, subdivisions 10 and 11; 86B.880, subdivision 2; 168A.01, subdivisions 18 and 19; 168A.05, subdivision 8; 168A.17, subdivision 2; 169A.63, subdivisions 7 and 11; 268.058, subdivision 1; 270.69, subdivisions 2, 9, and 13; 270.7001, subdivision 4; 272.483; 272.484; 272.488, subdivision 3; 277.20, subdivision 8; 300.112, subdivision 1; 325L.16; 336.2-210; 336.9-102; 336.9-201; 336.9-203; 336.9-311; 336.9-317; 336.9-334; 336.9-407; 336.9-509; 336.9-521; 336.9-601; 336.9-607; 336.9-617; 336.9-619; 336A.01, subdivision 4; 507.24, subdivision 2; 514.18, subdivision 2; 514.221, subdivisions 2 and 3; 514.661, subdivisions 3, 4, 5, and 6; 514.945, subdivisions 2, 4, and 6; 515B.3-116; 515B.3-117; 550.13; 557.12, subdivision 5; 583.26, subdivisions 1 and 2; and 583.284; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 336; 507; 508; and 508A; repealing Minnesota Statutes 2000, sections 168A.17, subdivision 3; 336.11-101; 336.11-102; 336.11-103; 336.11-104; 336.11-105; 336.11-106; 336.11-107; and 336.11-108; Minnesota Rules, parts 8260.0600; 8260.0700; 8260.0800; 8260.0900; 8260.1000; 8260.1100; 8270.0010; 8270.0050; 8270.0100; 8270.0105; 8270.0110; 8270.0115; 8270.0200; 8270.0205; 8270.0210; 8270.0215; 8270.0220; 8270.0225; 8270.0230; 8270.0235; 8270.0240; 8270.0245; 8270.0255; 8270.0260; 8270.0265; and 8270.0270.

Senate File No. 1561 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 2001

Senator Hottinger moved that the Senate do not concur in the amendments by the House to S.F. No. 1561, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 577: A bill for an act relating to metropolitan government; regulating transit on park roads in St. Paul; preserving an existing transit route; amending Minnesota Statutes 2000, section 473.411, subdivision 5.

Senate File No. 577 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 2001

Senator Anderson moved that the Senate do not concur in the amendments by the House to S.F. No. 577, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

Senator Hottinger moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 2328: A resolution urging the United States Congress to amend the Railroad Unemployment Insurance Act.

Reports the same back with the recommendation that the report from the Committee on Jobs, Housing and Community Development, shown in the Journal for May 16, 2001, be adopted; that committee recommendation being:

"the resolution do pass and be re-referred to the Committee on Rules and Administration". Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

S.F. No. 2368: A bill for an act relating to agriculture; expanding emergency authority of the board of animal health to eradicate any dangerous, infectious, or communicable disease affecting domestic animals in the state; amending Minnesota Statutes 2000, section 35.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 35.

Reports the same back with the recommendation that the report from the Committee on Agriculture, General Legislation and Veterans Affairs, shown in the Journal for May 11, 2001, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Rules and Administration". Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

S.F. No. 2378: A bill for an act relating to redistricting; adopting a congressional redistricting plan for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.742; 2.752; 2.762; 2.772; 2.782; 2.792; 2.802; 2.812.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete "April 1" and insert "May 9"

Page 1, line 21, delete "C...." and insert "C0004-2"

Page 1, line 23, delete "...." and insert "May 14"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 2045: A bill for an act relating to a new sports stadium; creating a task force to study stadiums; mandating issues to be studied; imposing a deadline; inviting proposals; requiring a report; appropriating money.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Senator Moe, R.D. from the Committee on Rules and Administration, to which was referred

S.F. No. 2377: A bill for an act relating to redistricting; adopting legislative and congressional

redistricting plans for use in 2002 and thereafter; amending Minnesota Statutes 2000, section 2.031, subdivision 2; repealing Minnesota Statutes 2000, sections 2.043; 2.053; 2.063; 2.073; 2.083; 2.093; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153; 2.163; 2.173; 2.183; 2.193; 2.203; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.303; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.423; 2.433; 2.443; 2.453; 2.463; 2.473; 2.483; 2.493; 2.503; 2.513; 2.523; 2.533; 2.543; 2.553; 2.563; 2.573; 2.583; 2.593; 2.603; 2.613; 2.623; 2.633; 2.643; 2.653; 2.663; 2.673; 2.683; 2.693; 2.703; 2.742; 2.752; 2.762; 2.772; 2.782; 2.792; 2.802; 2.812.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 27, delete "April 1" and insert "May 10"

Page 1, line 30, delete "L...." and insert "L0001-2"

Page 2, line 1, delete "...." and insert "May 16"

Page 2, line 6, delete "C...." and insert "C0004-2"

Page 2, line 8, delete "...." and insert "May 14"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Senator Pogemiller from the Committee on Taxes, to which was referred

S.F. No. 2208: A bill for an act relating to public finance; updating and making technical changes to public finance provisions related to debt obligations, sales and use tax exemptions, county capital financing of certain equipment and hardware and software; extending a sunset date for certain county capital improvement bonds; removing election requirements as preconditions for issuance of certain obligations; authorizing some flexibility in stating certain ballot questions; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 297A.70, subdivisions 4 and 7; 297A.71, subdivision 6; 373.01, subdivision 3; 373.40, subdivision 7; 373.45, subdivision 3; 376.08, subdivisions 1, 3, and by adding a subdivision; 410.32; 412.301; 426.19, subdivision 2; 429.091, subdivision 7a; 444.075, subdivision 1a; 475.54, subdivision 1; 475.58, subdivision 1; and 475.59.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 6, delete sections 4 to 6

Page 6, delete section 8

Page 10, delete section 15

Pages 12 and 13, delete section 17 and insert:

"Sec. 12. Minnesota Statutes 2000, section 474A.02, subdivision 8, is amended to read:

Subd. 8. [FEDERAL TAX LAW.] "Federal tax law" means those provisions of the Internal Revenue Code of 1986, as amended ~~through December 31, 1990~~, that limit the aggregate amount of obligations of a specified type or types which may be issued by an issuer during a calendar year whose interest is excluded from gross income for purposes of federal income taxation.

