

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-THIRD LEGISLATURE

FORTY-NINTH DAY

St. Paul, Minnesota, Monday, May 5, 2003

The Senate met at 10:00 a.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, Monsignor James D. Habiger.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Anderson	Gaither	Langseth	Olson	Scheid
Bachmann	Hann	Larson	Ortman	Senjem
Bakk	Higgins	LeClair	Ourada	Skoe
Belanger	Hottinger	Limmer	Pappas	Skoglund
Berglin	Johnson, D.E.	Lourey	Pariseau	Solon
Betzold	Johnson, D.J.	Marko	Pogemiller	Sparks
Chaudhary	Jungbauer	Marty	Ranum	Stumpf
Cohen	Kelley	McGinn	Reiter	Tomassoni
Day	Kierlin	Metzen	Rest	Vickerman
Dibble	Kiscaden	Michel	Robling	Wergin
Dille	Kleis	Moua	Rosen	Wiger
Fischbach	Knutson	Murphy	Ruud	
Foley	Koering	Neuville	Sams	
Frederickson	Kubly	Nienow	Saxhaug	

The President declared a quorum present.

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

RECESS

Senator Hottinger moved that the Senate do now recess until 11:00 a.m. The motion prevailed.

The hour of 11:00 a.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

May 2, 2003

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

On behalf of the people of Minnesota, I am honored to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 1064 and 907.

Sincerely,
Tim Pawlenty, Governor

May 2, 2003

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2003 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2003	Date Filed 2003
	850	24	3:20 p.m. May 2	May 2
	1112	25	3:20 p.m. May 2	May 2
1064		26	11:00 a.m. May 2	May 2
907		27	10:56 a.m. May 2	May 2

Sincerely,
Mary Kiffmeyer
Secretary of State

REPORTS OF COMMITTEES

Senator Betzold from the Committee on Judiciary, to which were referred the following appointments as reported in the Journal for April 10, 2003:

BOARD ON JUDICIAL STANDARDS

Elizabeth Hepola
Robert M. A. Johnson

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

Senator Hottinger moved that the foregoing committee report be laid on the table. The motion prevailed.

Senator Betzold from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for February 20, 2003:

DEPARTMENT OF HUMAN RIGHTS
COMMISSIONER

Velma Korbelt

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

Senator Hottinger moved that the foregoing committee report be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS**Senators Wiger, Murphy, Day, Hottinger and Rest introduced--**

Senate Resolution No. 72: A Senate resolution honoring the servicemen and women who lost their lives during the Bataan assault and those who survived the Bataan Death March and Japanese prisoner-of-war camps on the 61st anniversary of the official surrender and beginning of the Death March.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Hottinger, Chair of the Committee on Rules and Administration, designated S.F. No. 1505 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1505: A bill for an act relating to taxation; making changes to income, estate, franchise, sales and use, property, motor vehicle sales tax and registration, cigarette and tobacco, liquor, aggregate and minerals taxes; creating and modifying certain sales tax exemptions; extending sunset dates for certain sales and property tax exemptions; providing for the disposition of local sales taxes for the cities of Duluth, St. Paul, Hermantown, Rochester, and Proctor; authorizing local sales taxes in the cities of Beaver Bay, Bemidji, Cloquet, Hopkins, Medford, and Park Rapids; authorizing lodging taxes in the city of Newport and Itasca county; providing property tax exemptions and exclusions from property valuations; modifying truth-in-taxation provisions; providing for the creation of housing districts; authorizing or modifying the authority of tax increment financing districts in Detroit Lakes, Duluth, Monticello, New Hope, Richfield, Roseville, and St. Michael; authorizing the creation of and modifying the authority of local districts and economic development authorities; granting bonding authority to the state agricultural society and other political subdivisions; allowing bonding for computer systems and other purposes; authorizing cities to establish a program for issuance of capital improvement bonds; limiting challenges to tax increment financing actions; establishing the corporate status of an entity; updating to federal provisions; modifying payment, penalty, interest, and enforcement provisions; distributing payments to counties; allowing counties to sell tax liens; authorizing billing of counties for certain medical exams; changing requirements for purchases of recycled materials; making technical changes; imposing penalties; amending Minnesota Statutes 2002, sections 16B.121; 115B.24, subdivision 8; 168.012, subdivision 1; 168A.03; 216B.2424, subdivision 5; 256.969, by adding a subdivision; 270.06; 270.10, subdivision 1a; 270.60, subdivision 4; 270.69, by adding a subdivision; 270.701, subdivision 2, by adding a subdivision; 270.72, subdivision 2; 270A.03, subdivision 2; 270B.12, by adding a subdivision; 272.02, subdivisions 26, 31, 47, 53, by adding subdivisions; 272.12; 273.01; 273.05, subdivision 1; 273.061, by adding subdivisions; 273.08; 273.11, subdivision 1a, by adding subdivisions; 273.124, subdivision 1; 273.13, subdivisions 22, 25; 273.1315; 273.1398, subdivisions 4b, 4d; 273.372; 273.42, subdivision 2; 274.01, subdivision 1; 274.13, subdivision 1; 275.025, subdivisions 1, 3, 4; 275.065, subdivisions 1, 1a, 3; 276.04, subdivision 2; 276.10; 276.11, subdivision 1; 277.20, subdivision 2; 278.03, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1, by adding a subdivision; 279.06, subdivision 1; 281.17; 282.01, subdivisions 1b, 7a; 282.08; 287.12; 287.29, subdivision 1; 287.31, by adding a subdivision; 289A.02, subdivision 7; 289A.10, subdivision 1;

289A.19, subdivision 4; 289A.31, subdivisions 3, 4, by adding a subdivision; 289A.36, subdivision 7, by adding subdivisions; 289A.50, subdivision 2a; 289A.56, subdivision 3; 289A.60, subdivision 7, by adding a subdivision; 290.01, subdivisions 19, 19b, 19d, 31; 290.06, subdivision 2c; 290.0671, subdivision 1; 290.0675, subdivisions 2, 3; 290.0679, subdivision 2; 290.0802, subdivision 1; 290A.03, subdivisions 8, 15; 290C.02, subdivisions 3, 7; 290C.03; 290C.07; 290C.09; 290C.10; 290C.11; 291.005, subdivision 1; 291.03, subdivision 1; 295.50, subdivision 9b; 295.53, subdivision 1; 297A.61, subdivisions 3, 12, 34, by adding subdivisions; 297A.62, subdivision 3; 297A.665; 297A.67, subdivisions 2, 18, by adding subdivisions; 297A.68, subdivisions 5, 36, by adding a subdivision; 297A.69, subdivisions 2, 3, 4; 297A.70, subdivisions 8, 16; 297A.71, subdivision 10, by adding subdivisions; 297A.85; 297B.025, subdivisions 1, 2; 297B.03; 297B.035, subdivision 1, by adding a subdivision; 297F.01, subdivisions 21a, 23; 297F.06, subdivision 4; 297F.08, by adding a subdivision; 297F.20, subdivisions 1, 2, 3, 6, 9; 297G.01, by adding a subdivision; 297G.03, subdivision 1; 297I.01, subdivision 9; 297I.20; 352.15, subdivision 1; 353.15, subdivision 1; 354.10, subdivision 1; 354B.30; 354C.165; 373.01, subdivision 3; 373.45, subdivision 1; 373.47, subdivision 1; 376.009; 376.55, subdivision 3, by adding a subdivision; 376.56, subdivision 3; 383B.77, subdivisions 1, 2; 410.32; 412.301; 469.169, by adding a subdivision; 469.1731, subdivision 3; 469.174, subdivision 10, by adding subdivisions; 469.175, subdivision 3, by adding a subdivision; 469.176, subdivision 7; 469.1761, by adding a subdivision; 469.1763, subdivision 2; 469.177, subdivision 1; 469.1792; 473.39, by adding a subdivision; 473F.07, subdivision 4; 473F.08, by adding a subdivision; 475.58, subdivision 3b; 477A.011, subdivision 30; 515B.1-116; Laws 1967, chapter 558, section 1, subdivision 5, as amended; Laws 1978, chapter 464, section 1; Laws 1980, chapter 511, section 1, subdivision 2, as amended; Laws 1980, chapter 511, section 2, as amended; Laws 1989, chapter 211, section 8, subdivision 2, as amended; Laws 1989, chapter 211, section 8, subdivision 4, as amended; Laws 1993, chapter 375, article 9, section 46, subdivision 2, as amended; Laws 1996, chapter 471, article 2, section 29; Laws 1998, chapter 389, article 8, section 43, subdivision 3; Laws 1998, chapter 389, article 8, section 43, subdivision 4; Laws 1999, chapter 243, article 4, section 18, subdivision 1; Laws 1999, chapter 243, article 4, section 18, subdivision 3; Laws 1999, chapter 243, article 4, section 18, subdivision 4; Laws 1999, chapter 243, article 4, section 19, as amended; Laws 2001, First Special Session chapter 5, article 3, section 61, the effective date; Laws 2001 First Special Session chapter 5, article 3, section 63, the effective date; Laws 2001, First Special Session chapter 5, article 3, section 96; Laws 2001, First Special Session chapter 5, article 12, section 9, section 12, the effective date; Laws 2001, First Special Session chapter 5, article 12, section 67, the effective date; Laws 2002, chapter 377, article 3, section 15, the effective date; Laws 2002 chapter 377, article 6, section 4, the effective date; proposing coding for new law in Minnesota Statutes, chapters 37; 270; 273; 275; 276; 290C; 410; 469; proposing coding for new law as Minnesota Statutes, chapter 280A; repealing Minnesota Statutes 2002, sections 270.691, subdivision 8; 274.04; 290.0671, subdivision 3; 290.0675, subdivision 5; 294.01; 294.02; 294.021; 294.03; 294.06; 294.07; 294.08; 294.09; 294.10; 294.11; 294.12; 297A.72, subdivision 1; 297A.97; 477A.065; Laws 1984, chapter 652, section 2; Laws 2002, chapter 377, article 9, section 12, the effective date; Minnesota Rules, parts 8007.0300, subpart 3; 8009.7100; 8009.7200; 8009.7300; 8009.7400; 8092.1000; 8106.0100, subparts 11, 15, 16; 8106.0200; 8125.1000; 8125.1300, subpart 1; 8125.1400; 8130.0800, subparts 5, 12; 8130.1300; 8130.1600, subpart 5; 8130.1700, subparts 3, 4; 8130.4800, subpart 2; 8130.7500, subpart 5; 8130.8000; 8130.8300.

Senator Pogemiller moved to amend S.F. No. 1505 as follows:

Page 53, line 36, delete "; or"

Page 54, strike lines 21 to 23

Page 54, line 24, strike "level"

Page 54, line 25, strike "(4)" and insert "(3)"

Page 75, line 27, delete "combined cycle" and insert "combined-cycle"

Page 76, line 4, delete "combined cycle" and insert "combined-cycle"

Page 81, line 9, delete "28" and insert "29"

Page 240, after line 27, insert:

"Sec. 2. [270.30] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 270.30 to 270.303, the terms defined in this section have the meanings given them.

Subd. 2. [CLIENT.] "Client" means an individual for whom a tax preparer performs or agrees to perform tax preparation services.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 4. [CONFIDENTIAL INFORMATION.] "Confidential information" means information furnished to a tax preparer by a client for, or in connection with, the preparation of a client's individual income tax or business return.

Subd. 5. [DEPARTMENT.] "Department" means the department of revenue.

Subd. 6. [FAMILY MEMBER.] "Family member" means spouse, parent, grandparent, child, or sibling.

Subd. 7. [FINANCIAL INSTITUTION.] "Financial institution" means a lending institution chartered by an agency of the federal government or regulated by the commissioner of commerce.

Subd. 8. [NONPUBLIC PERSONAL INFORMATION.] "Nonpublic personal information" means personally identifiable information provided by a client to a tax preparer resulting from any transaction or any service performed.

Subd. 9. [PERSON.] "Person" means an individual, corporation, partnership, association, trustee, or other legal entity.

Subd. 10. [TAX PREPARATION BUSINESS.] "Tax preparation business" means a corporation, partnership, association, or other entity that directly employs or otherwise has a business arrangement with two or more tax preparers.

Subd. 11. [TAX PREPARATION SERVICES.] "Tax preparation services" means the services provided by a tax preparer for a fee or other consideration, which include, but are not limited to, assisting with, preparing or filing individual income tax or business returns for a client, assuming final responsibility for completed work on an individual income tax or business return on which preliminary work has been done by another, offering to assist with, prepare or file an individual income tax or business return, and offering or providing loans, on behalf of a tax preparer or a financial institution, in anticipation of and for which payment is intended to be a client's tax refund or federal or state tax credit.

Subd. 12. [TAX PREPARER.] "Tax preparer" means a person who provides tax preparation services for a fee or other consideration.

Sec. 3. [270.301] [REQUIREMENTS OF TAX PREPARERS.]

Subdivision 1. [FEES.] No tax preparer or tax preparation business shall:

- (1) charge a fee that has no reasonable relation to the services provided;
- (2) charge a fee for a service where the service is not actually provided;
- (3) misrepresent the amount charged by or paid to a third party for a service;
- (4) charge, offer to accept, or accept a contingent fee for tax preparation services;

(5) charge, offer to accept, or accept a fee for electronically filing a client's individual income tax or business return that is related to or calculated as a percentage of a client's refund or a loan offered or provided to a client, on behalf of the tax preparer or a financial institution, in

anticipation of and for which payment is intended to be a client's refund or federal or state tax credit; or

(6) fail to completely itemize all charges for tax preparation services.

Subd. 2. [STANDARDS OF CONDUCT.] No tax preparer or tax preparation business shall:

(1) fail to promptly, diligently, and without unreasonable delay complete a client's tax return;

(2) obtain the signature of a client to a tax return or authorizing document that contains blank spaces to be filled in after it has been signed;

(3) fail to sign a client's tax return when payment for services rendered has been made;

(4) fail or refuse to give a client a copy of any document requiring the client's signature within a reasonable time after the client signs the document;

(5) fail to retain for at least four years a copy of individual income tax returns and for at least seven years a copy of business returns;

(6) fail to maintain a confidential relationship between themselves and their clients or former clients;

(7) fail to safeguard a client's nonpublic personal information;

(8) make, authorize, or cause to make, either directly or indirectly, any false, deceptive, or misleading statement or representation, whether oral, written, or recorded by any means, in connection with the offering or provision of tax preparation services;

(9) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the offering or provision of tax preparation services that is false, deceptive, misleading;

(10) include in a contract any provision that requires, or requires in any other way, a client to assert any claim or defense in a forum that is less convenient, more costly, or more dilatory for the resolution of the dispute than a judicial forum established in this state where the client may otherwise properly bring a claim or defense, or limits in any way any claim or defense the client may have;

(11) require a taxpayer to enter into a loan arrangement in order to complete a tax return;

(12) claim credits or deductions on a client's tax return for which the tax preparer knows or should know the taxpayer does not qualify.

Subd. 3. [DISCLOSURES.] (a) Prior to entering into any oral or written agreement to provide tax preparation services, a tax preparer or tax preparation business offering to make or making loans, on behalf of the tax preparer or a financial institution, in anticipation of and for which payment is intended to be a client's tax refund or federal or state tax credit shall provide in writing, on a single sheet of paper, separate from any other written document or oral statement, and shall orally read to a prospective client the following statement: "You may be eligible for FREE tax preparation services. For information about free tax preparation services, contact the Minnesota Department of Revenue at (insert the current telephone number.)" It is the obligation of the tax preparer to ensure that the telephone number provided for the department is current.

(b) Prior to entering into any oral or written agreement to provide a loan, on behalf of the tax preparer or a financial institution, in anticipation of and for which payment is intended to be a client's tax refund or federal or state tax credit, a tax preparer or tax preparation business shall orally read to and provide in writing, on a single sheet of paper, separate from any other written document or oral statement, to a prospective client, a notice containing:

(1) a legend, centered at the top of the single sheet of paper, in bold, capital letters, and in 28-point type stating "WARNING"; and

(2) the following verbatim statements in capital and small type, in a minimum of 14-point type, with at least a double space between each line in the statement and four spaces between each statement:

(i) This is a loan. The annual percentage rate (APR) is (fill in APR).

(ii) Your refund will be reduced by (fill in appropriate number) percent or \$(fill in appropriate number of dollars) due to fees, interest, and other charges.

(iii) You can get your refund in about two weeks if you file your return electronically and have the IRS send your refund to your own bank account. You do not need to pay for a loan to get your money quickly.

(iv) If you choose to take this loan and your refund is delayed, you may have to pay additional interest.

(c) The notice must be signed and dated by the tax preparer and the client or clients if a joint return.

Sec. 4. [270.302] [ENFORCEMENT.]

Subdivision 1. [CIVIL PENALTIES.] When a tax preparer or tax preparation business has violated any of the provisions of section 270.301, the commissioner may impose an administrative penalty of not more than \$10,000 for each violation. Imposition of the penalty is subject to the contested case procedure under chapter 14. Demonstration by the commissioner of a pattern and practice of violation shall establish a rebuttable presumption that the violation for which the commissioner is bringing an action was not due to unintentional error. The penalty is collected in the same manner as income tax.

Subd. 2. [CIVIL ACTIONS.] (a) Any violation of sections 270.30 to 270.303 constitutes an unfair, deceptive, and unlawful trade practice within the meaning of section 8.31.

(b) A client may bring a civil action seeking redress for a violation of sections 270.30 to 270.303 in the district court of the county wherein the unlawful action or practice is alleged to have been committed or where the respondent resides or has a principal place of business.

(c) A court finding for the plaintiff shall award actual damages, including incidental and consequential damages, reasonable attorney fees, court costs, and any other equitable relief as the court considers appropriate.

Subd. 3. [ASSIGNEE LIABILITY.] Any person who purchases or is otherwise assigned rights granted under a contract entered into in connection with tax preparation services is subject to all affirmative claims and any defenses with respect to the loan that the borrower could assert against the seller or assignor.

Subd. 4. [ACTION BY OTHER OVERSIGHT BODIES.] Nothing in sections 270.30 to 270.303 should be construed to constrain disciplinary or other action from being taken by the Minnesota state board of accountancy, the Minnesota lawyers professional responsibility board, or any other entity that has oversight responsibility over persons providing tax preparation services.

Sec. 5. [270.303] [EXEMPTIONS.]

Sections 270.30 to 270.302, except for section 270.301, subdivision 3, do not apply to:

(1) an attorney admitted to practice law in this state pursuant to section 481.01;

(2) a certified public accountant holding a certificate issued pursuant to section 326A.04 or a person issued a permit to practice under section 326A.05;

(3) a person designated as a registered accounting practitioner under Minnesota Rules, part 1105.6600, or a registered accounting practitioner firm issued a permit under Minnesota Rules, part 1105.7100;

(4) an enrolled agent who has passed the special enrollment examination administered by the Internal Revenue Service;

(5) any person who, as part of the regular clerical duties of employment, prepares income, sales, or payroll tax returns for an employer;

(6) any person who provides, for a fee or valuable consideration, tax preparation services for fewer than six clients in a calendar year;

(7) any person who provides tax preparation services for a family member; and

(8) while acting as such, any fiduciary, or the regular employees of a fiduciary, acting on behalf of the fiduciary estate, the testator, trustor, grantor, or beneficiaries thereof."

Page 252, after line 30, insert:

"(d) For purposes of this section, "person" has the meaning given in section 297F.01, subdivision 12. Person does not include any common or contract carrier, or public warehouse that is not owned, in whole or in part, directly or indirectly by such person."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Moua moved to amend S.F. No. 1505 as follows:

Pages 241 to 250, delete sections 3 to 14

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pogemiller moved to amend S.F. No. 1505 as follows:

Page 93, after line 10, insert:

"Sec. 14. Laws 2002, chapter 377, article 11, section 1, is amended to read:

Section 1. [CITY OF MOORHEAD; TAX LEVY AUTHORIZED.]

(a) Each year the city of Moorhead may impose a tax on all class 3a and class 3b property located in the city in an amount which the city determines is equal to the reduction in revenues from increment from all tax increment financing districts in the city resulting from the class rate changes and the elimination of the state-determined general education property levy under Laws 2001, First Special Session chapter 5. The proceeds of this tax may only be used to pay preexisting obligations as defined in Minnesota Statutes, section 469.1763, subdivision 6, whether general obligations or payable wholly from tax increments. The tax must be levied and collected in the same manner and as part of the property tax levied by the city and is subject to the same administrative, penalty, and enforcement provisions. A tax imposed under this section is a special levy and is not subject to levy limitations under Minnesota Statutes, section 275.71.

~~(b) This section expires December 31, 2005.~~

[EFFECTIVE DATE.] This section is effective upon approval by and compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Moorhead."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pogemiller then moved to amend S.F. No. 1505 as follows:

Page 22, after line 5, insert:

"Sec. 3. Laws 1991, chapter 291, article 8, section 27, subdivision 3, as amended by Laws 1998, chapter 389, article 8, section 28, is amended to read:

Subd. 3. [USE OF REVENUES.] Revenues received from taxes authorized by subdivisions 1 and 2 shall be used by the city to pay the cost of collecting the tax and to pay all or a portion of the expenses of constructing and operating facilities as part of an urban revitalization project in downtown Mankato known as Riverfront 2000. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of Riverfront 2000 and related facilities, and securing or paying debt service on bonds or other obligations issued to finance the construction of Riverfront 2000 and related facilities. For purposes of this section, "Riverfront 2000 and related facilities" means a civic-convention center, an arena, a riverfront park, a technology center and related educational facilities, and all publicly owned real or personal property that the governing body of the city determines will be necessary to facilitate the use of these facilities, including but not limited to parking, skyways, pedestrian bridges, lighting, and landscaping.

Revenues collected each year shall be used to pay authorized expenses in the following order of priority:

- (1) cost of collecting the tax;
- (2) annual debt service on principal and interest;
- (3) a reserve balance equal to 105 percent of the debt service principal and interest payments for the following year; and
- (4) any remaining balance for capital, administrative, and operating expenses of the Riverfront 2000 district.