Sec. 13. Minnesota Statutes 2000, section 474A.02, subdivision 13a, is amended to read:

Subd. 13a. [SMALL ISSUE POOL.] "Small issue pool" means the amount of the annual volume cap allocated under section 474A.061, that is available for the issuance of enterprise zone facility bonds authorized under Public Law Number 103-66, section 13301, small issue bonds to finance manufacturing projects, and the agricultural development bond beginning farmer and agricultural business enterprise loan program authorized in sections 41C.01 to 41C.13, and student loan bonds issued by the Minnesota higher education services office.

Sec. 14. Minnesota Statutes 2000, section 474A.02, subdivision 22a, is amended to read:

Subd. 22a. [PUBLIC FACILITIES POOL.] "Public facilities pool" means the amount of the annual volume cap allocated under section 474A.061, which is available for the issuance of public facility bonds ~~or student loan bonds~~.

Sec. 15. Minnesota Statutes 2000, section 474A.02, subdivision 22b, is amended to read:

Subd. 22b. [PUBLIC FACILITIES PROJECT.] "Public facilities project" means any publicly owned facility, or facility owned by a nonprofit organization that is used for district heating or cooling, that is eligible to be financed with the proceeds of public facilities bonds as defined under section 474A.02, subdivision 23a.

Sec. 16. Minnesota Statutes 2000, section 474A.02, subdivision 23a, is amended to read:

Subd. 23a. [QUALIFIED BONDS.] "Qualified bonds" means the specific type or types of obligations that are subject to the annual volume cap. Qualified bonds include the following types of obligations as defined in federal tax law:

(a) "public facility bonds" means "exempt facility bonds" as defined in federal tax law, except for residential rental project bonds, which are those obligations issued to finance airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, and qualified hazardous waste facilities. New bonds and other obligations are ineligible to receive state allocations or entitlement authority for public facility projects under this section if they have been issued:

(1) for the purpose of refinancing, refunding, or otherwise defeasing existing debt; and

(2) more than one calendar year prior to the date of application;

(b) "residential rental project bonds" which are those obligations issued to finance qualified residential rental projects;

(c) "mortgage bonds";

(d) "small issue bonds" issued to finance manufacturing projects and the acquisition or improvement of agricultural real or personal property under sections 41C.01 to 41C.13;

(e) "student loan bonds" issued by or on behalf of the Minnesota higher education services office;

(f) "redevelopment bonds";

(g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set forth in section 141(b)5 of federal tax law; and

(h) "enterprise zone facility bonds" issued to finance facilities located within empowerment zones or enterprise communities, as authorized under Public Law Number 103-66, section 13301.

Sec. 17. Minnesota Statutes 2000, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. [UNDER FEDERAL TAX LAW; ALLOCATIONS.] At the beginning of each calendar year after December 31, ~~1997~~ 2001, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

(1) ~~\$63,000,000~~ \$74,530,000 to the small issue pool;

(2) ~~\$59,000,000~~ \$122,060,000 to the housing pool, ~~\$37,000,000~~ of which 31 percent of the adjusted allocation is reserved until the day after the first last Monday in ~~February~~ July for single-family housing programs;

- (3) ~~\$10,500,000~~ \$12,750,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) and subdivision 2a, paragraph (a), clauses (1) to (4), the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Sec. 18. Minnesota Statutes 2000, section 474A.03, subdivision 2a, is amended to read:

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities and county:

- (1) ~~\$53,750,000~~ \$84,940,000 per year to the Minnesota housing finance agency, ~~less any amount received in the previous year under section 474A.091, subdivision 6;~~
- (2) ~~\$21,000,000~~ \$33,190,000 per year to the city of Minneapolis;
- (3) ~~\$15,750,000~~ \$24,890,000 per year to the city of Saint Paul; and
- (4) ~~\$10,500,000~~ \$16,600,000 per year to the Dakota county community development agency for the county of Dakota and all political subdivisions located within the county.

(b) Entitlement allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, public facility bonds, or residential rental project bonds, except that entitlement issuers ~~may also use their allocations for public facility bonds, and~~ may carry forward their allocations for any qualified bond as defined under section 474A.02, subdivision 23a.

(c) Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served with the proceeds of mortgage revenue bonds and mortgage credit certificates in the previous year must be submitted by each entitlement issuer to the Minnesota housing finance agency by December 31 of each year. Compliance by the Minnesota housing finance agency with the provisions of section 462A.073, subdivision 5, shall be deemed compliance with the reporting requirements of this subdivision.

Sec. 19. Minnesota Statutes 2000, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is \$20 for each \$100,000 of entitlement or allocation requested, with the request rounded to the nearest \$100,000. The minimum fee is \$20. Fees received by the commissioner must be credited to the general fund. ~~Application fees for projects of entitlement issuers must be submitted to the commissioner with the notice of issuance of bonds, notice of use of mortgage credit certificates, and notice of carry forward. Each entitlement issuer must pay its application fee in full for that calendar year to the commissioner no later than when the first notice of issuance of bonds, notice of use of mortgage credit certificates, or notice of carry forward is submitted to the commissioner by that issuer.~~

Sec. 20. Minnesota Statutes 2000, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Any amount returned by an entitlement issuer before July 15 shall be reallocated through the housing pool. Any amount returned on or after July 15 shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. Any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued or for which the governing body of the entitlement issuer has not enacted a resolution electing to use the authority for mortgage credit certificates by July 15 and has not provided a notice of issue to the commissioner before 4:30 p.m. on the last business day in December of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the current calendar year. ~~Any amount deducted from an~~

~~entitlement issuer's allocation under this subdivision shall be reallocated through the unified pool. An entitlement issuer must permanently issue all carryforward authority or enact a resolution electing to use all carryforward authority for mortgage credit certificates prior to issuing any current year authority of that entitlement issuer in the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be reallocated to other entitlement issuers, the housing pool, the small issue pool, and the public facilities pool on a proportional basis consistent with section 474A.03.~~

Sec. 21. Minnesota Statutes 2000, section 474A.04, subdivision 5, is amended to read:

Subd. 5. [NOTICE OF ENTITLEMENT ALLOCATION.] As soon as possible in each calendar year, the commissioner shall ~~provide to each entitlement issuer a written notice of the amount of its post on the department's Web site the amount of each entitlement allocation.~~

Sec. 22. Minnesota Statutes 2000, section 474A.045, is amended to read:

474A.045 [SCORING SYSTEM FOR ENTERPRISE ZONE FACILITY PROJECTS AND MANUFACTURING PROJECTS.]

The following criteria must be used in determining the allocation of enterprise zone facility bonds and small issue bonds for manufacturing projects. The issuer must prepare and submit to the commissioner a public purpose scoring worksheet that presents the data and methods used in determining the total score under this section. The total score is the sum of the following:

(1) the number of direct new jobs in the state generated by the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;

(2) the number of direct existing jobs in the state multiplied by .625 due to the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;

(3) the average hourly wage paid to employees by the proposed project for the next two years, exclusive of benefits mandated by law, based on the following scale:

Wages paid per hour	\$ 8	\$10	\$12	\$15
Non-Metro area points awarded	10	15	20	20
Seven-County Metro Area points awarded	0	10	15	20

For purposes of this section, the seven-county metropolitan area includes Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties;

(4) the quotient of the estimated total net increase in property taxes generated in the state by the project in the first full year of operation divided by the proposed bond allocation, multiplied by 500; ~~and~~

(5) the seasonally unadjusted unemployment rate in the community where the proposed project is located measured as a percent of the state's unemployment rate, multiplied by ten.

The community seasonally unadjusted unemployment rate used in determining the points under clause (5) must be the most recent rate for the city or county in which the proposed project is located, as provided by the commissioner of economic security.

(6) 20 points for projects that locate in an incorporated area or a planned urban growth area as defined by section 462.352, subdivision 18;

(7) 20 points for brownfield projects located in a state or federal Superfund site, a voluntary investigation and cleanup site, or a brownfield site, all as defined by the Minnesota pollution control agency; and

(8) 20 points for projects with favorable environmental citizenship as evidenced by no nonforgivable or combination administrative penalty orders, stipulation agreements, consent decrees, or other enforcement orders containing a monetary penalty by the Minnesota pollution control agency over the past three years or pending at the time of application.

Sec. 23. Minnesota Statutes 2000, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) An issuer may only use the proceeds from residential rental bonds if the proposed project meets ~~one of the following requirements:~~

~~(1) the proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development;~~

~~(2) the proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and at least one-third of the 75 percent have three or more bedrooms; or~~

~~(3) the proposed project is a multifamily project that meets the following requirements:~~

~~(i) the proposed project is the rehabilitation of an existing building which meets the requirements for minimum rehabilitation expenditures in sections 42(e)(2) and 42(e)(3)(A) of the Internal Revenue Code;~~

~~(ii) the proposed project involves participation by the Minnesota housing finance agency or a local unit of government in the financing of the acquisition or rehabilitation of the project. For purposes of this subdivision, "participation" means an activity other than the issuance of the bonds; and~~

~~(iii) the proposed project must be occupied by individuals or families whose incomes at the time of their initial residency in the project meet the requirements of section 42(g) of the Internal Revenue Code.~~

(1) the proposed residential rental project meets the requirements of section 142(d) of the Internal Revenue Code regarding the incomes of the occupants of the housing; and

(2) the maximum rent for at least 20 percent of the units in the proposed residential rental project do not exceed the area fair market rent or exception fair market rents for existing housing, if applicable, as established by the federal Department of Housing and Urban Development.

~~(b) The maximum rent for a proposed single room occupancy unit under paragraph (a), clause (1), is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (a), clause (2), is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with 1.5 persons per bedroom.~~

~~(e) The proceeds from residential rental bonds may be used for a project for which project-based federal rental assistance payments are made only if:~~

~~(1) the owner of the project enters into a binding agreement with the Minnesota housing finance agency under which the owner is obligated to extend any existing low-income affordability restrictions and any contract or agreement for rental assistance payments for the maximum term permitted, including any renewals thereof; and~~

~~(2) the Minnesota housing finance agency certifies that project reserves will be maintained at closing of the bond issue and budgeted in future years at the lesser of:~~

~~(i) the level described in Minnesota Rules, part 4900.0010, subpart 7, item A, subitem (2), effective May 1, 1997; or~~

~~(ii) the level of project reserves available prior to the bond issue, provided that additional money is available to accomplish repairs and replacements needed at the time of bond issue.~~

Sec. 24. Minnesota Statutes 2000, section 474A.047, subdivision 2, is amended to read:

Subd. 2. [15-YEAR AGREEMENT.] Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the rent-restricted units in the project and the income levels of the residents of the project occupying income-restricted units. The Such rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates for the rent-restricted units are within the limitations under subdivision 1. The issuer may request individual certification of the income of all residents of the project income-restricted units. The commissioner may request from the issuer a copy of the annual certification prepared by the developer. The commissioner may require the issuer to request individual certification of all residents of the project income-restricted units.

Sec. 25. Minnesota Statutes 2000, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, (5) a public purpose scoring worksheet for manufacturing project and enterprise zone facility project applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing for residential rental project applications and whether the project is restricted to persons who are 55 years of age or older. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency, the Minnesota rural finance authority, and the Minnesota higher education services office may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 26. Minnesota Statutes 2000, section 474A.061, subdivision 2a, is amended to read:

Subd. 2a. [HOUSING POOL ALLOCATION.] (a) ~~On the first business day that falls on a Monday of the calendar year and the first Monday in February Commencing on the second Tuesday in January and continuing on each Monday through July 15, the commissioner shall allocate available bonding authority in from the housing pool to applications received by on or before the Monday of the previous preceding week for residential rental projects that are not restricted to persons who are 55 years of age or older and that meet the eligibility criteria under section 474A.047, except that allocations may be made to projects that are restricted to persons who are 55 years of age or older, if the project preserves existing federally subsidized housing. Projects that preserve existing federally subsidized housing shall be allocated available bonding authority in the housing pool for residential rental projects prior to the allocation of available bonding authority to other eligible residential rental projects. Allocations of available bonding authority from the housing pool for eligible residential rental projects shall be awarded in the following order of priority: (1) projects that preserve existing federally subsidized housing; (2)~~

projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects. Prior to May 15, no allocation shall be made to a project restricted to persons who are 55 years of age or older. If an issuer that receives an allocation under this paragraph does not issue obligations equal to all or a portion of the allocation received within 120 days of the allocation or returns the allocation to the commissioner, the amount of the allocation is canceled and returned for reallocation through the housing pool or to the unified pool after July 15.