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

Sec. 4. Laws 1991, chapter 291, article 8, section 27, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The authority granted by subdivisions 1 and 2 to the city to impose a sales tax and an excise tax shall expire when the principal and interest on any bonds or obligations issued to finance construction of Riverfront 2000 and related facilities have been paid or at an earlier time as the city shall, by ordinance, determine. ~~The total capital, administrative, and operating expenditures payable from bond proceeds and revenues received from the taxes authorized by subdivisions 1 and 2, excluding investment earnings on bond proceeds and revenues, shall not exceed \$25,000,000 for Riverfront 2000 and related facilities.~~

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

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend S.F. No. 1505 as follows:

Page 15, lines 7 to 9, delete the new language and insert "primarily for children and adults accompanying children, or persons with disabilities"

The motion prevailed. So the amendment was adopted.

Senator Reiter moved to amend S.F. No. 1505 as follows:

Pages 76 and 77, delete section 1

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

Amend the title accordingly

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on the Reiter amendment to S.F. No. 1505. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 33 and nays 32, as follows:

Those who voted in the affirmative were:

Bachmann	Frederickson	Kleis	Michel	Robling
Belanger	Gaither	Knutson	Neuville	Rosen
Chaudhary	Hann	Koering	Nienow	Ruud
Day	Johnson, D.J.	Larson	Olson	Senjem
Dille	Jungbauer	LeClair	Ortman	Solon
Fischbach	Kierlin	Limmer	Ourada	
Foley	Kiscaden	McGinn	Reiter	

Those who voted in the negative were:

Bakk	Johnson, D.E.	Metzen	Sams	Tomassoni
Berglin	Kelley	Moua	Saxhaug	Vickerman
Betzold	Kubly	Murphy	Scheid	Wergin
Cohen	Langseth	Pappas	Skoe	Wiger
Dibble	Lourey	Pogemiller	Skoglund	
Higgins	Marko	Ranum	Sparks	
Hottinger	Marty	Rest	Stumpf	

The motion prevailed. So the amendment was adopted.

Senator Saxhaug moved to amend S.F. No. 1505 as follows:

Page 126, after line 11, insert:

"Sec. 26. [NURSING HOME BONDS AUTHORIZED.]

Itasca county may issue bonds under Minnesota Statutes, sections 376.55 and 376.56, to finance the construction of a 35-bed nursing home facility to replace an existing 35-bed private facility located in the county. For the purposes of Minnesota Statutes, section 376.56, subdivision 3, the construction constitutes replacement of an existing nursing home without increasing the number of accommodations for residents.

[EFFECTIVE DATE.] This section is effective the day after the governing body of Itasca county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

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

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Marko moved to amend S.F. No. 1505 as follows:

Page 37, line 25, delete "three" and insert "four"

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend S.F. No. 1505 as follows:

Pages 254 and 255, delete section 21

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Bachmann	Gaither	Kubly	Moua	Robling
Chaudhary	Hann	Larson	Neuville	Rosen
Cohen	Johnson, D.J.	LeClair	Nienow	Ruud
Day	Jungbauer	Marko	Ortman	Senjem
Dille	Kierlin	Marty	Ourada	Wergin
Fischbach	Kleis	McGinn	Pappas	Wiger
Foley	Knutson	Metzen	Reiter	

Those who voted in the negative were:

Bakk	Hottinger	Lourey	Sams	Stumpf
Belanger	Johnson, D.E.	Michel	Saxhaug	Tomassoni
Berglin	Kelley	Murphy	Scheid	Vickerman
Betzold	Kiscaden	Olson	Skoe	
Dibble	Koering	Pogemiller	Skoglund	
Frederickson	Langseth	Ranum	Solon	
Higgins	Limmer	Rest	Sparks	

The motion prevailed. So the amendment was adopted.

Senator Marko moved to amend S.F. No. 1505 as follows:

Pages 45 and 46, delete section 7

Page 75, delete section 34

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Knutson moved to amend the Marko amendment to S.F. No. 1505 as follows:

Page 1, after line 2, insert:

"Page 46, delete section 8"

CALL OF THE SENATE

Senator Knutson imposed a call of the Senate for the balance of the proceedings on the Knutson and the Marko amendments to S.F. No. 1505. The Sergeant at Arms was instructed to bring in the absent members.

Senator Knutson withdrew his amendment.

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

The roll was called, and there were yeas 10 and nays 52, as follows:

Those who voted in the affirmative were:

Belanger	Chaudhary	Higgins	Moua	Skoe
Berglin	Foley	Marko	Pappas	Wiger

Those who voted in the negative were:

Bachmann	Johnson, D.J.	LeClair	Ortman	Senjem
Bakk	Jungbauer	Limmer	Ourada	Skoglund
Betzold	Kelley	Lourey	Pogemiller	Solon
Cohen	Kierlin	Marty	Reiter	Sparks
Day	Kiscaden	McGinn	Rest	Stumpf
Dibble	Kleis	Metzen	Robling	Tomassoni
Dille	Knutson	Michel	Rosen	Vickerman
Gaither	Koering	Murphy	Ruud	Wergin
Hann	Kubly	Neuville	Sams	
Hottinger	Langseth	Nienow	Saxhaug	
Johnson, D.E.	Larson	Olson	Scheid	

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

Senator Betzold moved to amend S.F. No. 1505 as follows:

Pages 91 to 93, delete section 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Pogemiller moved to amend S.F. No. 1505 as follows:

Pages 239 and 240, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Tomassoni moved to amend S.F. No. 1505 as follows:

Page 239, after line 30, insert:

"MINERALS TAXATION

Section 1. Minnesota Statutes 2002, section 272.02, is amended by adding a subdivision to read:

Subd. 56. [PROPERTY USED IN THE BUSINESS OF MINING SUBJECT TO THE NET PROCEEDS TAX.] The following property used in the business of mining subject to the net proceeds tax under section 298.015 is exempt:

(1) deposits of ores, metals, and minerals and the lands in which they are contained;

(2) all real and personal property used in a process that includes both mining and producing or refining ores, minerals, or metals, including lands occupied by or used in connection with the mining or production facilities; and

(3) concentrate or direct reduced ore.

This exemption applies for taxes payable in each year that a person subject to the tax under section 298.015 uses the property for mining and producing or refining ores, metals, or minerals.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 2. Minnesota Statutes 2002, section 290.05, subdivision 1, is amended to read:

Subdivision 1. [EXEMPT ENTITIES.] The following corporations, individuals, estates, trusts, and organizations shall be exempted from taxation under this chapter, provided that every such person or corporation claiming exemption under this chapter, in whole or in part, must establish to the satisfaction of the commissioner the taxable status of any income or activity:

(a) corporations, individuals, estates, and trusts engaged in the business of mining or producing iron ore and ~~mining, producing, or refining~~ other ores, metals, and minerals, the mining or, production, or refining of which is subject to the occupation tax imposed by section 298.01; but if any such corporation, individual, estate, or trust engages in any other business or activity or has income from any property not used in such business it shall be subject to this tax computed on the net income from such property or such other business or activity. Royalty shall not be considered as income from the business of mining or producing iron ore within the meaning of this section;

(b) the United States of America, the state of Minnesota or any political subdivision of either agencies or instrumentalities, whether engaged in the discharge of governmental or proprietary functions; and

(c) any insurance company.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2002.

Sec. 3. Minnesota Statutes 2002, section 290.17, subdivision 4, is amended to read:

Subd. 4. [UNITARY BUSINESS PRINCIPLE.] (a) If a trade or business conducted wholly within this state or partly within and partly without this state is part of a unitary business, the entire income of the unitary business is subject to apportionment pursuant to section 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is considered to be derived from any particular source and none may be allocated to a particular place except as provided by the applicable apportionment formula. The provisions of this subdivision do not apply to business income subject to subdivision 5, income of an insurance company, or income of an investment company determined under section 290.36, or income of a mine or mineral processing facility subject to tax under section 298.01.

(b) The term "unitary business" means business activities or operations which result in a flow of value between them. The term may be applied within a single legal entity or between multiple entities and without regard to whether each entity is a sole proprietorship, a corporation, a partnership or a trust.

(c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction, but the absence of these centralized activities will not necessarily evidence a nonunitary business. Unity is also presumed when business activities or operations are of mutual benefit, dependent upon or contributory to one another, either individually or as a group.

(d) Where a business operation conducted in Minnesota is owned by a business entity that carries on business activity outside the state different in kind from that conducted within this state, and the other business is conducted entirely outside the state, it is presumed that the two business operations are unitary in nature, interrelated, connected, and interdependent unless it can be shown to the contrary.

(e) Unity of ownership is not deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more business entities and more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group. For this purpose, the term "voting stock" shall include membership interests of mutual insurance holding companies formed under section 60A.077.

(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign

corporations and other foreign entities which are part of a unitary business shall not be included in the net income or the apportionment factors of the unitary business. A foreign corporation or other foreign entity which is required to file a return under this chapter shall file on a separate return basis. The net income and apportionment factors under section 290.191 or 290.20 of foreign operating corporations shall not be included in the net income or the apportionment factors of the unitary business except as provided in paragraph (g).

(g) The adjusted net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof, in proportion to each shareholder's ownership, with which such corporation is engaged in a unitary business. Such deemed dividend shall be treated as a dividend under section 290.21, subdivision 4.

Dividends actually paid by a foreign operating corporation to a corporate shareholder which is a member of the same unitary business as the foreign operating corporation shall be eliminated from the net income of the unitary business in preparing a combined report for the unitary business. The adjusted net income of a foreign operating corporation shall be its net income adjusted as follows:

(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction; and

(2) the subtraction from federal taxable income for payments received from foreign corporations or foreign operating corporations under section 290.01, subdivision 19d, clause (10), shall not be allowed.

If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.

(h) For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of domestic corporations or other domestic entities other than foreign operating corporations that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that foreign corporations or other foreign entities might be included in the unitary business.

(i) Deductions for expenses, interest, or taxes otherwise allowable under this chapter that are connected with or allocable against dividends, deemed dividends described in paragraph (g), or royalties, fees, or other like income described in section 290.01, subdivision 19d, clause (10), shall not be disallowed.

(j) Each corporation or other entity, except a sole proprietorship, that is part of a unitary business must file combined reports as the commissioner determines. On the reports, all intercompany transactions between entities included pursuant to paragraph (h) must be eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph (h) in the denominators of the apportionment formula.

(k) If a corporation has been divested from a unitary business and is included in a combined report for a fractional part of the common accounting period of the combined report:

(1) its income includable in the combined report is its income incurred for that part of the year determined by proration or separate accounting; and

(2) its sales, property, and payroll included in the apportionment formula must be prorated or accounted for separately.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2002.

Sec. 4. Minnesota Statutes 2002, section 290.191, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Except as otherwise provided in section 290.17, subdivision 5, the net income from a trade or business carried on partly within and partly without this state must be apportioned to this state as provided in this section. To the extent that an entity is exempt from taxation under this chapter as provided in section 290.05, the apportionment factors associated with the entity's exempt activities are excluded from the apportionment formula under this section.

(b) For purposes of this section, "state" means a state of the United States, the District of Columbia, the commonwealth of Puerto Rico, or any territory or possession of the United States or any foreign country.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2002.

Sec. 5. Minnesota Statutes 2002, section 297A.68, subdivision 4, is amended to read:

Subd. 4. [TACONITE, OTHER ORES, METALS, OR MINERALS; PRODUCTION MATERIALS.] Mill liners, grinding rods, and grinding balls that are substantially consumed in the production of taconite or other ores, metals, or minerals are exempt when sold to or stored, used, or consumed by persons taxed under the in-lieu provisions of chapter 298.