(b) ~~After February~~ January 1, and through February ~~January~~ 15, the Minnesota housing finance agency may accept applications from cities for single-family housing programs which meet program requirements as follows:

(1) the housing program must meet a locally identified housing need and be economically viable;

(2) the adjusted income of home buyers may not exceed 80 percent of the greater of statewide or area median income as published by the Department of Housing and Urban Development, adjusted for household size;

(3) house price limits may not exceed the federal price limits established for mortgage revenue bond programs. Data on the home purchase price amount, mortgage amount, income, household size, and race of the households served in the previous year's single-family housing program, if any, must be included in each application; and

(4) for applicants who choose to have the agency issue bonds on their behalf, an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to one percent of the requested allocation must be submitted to the Minnesota housing finance agency before the agency forwards the list specifying the amounts allocated to the commissioner under paragraph (e) (d). The agency shall submit the city's application fee and application deposit to the commissioner when requesting an allocation from the housing pool.

Applications by a consortium shall include the name of each member of the consortium and the amount of allocation requested by each member.

~~The Minnesota housing finance agency may accept applications from June 15 through June 30 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (4) if bonding authority is available in the housing pool. Applications will be accepted from June 15 to June 30 only from cities that received an allotment in the same calendar year and used at least 75 percent of their allotment by June 1.~~

(c) Any amounts remaining in the housing pool after July 15 are available for single-family housing programs for cities that applied in January and received an allocation under this section in the same calendar year. For a city that chooses to issue bonds on its own behalf or pursuant to a joint powers agreement, the agency must allot available bonding authority based on the formula in paragraphs (d) and (f). Allocations will be made loan by loan, on a first come, first served basis among applicant cities on whose behalf the Minnesota housing finance agency issues bonds. The agency must allot available bonding authority.

Any city that received an allocation pursuant to paragraph (f) in the same calendar year that wishes to issue bonds on its own behalf or pursuant to a joint powers agreement for an amount becoming available for single-family housing programs after July 15 shall notify the Minnesota housing finance agency by July 15. The Minnesota housing finance agency shall notify each city making a request of the amount of its allocation within three business days after July 15. The city must comply with paragraph (f).

For purposes of paragraphs (a) to (g) (h), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota housing finance agency.

(e) (d) The total amount of allocation for mortgage bonds for one city is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from

the housing pool, multiplied by the ratio of each applicant's population as determined by the most recent estimate of the city's population released by the state demographer's office to the total of all the applicants' population, except that each applicant shall be allocated a minimum of \$100,000 regardless of the amount requested or the amount determined under the formula in clause (ii). If a city applying for an allocation is located within a county that has also applied for an allocation, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

Upon determining the amount of each applicant's allocation, the agency shall forward to the commissioner a list specifying the amounts allotted to each application and ~~application deposit checks to the commissioner with all application fees and deposits from applicants who choose to have the agency issue bonds on their behalf.~~

Total allocations from the housing pool for single-family housing programs may not exceed 31 percent of the adjusted allocation to the housing pool until after July 15.

~~(d)~~ (e) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time after the ~~first Monday~~ second Tuesday in February and through the last Monday in July, ~~but may request an allocation no later than the last Monday in July.~~ After awarding an allocation and receiving a notice of issuance for the mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposits to the Minnesota housing finance agency to be returned to the participating cities. The commissioner Minnesota housing finance agency shall return any application deposit to a city that paid an application deposit under paragraph (b), clause (4), but was not part of the list forwarded to the commissioner under paragraph (e) (d).

~~(e)~~ (f) A city may choose to issue bonds on its own behalf or through a joint powers agreement ~~or may use bonding authority for mortgage credit certificates~~ and may request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and a one percent application deposit to the commissioner no later than the Monday of the week preceding an allocation. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the list forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the list under paragraph ~~(e) (d)~~ has been forwarded to the commissioner. A city must request an allocation from the commissioner no later than ~~14 days before the unified pool is created pursuant to section 474A.091, subdivision 1~~ the last Monday in July. ~~On and after the first Monday in February and through the last Monday in July,~~ No city may receive an allocation from the housing pool for mortgage bonds which has not first applied to the Minnesota housing finance agency. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this paragraph.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

~~(f)~~ (g) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the housing pool. No city in an entitlement county may apply for or be allocated authority to issue residential rental bonds from the housing pool or the unified pool.

~~(g)~~ (h) A city that does not use at least 50 percent of its allotment by the date applications are due for the first allocation that is made from the housing pool for single-family housing programs in the immediately succeeding calendar year may not apply to the housing pool for a single-family

mortgage bond or mortgage credit certificate program allocation that exceeds the amount of its allotment for the preceding year that was used by the city in the immediately preceding year or receive an allotment from the housing pool in the succeeding calendar year that exceeds the amount of its allotment for the preceding year that was used in the preceding year. The minimum allotment is \$100,000 for an allocation made prior to July 15, regardless of the amount used in the preceding calendar year, except that a city whose allocation in the preceding year was the minimum amount of \$100,000 and who did not use at least 50 percent of its allocation from the preceding year is ineligible for an allocation in the immediate succeeding calendar year. Each local government unit in a consortium must meet the requirements of this paragraph.

Sec. 27. Minnesota Statutes 2000, section 474A.061, subdivision 2b, is amended to read:

Subd. 2b. [SMALL ISSUE POOL ALLOCATION.] ~~On the first Monday in January that is a business day through the last Monday in July~~ Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in July, the commissioner shall allocate available bonding authority from the small issue pool ~~on Monday of each week~~ to applications received on or before the Monday of the preceding week for manufacturing projects and enterprise zone facility projects. From the ~~first Monday in January that is a business day~~ second Tuesday in January through the last Monday in July, the commissioner shall reserve \$5,000,000 of the available bonding authority from the small issue pool for applications for agricultural development bond loan projects of the Minnesota rural finance authority.

Beginning in calendar year 2002, on the second Tuesday in January through the last Monday in July, the commissioner shall reserve \$10,000,000 of available bonding authority in the small issue pool for applications for student loan bonds of or on behalf of the Minnesota higher education services office. The total amount of allocations for student loan bonds from the small issue pool may not exceed \$10,000,000 per year.

The commissioner shall reserve \$10,000,000 until the day after the last Monday in February, \$10,000,000 until the day after the last Monday in April, and \$10,000,000 until the day after the last Monday in June in the small issue pool for enterprise zone facility projects and manufacturing projects. The amount of allocation provided to an issuer for a specific enterprise zone facility project or manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. ~~Proposed projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received.~~

If there are two or more applications for manufacturing and enterprise zone facility projects from the small issue pool and there is insufficient bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045, with those projects receiving the greatest number of points receiving allocation first. If two or more applications receive an equal number of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 28. Minnesota Statutes 2000, section 474A.061, subdivision 2c, is amended to read:

Subd. 2c. [PUBLIC FACILITIES POOL ALLOCATION.] From the beginning of the calendar year and continuing for a period of 120 days, the commissioner shall reserve ~~\$5,000,000~~ \$3,000,000 of the available bonding authority from the public facilities pool for applications for public facilities projects to be financed by the Western Lake Superior Sanitary District. ~~On the first Monday in January that is a business day through the last Monday in July~~ Commencing on the second Tuesday in January and continuing on each Monday through the last Monday in July, the commissioner shall allocate available bonding authority from the public facilities pool ~~on Monday of each week~~ to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient available bonding authority to provide allocations for all projects in any one week, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 29. Minnesota Statutes 2000, section 474A.061, subdivision 4, is amended to read:

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in July, the amount of allocation is canceled and returned for reallocation through the pool from which it was originally allocated. If the issuer notifies the department or the 120-day period since allocation has expired on or after the last Monday in July, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 120 days of allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving allocation.

(c) No refund shall be available for allocations returned 120 or more days after receiving the allocation or beyond the last Monday in November. ~~This subdivision does not apply to the Minnesota housing finance agency or the Minnesota rural finance authority.~~

Sec. 30. [474A.062] [HESO 120-DAY ISSUANCE EXEMPTION.]

The Minnesota higher education services office is exempt from the 120-day issuance requirements in this chapter and may carry forward allocations for student loan bonds into three successive calendar years, subject to carryforward notice requirements of section 474A.131, subdivision 2. The maximum cumulative carryforward is limited to \$25,000,000.

Sec. 31. Minnesota Statutes 2000, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter and the Internal Revenue Code, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing and enterprise zone applications, and (6) for residential rental projects, a statement from the applicant or bond counsel as to whether the project preserves existing federally subsidized housing and whether the project is restricted to persons who are 55 years of age or older. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

Notwithstanding the restrictions imposed on entitlement issuers under this subdivision, the Minnesota housing finance agency may not apply for receive an allocation for mortgage bonds under this section until after prior to the last first Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph

~~(e)(2), the Minnesota housing finance agency October, but may be awarded allocations for mortgage bonds from the unified pool on or after September 1 the first Monday in October. The Minnesota housing finance agency, the Minnesota higher education services office, and the Minnesota rural finance authority may apply for and receive an allocation under this section without submitting an application deposit.~~

Sec. 32. Minnesota Statutes 2000, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by 4:30 p.m. on the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

~~(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:~~

- ~~(1) applications for enterprise zone facility bonds;~~
- ~~(2) applications for small issue bonds for manufacturing projects;~~
- ~~(3) applications for small issue bonds for agricultural development bond loan projects;~~
- ~~(4) applications for residential rental project bonds;~~
- ~~(5) applications for public facility projects funded by public facility bonds;~~
- ~~(6) applications for redevelopment bonds;~~
- ~~(7) applications for mortgage bonds; and~~
- ~~(8) applications for governmental bonds.~~

~~Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received.~~

~~(b) Prior to October 1, only the following applications shall be awarded allocations from the unified pool. Allocations shall be awarded in the following order of priority:~~

- ~~(1) applications for residential rental project bonds;~~
- ~~(2) applications for small issue bonds for manufacturing projects; and~~
- ~~(3) applications for small issue bonds for agricultural development bond loan projects.~~

~~(c) On the first Monday in October through the last Monday in November, allocations shall be awarded from the unified pool in the following order of priority:~~

- ~~(1) applications for student loan bonds issued by or on behalf of the Minnesota higher education services office;~~
- ~~(2) applications for mortgage bonds;~~
- ~~(3) applications for public facility projects funded by public facility bonds;~~
- ~~(4) applications for small issue bonds for manufacturing projects;~~

- (5) applications for small issue bonds for agricultural development bond loan projects;
- (6) applications for residential rental project bonds;
- (7) applications for enterprise zone facility bonds;
- (8) applications for governmental bonds; and
- (9) applications for redevelopment bonds.

(d) If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for manufacturing projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(e) If there are two or more applications for enterprise zone facility projects from the unified pool and there is insufficient bonding authority to provide allocations for all enterprise zone facility projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first. If two or more applications for enterprise zone facility projects receive an equal amount of points, available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

(f) If there are two or more applications for residential rental projects from the unified pool and there is insufficient bonding authority to provide allocations for all residential rental projects in any one allocation period, the available bonding authority shall be awarded in the following order of priority: (1) projects that preserve existing federally subsidized housing; (2) projects that are not restricted to persons who are 55 years of age or older; and (3) other residential rental projects.

(e)(1) (g) From the first Monday in August through the last Monday in November, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds to the extent such amounts are available within the unified pool. On the first Monday in September through the last Monday in November, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds to the extent such amounts are available within the unified pool.

(2) (h) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) (1) \$10,000,000 for any one city; or
- (ii) (2) \$20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

(d) After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds to finance publicly owned facility projects, residential rental project bonds, and enterprise zone facility bonds.

(i) The total amount of allocations for student loan bonds from the unified pool may not exceed \$10,000,000 per year.

(j) If there is insufficient bonding authority to fund all projects within any qualified bond category other than enterprise zone facility projects, manufacturing projects, and residential rental projects, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers.

(k) If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted.

(l) The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 33. Minnesota Statutes 2000, section 474A.091, is amended by adding a subdivision to read:

Subd. 3a. [MORTGAGE BONDS.] (a) Bonding authority remaining in the unified pool on October 1 is available for single-family housing programs for cities that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. The Minnesota housing finance agency shall receive an allocation for mortgage bonds pursuant to this section, minus any amounts for a city or consortium that intends to issue bonds on its own behalf under paragraph (c).