[EFFECTIVE DATE.] This section is effective for sales and purchases made after June 30, 2005.

Sec. 6. Minnesota Statutes 2002, section 297A.71, is amended by adding a subdivision to read:

Subd. 32. [CONSTRUCTION MATERIALS AND EQUIPMENT; NONFERROUS METALS AND MINERALS FACILITY.] Materials and supplies used or consumed in, and equipment incorporated into, the improvement or construction of an existing taconite ore processing facility to extract and refine nonferrous ores, metals, and minerals, including the construction or improvement of a hydrometallurgical processing facility, are exempt. This exemption includes any delivery or installation charges relating to materials, supplies, and equipment exempt under this section.

[EFFECTIVE DATE.] This section is effective for sales and purchases made after June 30, 2005, and before July 1, 2012.

Sec. 7. Minnesota Statutes 2002, section 298.001, is amended by adding a subdivision to read:

Subd. 9. [PRECIOUS MINERALS TAX RELIEF AREA.] The "precious mineral tax relief area" means the area of the following independent school districts:

- (1) No. 166, Cook County;
- (2) No. 316, Coleraine;
- (3) No. 318, Grand Rapids;
- (4) No. 319, Nashwauk-Keewatin;
- (5) No. 381, Lake Superior;
- (6) No. 695, Chisholm;
- (7) No. 696, Ely;
- (8) No. 701, Hibbing;
- (9) No. 706, Virginia;
- (10) No. 712, Mountain Iron-Buhl;

(11) No. 2711, Mesabi East;

(12) No. 2142, St. Louis County; and

(13) No. 2154, Eveleth-Gilbert.

Sec. 8. Minnesota Statutes 2002, section 298.01, subdivision 3, is amended to read:

Subd. 3. [OCCUPATION TAX; OTHER ORES.] Every person engaged in the business of mining, refining, or producing ores, metals, or minerals in this state, except iron ore or taconite concentrates, shall pay an occupation tax to the state of Minnesota as provided in this subdivision. For purposes of this subdivision, mining includes the application of hydrometallurgical processes. The tax is determined in the same manner as the tax imposed by section 290.02, except that sections 290.05, subdivision 1, clause (a), 290.0921, and 290.17, subdivision 4, do not apply and the rate of taxation is 1.8 percent. Except as provided in section 290.05, subdivision 1, paragraph (a), the tax is in addition to all other taxes.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2002.

Sec. 9. Minnesota Statutes 2002, section 298.01, subdivision 3a, is amended to read:

Subd. 3a. [GROSS INCOME.] (a) For purposes of determining a person's taxable income under subdivision 3, gross income is determined by the amount of gross proceeds from mining in this state under section 298.016 and includes any gain or loss recognized from the sale or disposition of assets used in the business in this state.

(b) In applying section 290.191, subdivision 5, transfers of ores, metals, or minerals that are subject to this chapter are deemed to be sales outside this state if the ores, metals, or minerals are transported out of this state after the ores have been converted to a commercially marketable quality.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2002.

Sec. 10. Minnesota Statutes 2002, section 298.015, is amended to read:

298.015 [NET PROCEEDS TAX ON MINING.]

Subdivision 1. [TAX IMPOSED.] A person engaged in the business of mining shall pay to the state of Minnesota for distribution as provided in section 298.018 a net proceeds tax equal to ~~two~~ four percent of the net proceeds from mining in Minnesota. The tax applies to all ~~mineral and energy resources~~ ores, metals, and minerals mined or, extracted, or produced within the state of Minnesota except for sand, silica sand, gravel, building stone, crushed rock, limestone, granite, dimension granite, dimension stone, horticultural peat, clay, soil, iron ore, and taconite concentrates. The tax is in addition to all other taxes provided for by law.

Subd. 2. [NET PROCEEDS.] For purposes of this section, the term "net proceeds" means the gross proceeds from mining, as defined in section 298.016, less the same deductions allowed in ~~section 298.017 for purposes of determining taxable income under section 298.01.~~ No other credits or deductions shall apply to this tax ~~except for those provided in section 298.017.~~

[EFFECTIVE DATE.] This section is effective for taxes payable in 2004 and thereafter.

Sec. 11. Minnesota Statutes 2002, section 298.016, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION; ARM'S-LENGTH TRANSACTIONS.] When a an ore, metal or mineral product is sold by the producer in an arm's-length transaction, the gross proceeds are equal to the proceeds from the sale of the product. This subdivision applies to sales realized on all ~~metal ores, metals, or mineral products~~ minerals produced from mining, including reduction, beneficiation, refining, or any treatment used by a producer to obtain a metal or mineral product which is commercially marketable.

Sec. 12. Minnesota Statutes 2002, section 298.016, subdivision 2, is amended to read:

Subd. 2. [OTHER TRANSACTIONS.] When a an ore, metal, or mineral ~~product~~ is used by the producer or disposed of in a non-arm's-length transaction, the gross proceeds must be determined using the alternative computation in subdivision 3. Transactions subject to this subdivision include, but are not limited to, shipments to a wholly owned smelter, transactions with associated or affiliated companies, and any other transactions which are not at arm's length.

Sec. 13. Minnesota Statutes 2002, section 298.016, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] For the purposes of sections 298.015 and 298.017, the terms defined in this subdivision have the meaning given them unless the context clearly indicates otherwise.

(a) "Ore, metal, or mineral ~~products~~" means all those ~~mineral and energy resources~~ ores, metals, and minerals subject to the tax provided in section 298.015.

(b) "Exploration" means activities designed and engaged in to ascertain the existence, location, extent, or quality of any deposit of metal or mineral products prior to the development of a mining site.

(c) "Development" means activities designed and engaged in to prepare or develop a potential mining site for mining after the existence of metal or mineral products in commercially marketable quantities has been disclosed including, but not limited to, the clearing of forestation, the building of roads, removal of overburden, or the sinking of shafts.

(d) "Research" means activities designed and engaged in to create new or improved methods of mining, producing, processing, beneficiating, smelting, or refining metal or mineral products.

Sec. 14. Minnesota Statutes 2002, section 298.018, is amended to read:

298.018 [DISTRIBUTION OF PROCEEDS.]

Subdivision 1. [WITHIN TACONITE PRECIOUS MINERALS TAX RELIEF AREA.] The proceeds of the tax paid under sections 298.015 to 298.017 on ores, metals, and minerals and energy resources mined or extracted within the taconite precious minerals tax relief area defined in ~~section 273.134, paragraph (b)~~, shall be allocated as follows:

(1) five percent to the city or town within which the ores, metals, or minerals ~~or energy resources~~ are mined or extracted;

(2) ten percent to the taconite municipal aid account to be distributed as ~~provided in section 298.282~~ to qualifying municipalities, as defined in section 298.282 and located in the precious mineral tax relief area;

(3) ten percent to the school district within which the ores, metals, or minerals ~~or energy resources~~ are mined or extracted;

(4) ~~20~~ 30 percent to a ~~group of school districts comprised of those school districts wherein the mineral or energy resource was mined or extracted or in which there is a qualifying municipality as defined by section 273.134, paragraph (b), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions~~ the state general fund to represent the portion of the tax that is in lieu of the state general tax under section 275.025;

(5) 20 percent to the county within which the ores, metals, or minerals ~~or energy resources~~ are mined or extracted;

(6) ~~20 percent to St. Louis county acting as the counties' fiscal agent to be distributed as provided in sections 273.134 to 273.136;~~

(7) five percent to the iron range resources and rehabilitation board for the purposes of section 298.22;

(8) ~~(7)~~ five ten percent to the ~~northeast Minnesota~~ Douglas J. Johnson economic protection trust fund; and

(9) ~~(8)~~ five ten percent to the taconite environmental protection fund.

The proceeds of the tax shall be distributed on July 15 each year.

Subd. 2. [~~OUTSIDE TACONITE PRECIOUS MINERALS TAX RELIEF AREA.~~] The proceeds of the tax paid under sections 298.015 to 298.017 on ores, metals, or minerals and energy resources mined or extracted outside of the taconite precious minerals tax relief area defined in section 273.134, paragraph (b), shall be deposited in the general fund.

Subd. 3. [SEGREGATION OF FUNDS.] The proceeds of the tax allocated under subdivision 1, clauses (2), (6), (7), and (8), including any investment earnings on them, must be segregated and separately accounted for in the respective funds or accounts to which they are allocated. These amounts must only be distributed to municipalities within the precious minerals tax relief area or used for projects located in the precious minerals tax relief area.

[EFFECTIVE DATE.] This section is effective for distribution of net proceeds tax revenues made after July 1, 2003.

Sec. 15. [298.021] [ROYALTY TAX.]

In addition to any other taxes imposed by law, a tax is imposed on a royalty, as defined in section 290.923, subdivision 1, paid on ore, other than iron ore, taconite, iron sulphides, or semitaconite. The tax equals 12 percent of the amount of the royalty paid. The person paying the royalty shall withhold the tax from the payment and remit the payment to the commissioner at the times and under the procedures provided under section 290.923. The commissioner shall deposit proceeds in the general fund and allocate the proceeds as provided under section 298.018, subdivision 1.

[EFFECTIVE DATE.] This section is effective for royalties paid after June 30, 2003.

Sec. 16. [REPEALER.]

(a) Minnesota Statutes 2002, section 298.01, subdivisions 3c and 3d, are repealed effective for taxable years beginning after December 31, 2002.

(b) Minnesota Statutes 2002, section 298.017, is repealed effective for taxes payable in 2004 and thereafter.

ARTICLE 13"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Ourada moved to amend S.F. No. 1505 as follows:

Page 39, after line 28, insert:

"Sec. 18. [CITY OF CLEARWATER.]

Subdivision 1. [SALES AND USE TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other provision of law, ordinance, or city charter, pursuant to the approval of the city voters at the next general election or at a special election held for this purpose, the city of Clearwater may impose by ordinance a sales and use tax of one-half of one percent for the purposes specified in subdivision 2. The provisions of Minnesota Statutes, section 297A.99, govern the imposition, administration, collection, and enforcement of the tax authorized under this subdivision.

Subd. 2. [USE OF REVENUES.] Revenues received from the tax authorized by subdivision 1 must be used for the cost of collecting and administering the tax and to pay all or part of the capital or administrative costs of the development, acquisition, construction, and improvement of parks, trails, parkland, open space, and land and buildings for a regional community and recreation center. Authorized expenses include, but are not limited to, acquiring property, paying construction expenses related to the development of these facilities and improvements, and securing and paying debt service on bonds or other obligations issued to finance acquisition, construction, improvement, or development.

Subd. 3. [BONDS.] Pursuant to the approval of the city voters to impose the tax authorized in subdivision 1, the city of Clearwater may issue without an additional election general obligation bonds of the city in an amount not to exceed \$3,000,000 to pay capital and administrative expenses for the acquisition, construction, improvement, and development of the projects specified in subdivision 2. The debt represented by the bonds must not be included in computing any debt limitations applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal or any interest on the bonds must not be subject to any levy limitations or be included in computing or applying any levy limitation applicable to the city.