(b) The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. Allocations shall be awarded by the commissioner each Monday commencing on the first Monday in October through the last Monday in November for applications received by 4:30 p.m. on the Monday of the week preceding an allocation.

For cities who choose to have the agency issue bonds on their behalf, allocations will be made loan by loan, on a first come, first served basis among the cities. The agency shall submit an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested allocation to the commissioner when requesting an allocation from the unified pool. After awarding an allocation and receiving a notice of issuance for mortgage bonds issued on behalf of the participating cities, the commissioner shall transfer the application deposit to the Minnesota housing finance agency.

For purposes of paragraphs (a) to (d), "city" means a county or a consortium of local government units that agree through a joint powers agreement to apply together for single-family housing programs, and has the meaning given it in section 462C.02, subdivision 6. "Agency" means the Minnesota housing finance agency.

(c) Any city that received an allocation pursuant to section 474A.061, subdivision 2a, paragraph (f), in the current year that wishes to receive an additional allocation from the unified pool and issue bonds on its own behalf or pursuant to a joint powers agreement shall notify the Minnesota housing finance agency by the third Monday in September. The total amount of allocation for mortgage bonds for a city choosing to issue bonds on its own behalf or through a joint powers agreement is limited to the lesser of: (i) the amount requested, or (ii) the product of the total amount available for mortgage bonds from the unified pool, multiplied by the ratio of the population of each city that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year, as determined by the most recent estimate of the city's population released by the state demographer's office to the total of the population of all the cities that applied in January and received an allocation under section 474A.061, subdivision 2a, in the same calendar year. If a city choosing to issue bonds on its own behalf or through a joint powers agreement is located within a county that has also chosen to issue bonds on its own behalf or through a joint powers agreement, the city's population will be deducted from the county's population in calculating the amount of allocations under this paragraph.

The Minnesota housing finance agency shall notify each city choosing to issue bonds on its own behalf or pursuant to a joint powers agreement of the amount of its allocation by October 15. Upon determining the amount of the allocation of each choosing to issue bonds on its own behalf or through a joint powers agreement, the agency shall forward a list specifying the amounts allotted to each city.

A city that chooses to issue bonds on its own behalf or through a joint powers agreement may

request an allocation from the commissioner by forwarding an application with an application fee pursuant to section 474A.03, subdivision 4, and an application deposit equal to two percent of the requested amount to the commissioner no later than 4:30 p.m. on the Monday of the week preceding an allocation. Allocations to cities that choose to issue bonds on their own behalf shall be awarded by the commissioner on the first Monday after October 15 through the last Monday in November. No city may receive an allocation from the commissioner after the last Monday in November. The commissioner shall allocate the requested amount to the city or cities subject to the limitations under this subdivision.

If a city issues mortgage bonds from an allocation received under this paragraph, the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.

(d) No entitlement city or county or city in an entitlement county may apply for or be allocated authority to issue mortgage bonds or use mortgage credit certificates from the unified pool.

(e) An allocation awarded to the agency for mortgage bonds under this section may be carried forward by the agency into the next succeeding calendar year subject to notice requirements under section 474A.131 and is available until the last business day in December of that succeeding calendar year.

Sec. 34. Minnesota Statutes 2000, section 474A.091, subdivision 4, is amended to read:

Subd. 4. [~~MORTGAGE BONDS REMAINING BONDING AUTHORITY.~~] All remaining bonding authority available for allocation under this section on December 1, is allocated to the Minnesota housing finance agency.

Sec. 35. Minnesota Statutes 2000, section 474A.091, subdivision 5, is amended to read:

Subd. 5. [~~RETURN OF ALLOCATION; DEPOSIT REFUND.~~] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 120 days of the allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 120-day period since allocation has expired prior to the last Monday in November, the amount of allocation is canceled and returned for reallocation through the unified pool. If the issuer notifies the department on or after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency. To encourage a competitive application process, the commissioner shall reserve, for new applications, the amount of allocation that is canceled and returned for reallocation under this section for a minimum of seven calendar days.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 120 days of the allocation shall receive within 30 days a refund equal to:

(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;

(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and

(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 120 days of receiving the allocation.

(c) No refund of the application deposit shall be available for allocations returned on or after the last Monday in November. ~~This subdivision does not apply to the Minnesota housing finance agency, or the Minnesota rural finance authority.~~

Sec. 36. Minnesota Statutes 2000, section 474A.091, subdivision 6, is amended to read:

Subd. 6. [FINAL ALLOCATION; CARRYFORWARD.] Notwithstanding the notice requirements of section 474A.131, subdivision 2, any bonding authority remaining unissued by the Minnesota housing finance agency on the last business day in December shall be carried forward into the next calendar year by the commissioner for the Minnesota housing finance agency in accordance with section 474A.131, subdivision 2.

Sec. 37. Minnesota Statutes 2000, section 474A.131, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ISSUE.] Each issuer that issues bonds with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

- (1) the date of issuance of the bonds;
- (2) the title of the issue;
- (3) the principal amount of the bonds;
- (4) the type of qualified bonds under federal tax law; ~~and~~
- (5) the dollar amount of the bonds issued that were subject to the annual volume cap; ~~and~~
- (6) for entitlement issuers, whether the allocation is from current year entitlement authority or is from carry forward authority.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not provided to the department within five business days after issuance or before the last Monday in December, whichever occurs first. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the amount of the bonding authority actually issued if a two percent application deposit was made, less any penalty amount.

Sec. 38. Minnesota Statutes 2000, section 474A.131, is amended by adding a subdivision to read:

Subd. 1b. [DEADLINE FOR ISSUANCE OF QUALIFIED BONDS.] If an issuer fails to notify the department before 4:30 p.m. on the last business day in December of issuance of obligations pursuant to an allocation received for any qualified bond project or issuance of an entitlement allocation, the allocation is canceled and the bonding authority is allocated to the Minnesota housing finance agency for carryforward by the commissioner under section 474A.091, subdivision 6.

Sec. 39. Minnesota Statutes 2000, section 474A.131, subdivision 2, is amended to read:

Subd. 2. [CARRYFORWARD NOTICE.] If an issuer intends to carry forward an allocation received under this chapter, it must notify the department in writing before 4:30 p.m. on the last Monday of business day in December. This notice requirement does not apply to the Minnesota housing finance agency for the carryforward of unallocated unified pool balances.