Subd. 4. [TERMINATION OF TAX.] The tax imposed under subdivision 1 expires when the Clearwater city council determines that the amount described in subdivision 3 has been received from the tax to finance the capital and administrative costs for acquisition, construction, improvement, and development of the projects specified in subdivision 2 and to repay or retire at maturity the principal, interest, and premium due on any bonds issued for the projects under subdivision 3. Any funds remaining after completion of the projects specified in subdivision 2 and retirement or redemption of the bonds may be placed in the general fund of the city. The tax imposed under subdivision 1 may expire at an earlier time if the city so determines by ordinance.

[EFFECTIVE DATE.] This section is effective the day after compliance by the governing body of the city of Clearwater with Minnesota Statutes, section 645.021, subdivision 3."

The motion prevailed. So the amendment was adopted.

Senator Sams moved to amend S.F. No. 1505 as follows:

Page 239, after line 30, insert:

"CENTRAL LAKES REGION SANITARY DISTRICT

Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The terms defined in this section shall have the meaning given them unless otherwise provided or indicated by the context.

Subd. 2. [ACQUISITION AND BETTERMENT.] "Acquisition" and "betterment" shall have the meanings given them in Minnesota Statutes, section 475.51.

Subd. 3. [AGENCY.] "Agency" means the Minnesota pollution control agency created and established by Minnesota Statutes, chapter 116.

Subd. 4. [AGRICULTURAL PROPERTY.] "Agricultural property" means land as is classified agricultural land within the meaning of Minnesota Statutes, section 273.13, subdivision 23.

Subd. 5. [CURRENT COSTS OF ACQUISITION, BETTERMENT, AND DEBT SERVICE.] "Current costs of acquisition, betterment, and debt service" means interest and principal estimated to be due during the budget year on bonds issued to finance the acquisition and betterment and all other costs of acquisition and betterment estimated to be paid during the budget year from funds other than bond proceeds and federal or state grants.

Subd. 6. [DISTRICT DISPOSAL SYSTEM.] "District disposal system" means any and all of the interceptors or treatment works owned, constructed, or operated by the board unless designated by the board as local sanitary sewer facilities.

Subd. 7. [CENTRAL LAKES REGION SANITARY DISTRICT AND DISTRICT.] "Central Lakes Region Sanitary District" and "district" mean the area over which the sanitary sewer board has jurisdiction, including those parts of the Douglas county townships of Carlos, Brandon, La Grand, Leaf Valley, Miltona, and Moe, as more particularly described by metes and bounds in the comprehensive plan adopted under section 4.

Subd. 8. [INTERCEPTOR.] "Interceptor" means any sewer and necessary appurtenances to it, including but not limited to, mains, pumping stations, and sewage flow regulating and measuring stations, that is designed for or used to conduct sewage originating in more than one local government unit, or that is designed or used to conduct all or substantially all the sewage originating in a single local government unit from a point of collection in that unit to an interceptor or treatment works outside that unit, or that is determined by the board to be a major collector of sewage used or designed to serve a substantial area in the district.

Subd. 9. [LOCAL GOVERNMENT UNIT OR GOVERNMENT UNIT.] "Local government unit" or "government unit" means any municipal or public corporation or governmental or political subdivision or agency located in whole or in part in the district, authorized by law to provide for the collection and disposal of sewage.

Subd. 10. [LOCAL SANITARY SEWER FACILITIES.] "Local sanitary sewer facilities" means all or any part of any disposal system in the district other than the district disposal system.

Subd. 11. [MUNICIPALITY.] "Municipality" means any city or town located in whole or in part in the district.

Subd. 12. [PERSON.] "Person" means any individual, partnership, corporation, limited liability company, cooperative, or other organization or entity, public or private.

Subd. 13. [POLLUTION AND SEWER SYSTEM.] "Pollution" and "sewer system" have the meanings given them in Minnesota Statutes, section 115.01.

Subd. 14. [SANITARY SEWER BOARD OR BOARD.] "Sanitary sewer board" or "board" means the sanitary sewer board established for the Central Lakes Region Sanitary District as provided in section 2.

Subd. 15. [SEWAGE.] "Sewage" means all liquid or water-carried waste products from whatever sources derived, together with the groundwater infiltration and surface water that may be present.

Subd. 16. [TOTAL COSTS OF ACQUISITION AND BETTERMENT AND COSTS OF ACQUISITION AND BETTERMENT.] "Total costs of acquisition and betterment" and "costs of acquisition and betterment" mean all acquisition and betterment expenses that are permitted to be financed out of bond proceeds issued in accordance with section 12, subdivision 4, whether or not the expenses are in fact financed out of the bond proceeds.

Subd. 17. [TREATMENT WORKS AND DISPOSAL SYSTEM.] "Treatment works" and "disposal system" have the meanings given them in Minnesota Statutes, section 115.01.

Sec. 2. [SANITARY SEWER BOARD.]

Subdivision 1. [ESTABLISHMENT.] A sanitary sewer board with jurisdiction in the Central Lakes Region Sanitary District is established as a public corporation and political subdivision of the state with perpetual succession and all the rights, powers, privileges, immunities, and duties that may be validly granted to or imposed upon a municipal corporation, as provided in this article.

Subd. 2. [MEMBERS AND SELECTION.] The number of board members and method by which they are selected is as follows: The elected chief executive officer of any municipality and the town board chair of each township located in whole or part within the district must each separately select one member. Upon the board's ordering of a project to construct a sanitary sewer, the elected chief executive officer or town board chair respectively of any municipality or township must appoint one additional member for each full 800 special assessments included in

the ordered project to be levied against property located in the municipality or township. The term of each member is subject to the approval of the voting members of the city council or town board.

Subd. 3. [TIME LIMIT; ALTERNATIVE APPOINTMENT.] The initial board members must be selected as provided in subdivision 2 within 60 days after this article is effective. A successor must be selected at any time within 60 days before the expiration of the predecessor's term in the same manner as the predecessor was selected. Any vacancy on the board must be filled within 60 days after it occurs. If a selection is not made as provided within the time prescribed, the chief judge of the seventh judicial district of the Minnesota district court, on application by any interested person, shall appoint an eligible person to the board.

Subd. 4. [VACANCIES.] If the office of any board member becomes vacant, the vacancy shall be filled for the unexpired term in the manner as provided for selection of the member who vacated the office. The office shall be deemed vacant under the conditions specified in Minnesota Statutes, section 351.02.

Subd. 5. [TERMS OF OFFICE.] The terms of all board members shall be for one, two, three, or four calendar years to be determined in accordance with subdivision 2 by the governing body selecting such member. Terms shall expire on January 1 of a calendar year, except that each member shall serve until a successor has been duly selected and qualified.

Subd. 6. [REMOVAL.] A board member may be removed by the unanimous vote of the appointing governing body with or without cause.

Subd. 7. [QUALIFICATIONS.] Each board member may, but need not be a resident of the district and may, but need not be an elected public official.

Subd. 8. [CERTIFICATES OF SELECTION; OATH OF OFFICE.] A certificate of selection to a seat of every board member, stating the seat's term, must be made by the respective municipal or town clerk. The certificate, with the approval attached by other authority, if required, must be filled with the secretary of state. A copy must be furnished to the board member and the secretary of the board. Each member must qualify by taking and subscribing to the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the official administering the same, must be filed with the secretary of state and the secretary of the board.

Subd. 9. [COMPENSATION OF BOARD MEMBERS.] Each board member may be paid a per diem compensation to attend meetings and for other services in an amount as may be specifically authorized by the board from time to time. Per diem compensation may not exceed \$4,000 for any member in any one year. All members of the board must be reimbursed for all reasonable expenses incurred in the performance of their duties as determined by the board.

Sec. 3. [GENERAL PROVISION FOR ORGANIZATION AND OPERATION OF BOARD.]

Subdivision 1. [OFFICERS MEETINGS; SEAL.] A majority of the members is a quorum at all meetings of the board, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members. The board must meet regularly at the time and place as the board by resolution designates. Special meetings may be held at any time upon call of the chair or any two members, upon written notice sent by mail to each member at least three days before the meeting, or upon the notice as the board by resolution may provide, or without notice if each member is present or files with the secretary a written consent to the meeting either before or after the meeting. Except as otherwise provided in this article, any action within the authority of the board may be taken by the affirmative vote of a majority of the board at a regular or adjourned regular meeting or at a duly held special meeting, but in any case only if a quorum is present. All meetings of the board must be open to the public as provided in Minnesota Statutes, chapter 13D.

Subd. 2. [CHAIR.] The board must elect a chair from its membership. The term of the chair expires on January 1 of each year. The chair presides at all meetings of the board, if present, and must perform all other duties and functions usually incumbent upon the officer, and all administrative functions assigned to the chair by the board. The board must elect a vice-chair from its membership to act for the chair during a temporary absence or disability.

Subd. 3. [SECRETARY AND TREASURER.] The board must select one or more persons who may, but need not be a member of the board, to act as its secretary and treasurer. The secretary and treasurer hold office at the pleasure of the board, subject to the terms of any contract of employment that the board may enter into with the secretary or treasurer. The secretary must record the minutes of all meetings of the board, and is custodian of all books and records of the board except those the board entrusts to the custody of a designated employee. The board may appoint a deputy to perform any and all functions of either the secretary or the treasurer. A secretary or treasurer or a deputy of either who is not a member of the board shall not have any right to vote.

Subd. 4. [GENERAL MANAGER.] The board may appoint a general manager who shall be selected solely upon the basis of training, experience, and other qualifications. The general manager serves at the pleasure of the board and at a compensation to be determined by the board. The general manager need not be a resident of the district and may also be selected by the board to serve as either secretary or treasurer, or both, of the board. The general manager must attend all meetings of the board but must not vote. The general manager must:

- (1) see that all resolutions, rules, regulations, or orders of the board are enforced;
- (2) appoint and remove, upon the basis of merit and fitness, all subordinate officers and regular employees of the board except the secretary and the treasurer and their deputies;
- (3) present to the board plans, studies, and other reports prepared for board purposes and recommend to the board for adoption such measures as the general manager considers necessary to enforce or carry out the powers and duties of the board, or for the efficient administration of the affairs of the board;
- (4) keep the board fully advised as to its financial condition, and prepare and submit to the board, and to the governing bodies of the local government units, the board's annual budget and other financial information the board requests;
- (5) recommend to the board for adoption rules recommended as necessary for the efficient operation of a district disposal system and all local sanitary sewer facilities over which the board may assume responsibility as provided in section 17; and
- (6) perform other duties as may be prescribed by the board.

Subd. 5. [PUBLIC EMPLOYEES.] The general manager and all persons employed by the general manager and public employees, and have all the rights and duties conferred on public employees under the Minnesota Public Employment Labor Relations Act. The compensation and conditions of employment of the employees is not governed by any rule applicable to state employees in the classified service or by Minnesota Statutes, chapter 15A, except as specifically authorized by law.

Subd. 6. [PROCEDURES.] The board must adopt resolutions or bylaws establishing procedures for board action, personnel administration, record keeping, investment policy, approving claims, authorizing or making disbursements, safekeeping funds, and audit of all financial operations of the board.