Sec. 40. Minnesota Statutes 2000, section 474A.14, is amended to read:

474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall publish in the State Register a provide at its official Web site a written notice of the amount of bonding authority in the housing, small issue, and public facilities pools as soon after January 1 as possible. The department shall publish in the State Register a provide at its official Web site a written notice of the amount of bonding authority available for allocation in the unified pool as soon after August 1 as possible."

Page 15, delete section 21 and insert:

"Sec. 44. Laws 1974, chapter 473, is amended to read:

Section 1. [SCOTT COUNTY; HOUSING AND REDEVELOPMENT AUTHORITY.]

There is hereby created in Scott county a public body corporate and politic, to be known as the Scott county housing and redevelopment authority, having all of the powers and duties of a housing and redevelopment authority under the provisions of the ~~municipal housing and redevelopment act~~, Minnesota Statutes, sections 462.411 to 462.711, and acts amendatory thereof; ~~which act applies to the county of Scott~~ 469.001 to 469.047, and having those powers of an economic development authority under the provisions of Minnesota Statutes, sections 469.090 to 469.180 as are granted to it by Scott county as provided below. For the purposes of applying the provisions of the ~~municipal housing and redevelopment act~~ Minnesota Statutes, sections 469.001 to 469.047 and 469.090 to 469.180, to Scott county, the county has all the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Sec. 2. [APPLICATION.]

Subdivision 1. This act shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~

Subd. 2. A municipal housing and redevelopment authority may request the Scott county housing and redevelopment authority to handle the housing duties of the authority and, in such an event, the Scott county housing and redevelopment authority shall act and have exclusive jurisdiction for housing in the municipality pursuant to the provisions of the ~~municipal housing and redevelopment act~~, Minnesota Statutes, sections 462.411 to 462.711, and acts amendatory thereof 469.001 to 469.047. A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Sec. 3. [MUNICIPAL APPROVAL.]

If any housing or redevelopment project is undertaken in Scott county pursuant to this authorization, and such project is within the boundaries of any incorporated village, city or township, the location of such project shall be approved by the governing body of such village, city or township.

Sec. 4. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.]

The Scott county housing and redevelopment authority may exercise any of the powers of an economic development authority (EDA) granted to it by resolution by the Scott county board of commissioners, except for the authority to levy the tax described in Minnesota Statutes, section 469.107. With the prior approval of the Scott county board the authority may increase its levy of the special tax described in Minnesota Statutes, section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of taxable market value, or any higher limit from time to time authorized under Minnesota Statutes, section 469.107 or 469.033, subdivision 6.

Sec. 5. [OFFERS OF TAX-FORFEITED LANDS.]

Scott county may offer to the Scott county housing and redevelopment authority, under the conditions and policies established by the county, and subject to the approval of the city in which the property is located, nonconservation tax-forfeited land prior to making the properties available to cities in Scott county.

Sec. 4. Sec. 6. [EFFECTIVE DATE; LOCAL APPROVAL.]

This act takes effect when approved by a majority of the board of county commissioners of

~~Scott county and upon compliance with Minnesota Statutes, Section 645.021 This act is effective the day after the governing body of Scott county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.~~

Sec. 45. Laws 1980, chapter 482, is amended to read:

Section 1. [CARVER COUNTY; HOUSING AND REDEVELOPMENT.] Subdivision 1. There is created in the county of Carver a public body corporate and politic, to be known as the Carver county housing and redevelopment authority, having all of the powers and duties of a housing and redevelopment authority under the provisions of the ~~municipal housing and redevelopment act~~, Minnesota Statutes, ~~Section 462.411 to 462.711~~ sections 469.001 to 469.047, and having those powers of an economic development authority under the provisions of Minnesota Statutes, sections 469.090 to 469.1082, as are granted to it by Carver county as provided in sections 2 to 4. For the purposes of applying the provisions of the ~~municipal housing and redevelopment act~~ Minnesota Statutes, sections 469.001 to 469.047 and 469.090 to 469.1082, to Carver county, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Subd. 2. This section shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~ If a municipal housing and redevelopment authority requests the Carver county housing and redevelopment authority to handle the housing duties of the municipal authority, the Carver county housing and redevelopment authority shall act and have exclusive jurisdiction for housing in the municipality. A transfer of duties relating to housing shall not transfer any duties relating to redevelopment.

Sec. 2. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.]

The Carver county housing and redevelopment authority may exercise any of the powers of an economic development authority granted to it by resolution by the Carver county board of commissioners, except for the authority to levy the tax described in Minnesota Statutes, section 469.107. With the prior approval of the Carver county board, the authority may increase its levy of the special tax described in Minnesota Statutes, section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of taxable market value, or any higher limit from time to time, authorized under Minnesota Statutes, section 469.107 or 469.033, subdivision 6.

Sec. 3. [OFFERS OF TAX-FORFEITED LANDS.]

Carver county may offer to the Carver county housing and redevelopment authority, under the conditions and policies established by the county, and subject to the approval of the city in which the property is located, nonconservation tax-forfeited land prior to making the properties available to cities in Carver county.

~~Sec. 2.~~ Sec. 4. [LOCAL APPROVAL.] Before a housing or redevelopment project of the Carver county housing and redevelopment authority is undertaken, the project shall be approved by the local governing body with jurisdiction over all or any part of the area in which the proposed project is located.

~~Sec. 3.~~ Sec. 5. [EFFECTIVE DATE; LOCAL APPROVAL.] This act is effective upon takes effect the day of compliance after the governing body of Carver county complies with Minnesota Statutes, Section 645.021, Subdivision 3 subdivisions 2 and 3.

Sec. 46. [GUTHRIE THEATER APPROPRIATION; CONDITIONS.]

The appropriation in Laws 2000, chapter 492, section 14, subdivision 3, may be used to predesign and begin design of a new Guthrie theater and is not required to be used to acquire and prepare a site for the theater nor to construct, furnish, and equip it.

Sec. 47. [ST. PAUL BONDS FOR TECHNOLOGY INFRASTRUCTURE.]

The St. Paul city council may, by a two-thirds vote, issue general obligation bonds, in one or more series, in an aggregate principal amount outstanding not to exceed \$50,000,000 with maturity dates not to exceed ten years, to finance improvements to the technology infrastructure, including software, of the city.