Subd. 7. [SURETY BONDS AND INSURANCE.] The board may procure surety bonds for its officers and employees in such amounts as are considered necessary to assure proper performance of their duties and proper accounting for funds in their custody. It may buy insurance against risks to property and liability of the board and its officers, agents, and employees for personal injuries or death and property damage and destruction in the amounts as it considers necessary or desirable, with the force and effect stated in Minnesota Statutes, chapter 466.

Sec. 4. [COMPREHENSIVE PLAN.]

Subdivision 1. [BOARD PLAN AND PROGRAM.] The board shall adopt a comprehensive plan for the collection, treatment, and disposal of sewage in the district for designated periods that the board considers proper and reasonable. The board must prepare and adopt subsequent

comprehensive plans for the collection, treatment, and disposal of sewage in the district for each succeeding designated period as the board considers proper and reasonable. The plan must take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, use, and potential for use of lands adjoining waters of the state to be used for the disposal of sewage; and the impact such a disposal system will have on present and future land use in the affected area. The plans shall include the following:

- (1) the exact legal description of the boundaries of the district;
- (2) the general location of needed interceptors and treatment works;
- (3) a description of the area that is to be served by the various interceptors and treatment works;
- (4) a long-range capital improvements program; and
- (5) such other details as the board deems appropriate.

In developing the plans, the board shall consult with persons designated by the governing bodies of any municipal or public corporation or governmental or political subdivision or agency within or without the district to represent such entities and shall consider the data, resources, and input offered to the board by such entities and any planning agency acting on behalf of one or more such entities. Each plan, when adopted, must be followed in the district and may be revised as often as the board considers necessary.

Subd. 2. [REPORT TO DOUGLAS COUNTY.] Upon adoption of any comprehensive plan that establishes or reestablishes the boundaries of the district, the board must supply the appropriate Douglas county offices with the boundaries of the district.

Subd. 3. [COMPREHENSIVE PLANS; HEARING.] Before adopting any later comprehensive plan, the board must hold a public hearing on the proposed plan at the time and place in the district it determines. The hearing may be continued from time to time. Not less than 45 days before the hearing, the board must publish notice of it in a newspaper or newspapers having general circulation in the district stating the date, time, and place of the hearing, and the place where the proposed plan may be examined by any interested person. At the hearing, all interested persons must be permitted to present their views on the plan.

Subd. 4. [MUNICIPAL PLANS AND PROGRAMS; COORDINATION WITH BOARD'S RESPONSIBILITIES.] Before undertaking the construction of new sewers or other disposal facilities or the substantial alteration or improvement of any existing sewers or other disposal facilities, each local government unit may, and must if the construction or alteration of any sewage disposal facilities is contemplated by the government unit, adopt a comprehensive plan and program for the collection, treatment, and disposal of sewage for which the local government unit is responsible, coordinated with the board's comprehensive plan, and may revise the plan as often as deemed necessary. Each local plan or revision must be submitted to the board for review and is subject to the approval of the board as to those features of the plan affecting the board's responsibilities as determined by the board. Any features disapproved by the board must be modified in accordance with the board's recommendations. No construction project involving those features may be undertaken by the local government unit unless its governing body first finds the project to be in accordance with the government unit's comprehensive plan and program as approved by the board. Before approval by the board of the comprehensive plan and program of any local government unit in the district, no construction project may be undertaken by the government unit unless approval of the project is first gotten from the board as to those features of the project affecting the board's responsibilities as determined by the board.

Sec. 5. [SEWER SERVICE FUNCTION.]

Subdivision 1. [DUTY OF BOARD; ACQUISITION OF EXISTING FACILITIES; NEW FACILITIES.] At any time after the board has become organized, it must assume ownership of all existing interceptors and treatment works that are needed to implement the board's comprehensive plan for the collection, treatment, and disposal of sewage in the district, in the manner and subject

to the conditions prescribed in subdivision 2, and must design, acquire, construct, better, equip, operate, and maintain all additional interceptors and treatment works that will be needed for this purpose. The board must assume ownership of all treatment works owned by a local government unit if any part of those treatment works are so needed.

Subd. 2. [METHOD OF ACQUISITION; EXISTING DEBT.] The board may require any local government unit to transfer to the board all of its right, title, and interest in any interceptors or treatment works and all necessary appurtenances to them owned by the local government unit that will be needed for the purpose stated in subdivision 1. Appropriate instruments of conveyance for all the property must be executed and delivered to the board by the proper officers of each local government unit concerned. The board, upon assuming ownership of any of the interceptors or treatment works, is obligated to pay to the local government unit amounts sufficient to pay, when due, all remaining principal of and interest on bonds issued by the local government unit for the acquisition or betterment of the interceptors or treatment works. The board must also assume the same obligation with respect to any other existing disposal system owned by a local government unit that the board determines to have been replaced or rendered useless by the district disposal system. The amounts to be paid under this subdivision may be offset against any amount to be paid to the board by the local government unit as provided in section 8. The board is not obligated to pay the local government unit anything in addition to the assumption of debt provided for in this subdivision.

Subd. 3. [EXISTING JOINT POWERS BOARD.] Effective December 31, 2004, or an earlier date as determined by the board, the corporate existence of the joint powers board created by agreement among local government units under Minnesota Statutes, section 471.59, to provide the financing, acquisition, construction, improvement, extension, operation, and maintenance of facilities for the collection, treatment, and disposal of sewage is terminated. All persons regularly employed by the joint powers board on that date become employees of the board, and may at their option become members of the retirement system applicable to persons employed directly by the board or may continue as members of a public retirement association under any other law, to which they belonged before that date, and retain all pension rights that they may have under the other law and all other rights to which they are entitled by contract or law. The board must make the employer's contributions to pension funds of its employees. The employees must perform duties as may be prescribed by the board. On December 31, 2004, or the earlier date, all funds of the joint powers board and all later collections of taxes, special assessments, or service charges, or any other sums due the joint powers board, or levied or imposed by or for the joint powers board, must be transferred to or made payable to the sanitary sewer board and the county auditor must remit the sums to the board. The local government units otherwise entitled to the cash, taxes, assessments, or service charges must be credited with the amounts, and the credits must be offset against any amounts to be paid by them to the board as provided in section 8. On December 31, 2004, or the earlier chosen date, the board shall succeed to and become vested with all right, title, and interest in and to any property, real or personal, owned or operated by the joint powers board. Before that date, the proper officers of the joint powers board must execute and deliver to the sanitary sewer board all deeds, conveyances, bills of sale, and other documents or instruments required to vest in the board good and marketable title to all the real or personal property, but this article operates as the transfer and conveyance to the board of the real or personal property, if not transferred, as may be required under the law or under the circumstances. On December 31, 2004, or the earlier chosen date, the board is obligated to pay or assume all outstanding bonds or other debt and all contracts or obligations incurred by the joint powers board, and all bonds, obligations, or debts of the joint powers board outstanding on the date this article is effective, are validated.

Subd. 4. [CONTRACTS BETWEEN LOCAL GOVERNMENT UNITS.] The board may terminate, upon 60 days' mailed notice to the contracting parties, any existing contract between or among local government units requiring payments by a local government unit to any other local government unit for the use of a disposal system, or as reimbursement of capital costs of a disposal system, all or part of which are needed to implement the board's comprehensive plan. All contracts between or among local government units for use of a disposal system entered into after the date on which this article becomes effective must be submitted to the board for approval as to those features affecting the board's responsibilities as determined by the board and are not effective until the approval is given.

Sec. 6. [SEWAGE COLLECTION AND DISPOSAL; POWERS.]

Subdivision 1. [POWERS.] In addition to all other powers conferred upon the board in this article, the board has the powers specified in this section.

Subd. 2. [DISCHARGE OF TREATED SEWAGE.] The board may discharge the effluent from any treatment works operated by it into any waters of the state, subject to approval of the agency if required and in accordance with any effluent or water quality standards lawfully adopted by the agency, any interstate agency, or any federal agency having jurisdiction.

Subd. 3. [USE OF DISTRICT SYSTEM.] The board may require any person or local government unit to provide for the discharge of any sewage, directly or indirectly, into the district disposal system, or to connect any disposal system or a part of it with the district disposal system wherever reasonable opportunity is provided; may regulate the manner in which the connections are made; may require any person or local government unit discharging sewage into the disposal system to provide preliminary treatment for it; may prohibit the discharge into the district disposal system of any substance it determines will or may be harmful to the system or any persons operating it; may prohibit any extraneous flow into the system; and may require any local government unit to discontinue the acquisition, betterment, or operation of any facility for the unit's disposal system wherever and so far as adequate service is or will be provided by the district disposal system.

Sec. 7. [BUDGET.]

Except as otherwise specifically provided in this article, the board is subject to Minnesota Statutes, section 275.065, the Truth in Taxation Act. The board shall prepare and adopt, on or before September 15 of each year, a budget showing for the following calendar year or other fiscal year determined by the board, sometimes referred to in this article as the budget year, estimated receipts of money from all sources, including but not limited to, payments by each local government unit, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenditures for:

- (1) costs of operation, administration, and maintenance of the district disposal system;
- (2) cost acquisition and betterment of the district disposal system; and

(3) debt service, including principal and interest, on general obligation bonds and certificates issued under section 12, obligations and debts assumed under section 5, subdivisions 2 and 3, and any money judgments entered by a court of competent jurisdiction. Expenditures within these general categories, and others that the board may from time to time determine, must be itemized in the detail the board prescribes. The board and its officers, agents, and employees must not spend money for any purpose other than debt service without having set forth the expense in the budget, nor may they spend in excess of the amount in the budget, and an excess expenditure or one for an unauthorized purpose is enforceable except as the obligation of the person incurring it; but the board may amend the budget at any time by transferring from one budgetary purpose to another any sums, except money for debt service and bond proceeds, or by increasing expenditures in any amount by which cash receipts during the budget year actually exceed the total amounts designated in the original budget. The creation of any obligation pursuant to section 12 or the receipts of any federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation and interest on it, whether or not specifically included in any annual budget.

Sec. 8. [ALLOCATION OF COSTS.]

Subdivision 1. [DEFINITION OF CURRENT COSTS.] The estimated cost of administration, operation, maintenance, and debt service of the district disposal system to be paid by the board in each fiscal year and the estimated costs of acquisition and betterment of the system that are to be paid during the year from funds other than state or federal grants and bond proceeds and all other previously unallocated payments made by the board under this article in the fiscal year are referred to as current costs.

Subd. 2. [COLLECTION OF CURRENT COSTS.] Current costs shall be collected as described in paragraphs (a) and (b).

(a) Current costs may be allocated to local government units in the district on an equitable basis as the board may from time to time determine by resolution to be fair and reasonable and in the best interests of the district. In making the allocation, the board may provide for the deferment of payment of all or part of current costs, the reallocation of deferred costs, and the reimbursement of reallocated deferred costs on an equitable basis as the board may from time to time determine by resolution to be fair and reasonable and in the best interests of the district. The adoption or revision of a method of allocation, deferment, reallocation, or reimbursement used by the board shall be made by the affirmative vote of at least two-thirds of the members of the board.

(b) Upon approval of at least two-thirds of the members of the board, the board may provide for direct collection of current costs by monthly or other periodic billing of sewer users.

Sec. 9. [GOVERNMENT UNITS; PAYMENTS TO BOARD.]

Subdivision 1. [OBLIGATIONS OF GOVERNMENT UNITS TO THE BOARD.] Each government unit must pay to the board all sums charged to it as provided in section 8, at the times and in the manner determined by the board. The governing body of each government unit must take all action necessary to provide the funds required for the payments and to make the payments when due.

Subd. 2. [AMOUNTS DUE BOARD; WHEN PAYABLE.] Charges payable to the board by local government units may be made payable at the times during each year as the board determines, after it has taken into account the dates on which taxes, assessments, revenue collections, and other funds become available to the government unit required to pay such charges.

Subd. 3. [GENERAL POWERS OF GOVERNMENT UNITS; LOCAL TAX LEVIES.] To accomplish any duty imposed on it by the board, the governing body of every government unit may, in addition to the powers granted in this article and in any other law or charter, exercise the powers granted any municipality by Minnesota Statutes, chapters 117, 412, 429, and 475, and sections 115.46, 444.075, and 471.59, with respect to the area of the government unit located in the district. In addition, the governing body of every government unit located in whole or in part within the district may levy taxes upon all taxable property in that part of the government unit located in this district for all or a part of the amount payable to the board. If the levy is for only part of the amount payable to the board, the governing body of the government unit may levy additional taxes on the entire net tax capacity of all taxable property of the government unit for all or a part of the balance remaining payable. The taxes levied under this subdivision must be assessed and extended as a tax upon the taxable property by the county auditor for the next calendar year, free from any limit of rate or amount imposed by law or charter. The tax must be collected and remitted in the same manner as other general taxes of the government unit.

Subd. 4. [ALTERNATE LEVY.] In place of levying taxes on all taxable property under subdivision 3, the governing body of the government unit may elect to levy taxes upon the net tax capacity of all taxable property, except agricultural property, and upon only 25 percent of the net tax capacity of all agricultural property, in that part of the government unit located in the district for all or a part of the amount payable to the board. If the levy is for only part of the amount payable to the board, the governing body may levy additional taxes on the entire net tax capacity of all the property, including agricultural property, for all or a part of the balance. The taxes must be assessed and extended as a tax upon the taxable property by the county auditor for the next calendar year, free from any limit of rate or amount imposed by law or charter, and must be collected and remitted in the same manner as other general taxes of the government unit. In computing the tax capacity under this subdivision, the county auditor must include only 25 percent of the net tax capacity of all taxable agricultural property and 100 percent of the net tax capacity of all other taxable property in that part of the government unit located within the district and, in spreading the levy, the auditor must apply the tax rate upon the same percentages of agricultural and nonagricultural taxable property. If the government unit elects to levy taxes under this subdivision and any of the taxable agricultural property is reclassified so as to no longer qualify as agricultural property, it is subject to additional taxes. The additional taxes must be in an amount

which, together with any additional taxes previously levied and the estimated collection of additional taxes subsequently levied on any other reclassified property, is determined by the governing body of the government unit to be at least sufficient to reimburse each other government unit for any excess current costs reallocated to it as a result of the board deferring any current cost under section 8 on account of the difference between the amount of the current costs initially allocated to each government unit based on the total net tax capacity of all taxable property in the district and the amount of the current costs reallocated to each government unit based on 25 percent of the net tax capacity of agricultural property and 100 percent of the net tax capacity of all other taxable property in the district. Any reimbursement must be made on terms which the board determines to be just and reasonable. These additional taxes may be levied in any greater amount as the governing body of the government unit determines to be appropriate, but the total amount of the additional taxes must not exceed the difference between:

(1) the total amount of taxes that would have been levied upon the reclassified property to help pay current costs charged in each year to the government unit by the board if that part of the costs, if any, initially allocated by the board solely on the basis of 100 percent of the net tax capacity of all taxable property in the district and then reallocated on the basis of inclusion of only 25 percent of the net tax capacity of agricultural property in the district was not reallocated and if the amount of taxes levied by the government unit each year under this subdivision to pay current costs had been based on the initial allocation and had been imposed upon 100 percent of the net tax capacity of all taxable property, including agricultural property, in that part of the government unit located in the district; and

(2) the amount of taxes levied each year under this subdivision upon reclassified property, plus interest on the cumulative amount of the difference accruing each year at the approximate average annual rate borne by bonds issued by the board and outstanding at the beginning of the year or, if no bonds are then outstanding, at a rate of interest which may be determined by the board, but not exceeding the maximum rate of interest that may then be paid on bonds issued by the board. The additional taxes are a lien upon the reclassified property assessed in the same manner and for the same duration as all other ad valorem taxes levied upon the property. The additional taxes must be extended against the reclassified property on the tax list for the current year and must be collected and remitted in the same manner as other general taxes of the government unit. No penalties or additional interest may be levied on the additional taxes if timely paid.

Subd. 5. [DEBT LIMIT.] Any ad valorem taxes levied under subdivision 3, by the governing body of a government unit to pay any sums charged to it by the board pursuant to this article are not subject to, or counted toward, any limit imposed by law on the levy of taxes upon taxable property within any governmental unit.

Subd. 6. [DEFICIENCY TAX LEVIES.] If the local government unit fails to make a payment to the board when due, the board may certify to the Douglas county auditor the amount required for payment, with interest at not more than the maximum rate per year authorized at that time on assessments under Minnesota Statutes, section 429.061, subdivision 2. The auditor must levy and extend the amount as a tax upon all taxable property in that part of the government unit located in the district, for the next calendar year, free from any limits imposed by law or charter. The tax must be collected in the same manner as other general taxes of the government unit, and the proceeds, when collected, shall be paid by the county treasurer to the treasurer of the board and credited to the government unit for which the tax was levied.

Sec. 10. [PUBLIC HEARING AND SPECIAL ASSESSMENTS.]

Subdivision 1. [PUBLIC HEARING REQUIREMENT ON SPECIFIC PROJECT.] Before the board orders any project involving the acquisition or betterment of any interceptor or treatment works, all or a part of the cost of which will be allocated to local government units under section 8 as current costs, the board must hold a public hearing on the proposed project following two publications in a newspaper or newspapers having general circulation in the district, stating the time and place of the hearing, the general nature and location of the project, the estimated total cost of acquisition and betterment, that portion of costs estimated to be paid out of federal and state grants, and that portion of costs estimated to be allocated to each local government unit

affected. The two publications must be a week apart and the hearing must be at least three days after the last publication. Not less than 45 days before the hearing, notice must also be mailed to each clerk of all local government units in the district, but failure to give mailed notice of any defects in the notice does not invalidate the proceedings. The project may include all or part of one or more interceptors or treatment works. A hearing is not required with respect to a project, no part of the costs of which are to be allocated to local government units as the current cost of acquisition, betterment, and debt service.

Subd. 2. [NOTICE TO BENEFITED PROPERTY OWNERS.] If the governing body of a local government unit in the district proposes to assess against benefited property within units, all or any part of the allocable costs of the project as provided in subdivision 5, the governing body must, not less than ten days before the hearing provided for in subdivision 1 mail a notice of the hearing to the owner of each parcel within the area proposed to be specially assessed and must also give one week's published notice of the hearing. The notice of hearing must contain the same information provided in the notice published by the board under subdivision 1, and in addition, a description of the area proposed to be assessed by the local government unit. To give mailed notice, owners must be those shown to be on the records of the county auditor or, in a county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. However, for properties that are tax exempt or subject to taxation on a gross earnings basis and are not listed on the records of the county auditor or the county treasurer, the owners may be ascertained by any practicable means and mailed notice must be given to them. Failure to give mailed notice or any defects in the notice does not invalidate the proceedings of the board or the local governing body.

Subd. 3. [BOARD PROCEEDINGS PERTAINING TO HEARING.] Before adoption of the resolution calling for the hearing, the board shall get from the district engineer, or other competent person of the board's selection, a preliminary report advising whether the proposed project is feasible, necessary, and cost-effective, and whether it should best be made as proposed or in connection with another project, and the estimated costs of the project as recommended. No error or omission in the report invalidates the proceeding. The board may also take steps before the hearing that will, in its judgment, provide helpful information in determining the desirability and feasibility of the project including, but not limited to, preparation of plans and specifications and advertisement for bids. The hearing may be adjourned from time to time and a resolution ordering the project may be adopted at any time within six months after the date of hearing. In ordering the project, the board may reduce but not increase the extent of the project as stated in the notice of hearing, unless another hearing is held, and must find that the project as ordered is in accordance with the comprehensive plan and program adopted by the board under section 4.

Subd. 4. [EMERGENCY ACTION.] If the board by resolution adopted by the affirmative vote of not less than two-thirds of its members determines that an emergency exists requiring the immediate purchase of materials or supplies or the making of emergency repairs, it may order the purchase of the supplies and materials and the making of the repairs before any hearing required under this section. But the board must set as early a date as practicable for that hearing at the time it declares the emergency. All other provisions of this section must be followed in giving notice of and conducting a hearing. This subdivision does not prevent the board or its agents from purchasing maintenance supplies or incurring maintenance costs without regard to the requirements of this section.

Subd. 5. [POWER OF GOVERNMENT UNIT TO SPECIALLY ASSESS.] A local government unit may specially assess all or part of the costs of acquisition and betterment of any project ordered by the board under this section. A special assessment must be levied in accordance with Minnesota Statutes, sections 429.051 to 429.081, except as otherwise provided in this subdivision. No other provisions of Minnesota Statutes, chapter 429, apply. For purposes of levying special assessments, the hearing on the project required in subdivision 1 must serve as the hearing on the making of the original improvement provided for by Minnesota Statutes, section 429.051. The area assessed may be less than but must not exceed the area proposed to be assessed as stated in the notice of hearing on the project provided for in subdivision 2. To determine the allocable cost of the project to the local government units, the government unit may adopt one of the procedures in paragraph (a) or (b).

(a) At any time after a contract is let for the project, the local government unit may get from the board a current written estimate, on the basis of historical and reasonably projected data, of that part of the total cost of acquisition and betterment of the project or of some part of the project that will be allocated to the local government unit and the number of years over which such costs will be allocated as current costs of acquisition, betterment, and debt service under section 8. The board is not bound by this estimate for allocating the costs of the project to local government units.

(b) The governing body may get from the board a written statement showing, for the prior period that the governing body designates, that part of the costs previously allocated to the local government unit as current costs of acquisition, betterment, and debt service only, of all or any part of the project designated by the governing body. In addition to the allocable costs, the local government unit may include in the total expense, as a basis for levying assessments, all other expenses incurred directly by the local government unit in connection with the project. Special assessments levied by the government unit with respect to previously allocated costs ascertained under this paragraph are payable in equal annual installments extending over a period not exceeding by more than one year the number of years that the costs have been allocated to the local government unit or the estimated useful life of the project, or part of the project, whichever number of years is the lesser. No limit is placed on the number of times the governing body of a local government unit may assess the previously allocated costs not previously assessed by the government unit. The power to specially assess provided for in this section is in addition and supplemental to all other powers of local government units to levy special assessments.

Sec. 11. [INITIAL COSTS.]