The issuance of the bonds is subject to Minnesota Statutes, chapter 475, except that no election is required to authorize issuance of the bonds.

Sec. 48. [REPEALER.]

Minnesota Statutes 2000, section 474A.061, subdivision 6, is repealed.

Sec. 49. [EFFECTIVE DATE.]

Sections 1 to 11 and 41 to 46 are effective the day following final enactment. Sections 12 to 40 and 48 are effective the day after final enactment except that paragraph (c) added by amendment in this act to section 474A.03, subdivision 2a, is effective to require submissions by December 31, 2002, and annually thereafter. Section 47 is effective the day after the governing body of the city of St. Paul and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to public finance; updating and making technical changes to public finance provisions related to debt obligations, sales and use tax exemptions, county capital financing of certain equipment and hardware and software; extending a sunset date for certain county capital improvement bonds; removing election requirements as preconditions for issuance of certain obligations; authorizing some flexibility in stating certain ballot questions; updating and changing the Minnesota Bond Allocation Act; amending Minnesota Statutes 2000, sections 103B.555, by adding a subdivision; 165.10, subdivision 2; 275.60; 373.01, subdivision 3; 373.45, subdivision 3; 376.08, subdivisions 1, 3, by adding a subdivision; 410.32; 412.301; 429.091, subdivision 7a; 474A.02, subdivisions 8, 13a, 22a, 22b, 23a; 474A.03, subdivisions 1, 2a, 4; 474A.04, subdivisions 1a, 5; 474A.045; 474A.047, subdivisions 1, 2; 474A.061, subdivisions 1, 2a, 2b, 2c, 4; 474A.091, subdivisions 2, 3, 4, 5, 6, by adding a subdivision; 474A.131, subdivisions 1, 2, by adding a subdivision; 474A.14; 475.54, subdivision 1; 475.58, subdivision 1; 475.59; Laws 1974, chapter 473; Laws 1980, chapter 482; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 2000, section 474A.061, subdivision 6."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2378, 2045, 2377 and 2208 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Neuville moved that H.F. No. 1051 be recalled from the House of Representatives for further consideration. The motion prevailed.

H.F. No. 1051: A bill for an act relating to civil actions; regulating certifications of expert reviews in medical malpractice actions; clarifying a reference to the medical malpractice statute of limitations; amending Minnesota Statutes 2000, sections 145.682, subdivision 6; 573.02, subdivision 1.

Senator Moe, R.D. moved that S.F. No. 2368 be withdrawn from the Committee on Rules and Administration, given a second reading and placed on General Orders. The motion prevailed.

S.F. No. 2368 was read the second time.

Senator Moe, R.D. moved that S.F. No. 2328 be withdrawn from the Committee on Rules and Administration, given a second reading and placed on General Orders. The motion prevailed.

S.F. No. 2328 was read the second time.

RECESS

Senator Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Senator Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2036: Senators Murphy, Wiener and Ourada.

S.F. No. 1495: Senators Murphy, Dille and Ring.

S.F. No. 1541: Senators Oliver, Scheid and Wiener.

S.F. No. 1769: Senators Ourada, Metzen and Johnson, Dean.

Senator Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Senators Berglin, Pogemiller, Higgins, Dille and Sabo introduced--

S.F. No. 2386: A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for the Minnesota planetarium.

Referred to the Committee on Finance.

Senators Johnson, Dean; Metzen; Ourada; Kelly, R.C. and Terwilliger introduced--

S.F. No. 2387: A bill for an act relating to highways; modifying provisions relating to telecommunications access to interstate highway rights-of-way; amending Minnesota Statutes 2000, section 161.45, subdivision 1.

Referred to the Committee on Transportation.

Senator Frederickson introduced--

S.F. No. 2388: A bill for an act relating to environment; appropriating money for a regional sludge management demonstration project.

Referred to the Committee on Finance.

Senator Frederickson introduced--

S.F. No. 2389: A bill for an act relating to natural resources; providing funding to construct a recreational trail; authorizing bonds; appropriating money.

Referred to the Committee on Finance.

MEMBERS EXCUSED

Senator Scheid was excused from the Session of today from 12:30 to 1:10 p.m. Senator Berg was excused from the Session of today at 12:45 p.m. Senator Pappas was excused from the Session of today at 3:50 p.m.

ADJOURNMENT

Senator Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Friday, May 18, 2001. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

INDEX TO DAILY JOURNAL

Thursday, May 17, 2001

EXECUTIVE AND OFFICIAL COMMUNICATIONS

Pages 3662 to 3663

MESSAGES FROM THE HOUSE AND FIRST READINGS OF HOUSE FILES

S.F. Nos.	Message Page	H.F. Nos.	Message Page	1st Reading Page
172	3646	2036	3649	
174	3663	2362	3650	3650
179	3663	2514	3650	3650
491	3648			
494	3645			
564	3645			
577	3664			
722	3648			
960	3645			
1154	3649			
1215	3649			
1369	3645			
1397	3648			
1407	3647			
1472	3645			
1541	3647			
1552	3645			
1561	3664			
1614	3663			
1666	3645			
1721	3645			
1769	3645			
1944	3663			
1964	3645			

CONCURRENCE AND REPASSAGE

S.F. Nos.	Page	H.F. Nos.	Page
172	3646		

REPORTS OF COMMITTEES AND SECOND READINGS

S.F. Nos.	Report Page	2nd Reading Page	H.F. Nos.	Report Page	2nd Reading Page
2045	3665	3683	634	3650	3652
2208	3666	3683			
2328	3665				

2368	3665	
2377	3665	3683
2378	3665	3683

MOTIONS AND RESOLUTIONS

S.F. Nos.	Page	H.F. Nos.	Page
2328	3684	1051	3683
2368	3684		
Sen. Res. No. 133	3652		

APPOINTMENTS TO CONFERENCE COMMITTEES

S.F. Nos.	Page	H.F. Nos.	Page
1495	3684	2036	3684
1541	3684		
1769	3684		

SPECIAL ORDERS

S.F. Nos.	Page	H.F. Nos.	Page
386	3652	655	3656
		1310	3657
		1406	3662

INTRODUCTION AND FIRST READING OF SENATE BILLS

S.F. Nos. 2386 to 2389	Pages 3684 to 3685
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