Subdivision 1. [CONTRIBUTIONS OR ADVANCES FROM LOCAL GOVERNMENT UNITS.] The board may, at the time it considers necessary and proper, request from a local government unit necessary money to defray the costs of any obligations assumed under section 5 and the costs of administration, operation, and maintenance. Before making a request, the board must, by formal resolution, determine the necessity for the money, setting forth the purposes for which the money is needed and the estimated amount for each purpose. Upon receiving a request, the governing body of each local government unit may provide for payment of the amount requested as it considers fair and reasonable. The money may be paid out of general revenue funds or any other available funds of any local government unit and its governing body thereof may levy taxes to provide funds, free from any existing limit imposed by law or charter. Money may be provided by government units with or without interest, but if interest is charged it must not exceed five percent per year. The board must credit the local government unit for the payments in allocating current costs under section 8, on the terms and at the times as are agreed to with the local government unit.

Subd. 2. [LIMITED TAX LEVY.] The board may levy ad valorem taxes on all taxable property in the district to defray any of the costs described in subdivision 1, provided the costs have not been defrayed by contribution under subdivision 1. Before certifying a levy to the county auditor, the board must determine the need for the money to be derived from the levy by formal resolution setting forth the purposes for which the tax money will be used and the amount proposed to be used for each purpose. In allocating current costs under section 8, the board must credit the government units for taxes collected under the levy made under this subdivision on the terms and at the time the board considers fair and reasonable and on terms consistent with section 8, subdivision 2.

Sec. 12. [BONDS CERTIFICATES AND OTHER OBLIGATIONS.]

Subdivision 1. [BUDGET ANTICIPATION CERTIFICATES OF INDEBTEDNESS.] (a) Before adopting its annual budget and in anticipation of the collection of tax and other revenues estimated and set forth by the board in the budget, the board may by resolution, authorize the issuance, negotiation, and sale in accordance with subdivision 5 in such form and manner and upon such terms as it may determine of its negotiable general obligation certificates of indebtedness in aggregate principal amounts not exceeding 50 percent of the total amount of such tax collections and other revenues and maturing not later than three months after the close of the budget year in which issued. Revenues listed in clauses (1) to (3) must not be anticipated for this purpose:

- (1) taxes already anticipated by the issuance of certificates under subdivision 2;
- (2) deficiency taxes levied pursuant to this subdivision; and
- (3) taxes levied for the payment of certificates issued pursuant to subdivision 3.

(b) The proceeds of the sale of the certificates must be used only for the purposes for which tax collections and other revenues are to be expended under the budget.

(c) All tax collections and other revenues included in the budget for the budget year, after the expenditures of tax collections and other revenues in accordance with the budget, must be irrevocably pledged and appropriated to a special fund to pay the principal and interest on the certificates when due.

(d) If for any reason the tax collections and other revenues are insufficient to pay the certificates and interest when due, the board must levy a tax in the amount of the deficiency on all taxable property in the district and must appropriate this amount when received to the special fund.

Subd. 2. [TAX LEVY ANTICIPATION CERTIFICATES OF INDEBTEDNESS.] After a tax is levied by the board under section 11, subdivision 2, and certified to the county auditors in anticipation of the collection of the tax, if the tax has not been anticipated by the issuance of certificates under subdivision 1, the board may, by resolution, authorize the issuance, negotiation, and sale in accordance with subdivision 5 in the form and manner and on the terms and conditions as it determines its negotiable general obligation tax levy anticipation certificates of indebtedness in aggregate principal amounts not exceeding 50 percent of the uncollected tax for which no penalty for nonpayment or delinquency has been attached. The certificates must mature not later than April 1 in the year after the year in which the tax is collectible. The proceeds of the tax in anticipation of which the certificates were issued and other funds that may become available must be applied to the extent necessary to repay the certificates.

Subd. 3. [EMERGENCY CERTIFICATES OF INDEBTEDNESS.] If in any budget year the receipts of tax and other revenues for some unforeseen cause become insufficient to pay the board's current expenses, or if any calamity or other public emergency subjects it to the necessity of making extraordinary expenditures, the board may by resolution authorize the issuance, negotiation, and sale in accordance with subdivision 5 in the form and manner and on the terms and conditions as it may determine of its negotiable general obligation certificates of indebtedness in an amount sufficient to meet the deficiency, and the board must levy on all taxable property in the district a tax sufficient to pay the certificates and interest and shall appropriate all collections of the tax to a special fund created for the payment of the certificates and interest.

Subd. 4. [GENERAL OBLIGATION BONDS.] The board may by resolution authorize the issuance of general obligation bonds maturing serially in one or more annual or semiannual installments for the acquisition or betterment of any part of the district disposal system, including but not limited to, the payment of interest during construction and for a reasonable period thereafter, or for the refunding of outstanding bonds, certificates of indebtedness, or judgments. The board must pledge its full faith and credit and taxing power for the payment of the bonds and shall provide for the issuance and sale and for the security of the bonds in the manner provided in Minnesota Statutes, chapter 475, and must have the same powers and duties as a municipality issuing bonds under that law. An election is not required to authorize the issuance of bonds and the debt limit of Minnesota Statutes, chapter 475, do not apply to the bonds. The board may also pledge for the payment of the bonds and deduct from the amount of any tax levy required under Minnesota Statutes, section 475.61, subdivision 1, any sums receivable under section 9 or any state and federal grants anticipated by the board and may covenant to refund the bonds if and when and to the extent that for any reason the revenues, together with other funds properly available and appropriated for the purpose, are not sufficient to pay all principal and interest due or about to become due; if the revenues have not been anticipated by the issuance of certificates under subdivision 1. All bonds that have been or shall hereafter be issued and sold in conformity with the provisions of this subdivision, and otherwise in conformity with law, are hereby authorized, legalized, and validated.

Subd. 5. [MANNER OF SALE AND ISSUANCE OF CERTIFICATES.] Certificates issued under subdivisions 1, 2, and 3 may be issued and sold by negotiation, without public sale, and may be sold at a price equal to the percentage of their par value, plus accrued interest, and bearing interest at the rate or rates as may be determined by the board. No election is required to authorize the issuance of certificates. Certificates must bear the same rate of interest after maturity as before and the full faith and credit and taxing power of the board must be pledged to the payment of the certificates.

Sec. 13. [TAX LEVIES.]

The board may levy taxes to pay the bonds or other obligations assumed by the district under section 5 and for debt service of the district disposal system authorized in section 12 upon all taxable property within the district without limit of rate or amount and without affecting the amount or rate of taxes that may be levied by the board for other purposes or by any local government unit in the district. No other provision of law relating to debt limit shall restrict or in any way limit the power of the board to issue the bonds and certificates authorized in section 12. The board may also levy taxes as provided in sections 9 and 11. The county auditor must annually assess and extend upon the tax rolls the part of the taxes levied by the board in each year that is certified to the auditor by the board. The county treasurer must collect and make settlement of the taxes with the treasurer of the board.

Sec. 14. [DEPOSITORIES.]

The board must from time to time designate one or more national or state banks or trust companies authorized to do a banking business as official depositories for money of the board, and must require the treasurer to deposit all or a part of the money in those institutions. The designation must be in writing and must set forth all the terms and conditions on which the deposits are made, and must be signed by the chair and treasurer, and made a part of the minutes of the board. A designated bank or trust company must qualify as a depository by furnishing a corporate surety bond or collateral in the amount required by Minnesota Statutes, section 118A.03. But, no bond or collateral is required to secure any deposit insofar as it is insured under federal law.

Sec. 15. [MONEY; ACCOUNTS AND INVESTMENTS.]

Subdivision 1. [RECEIPT AND APPLICATION.] All money received by the board must be deposited or invested by the treasurer and disposed of as the board directs in accordance with its budget. But any money that has been pledged or dedicated by the board to the payment of obligations or interest on them or expenses incident to them, or for any other specific purpose authorized by law, must be paid by the treasurer into the fund to which they have been pledged.

Subd. 2. [FUNDS AND ACCOUNTS.] The board's treasurer must establish funds and accounts as necessary or convenient to handle the receipts and disbursements of the board in an orderly fashion.

Subd. 3. [DEPOSIT AND INVESTMENT.] The money on hand in the board's funds and accounts may be deposited in the official depositories of the board or invested as provided in this subdivision. The amount not currently needed or required by law to be kept in cash on deposit may be invested in obligations authorized by law for the investment of municipal sinking funds. The money may also be held under certificates of deposit issued by any official depository of the board. All investments by the board must conform to an investment policy adopted by the board as amended from time to time.

Subd. 4. [BOND PROCEEDS.] The use of proceeds of all bonds issued by the board for the acquisition and betterment of the district disposal system, and the use, other than investment, of all money on hand in any sinking fund or funds of the board must be governed by Minnesota Statutes, chapter 475, this article, and the resolutions authorizing the issuance of the bonds. The bond proceeds, when received, must be transferred to the treasurer of the board for safekeeping, investment, and payment of the costs for which they were issued.

Subd. 5. [AUDIT.] The board must provide for and pay the cost of an independent annual audit of its official books and records by the state public examiner or a certified public accountant.

Sec. 16. [GENERAL POWERS OF BOARD.]

Subdivision 1. [ALL NECESSARY OR CONVENIENT POWERS.] The board has powers necessary or convenient to discharge the duties imposed upon it by law. The powers include those specified in this article, but the express grant or enumeration of powers does not limit the generality or scope of the grant of power in this subdivision.

Subd. 2. [LAWSUITS.] The board may sue or be sued.

Subd. 3. [CONTRACTS.] The board may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

Subd. 4. [RULES.] The board may adopt rules relating to the board's responsibilities and may provide penalties not exceeding the maximum penalty specified for a misdemeanor, and the cost of prosecution may be added to the penalties imposed. Any rule prescribing a penalty for violation must be published at least once in a newspaper having general circulation in the district. A violation may be prosecuted before any court in the district having jurisdiction of misdemeanor, and every court has jurisdiction of violations. A constable or other peace officer of any municipality in the district may make arrests for violations committed anywhere in the district in the manner and with the effect as for violations of local ordinances or for statutory misdemeanors. All fines collected must be deposited in the treasury of the board, or may be allocated between the board and the municipality in which the prosecution occurs on terms agreed to by the board and the municipality.

Subd. 5. [GIFTS; GRANTS.] The board may accept gifts, may apply for and accept grants or loans of money or other property from the United States, the state, or any person for any of its purposes, may enter into any agreement required to get the gift, grant, loan, or other property; and may hold, use, and dispose of money or property in accordance with the terms of the gift, grant, loan or agreement. With respect to any loans or grants of funds or real or personal property or other assistance from any state or federal government or any agency or instrumentality of the government, the board may contract to do and perform all acts and things required as a condition or consideration under state or federal law or rule or regulation, whether or not included among the powers expressly granted to the board in this article.

Subd. 6. [JOINT POWERS.] The board may act under Minnesota Statutes, section 471.59, or any other appropriate law providing for joint or cooperative action between government units.

Subd. 7. [RESEARCH; HEARINGS; INVESTIGATIONS; ADVISE.] The board may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with the design, construction, and operation of the district disposal system, and may advise and assist other government units on system planning matters within the scope of its powers, duties, and objectives, and may provide at the request of any governmental unit other technical and administrative assistance as the board considers appropriate for the government unit to carry out the powers and duties vested in the government unit under this article or imposed on or by the board.

Subd. 8. [EMPLOYEES; CONTRACTORS; INSURANCE.] The board may employ on the terms it considers advisable, persons or firms performing engineering, legal, or other services of a professional nature; require any employee to get and file with it an individual bond or fidelity insurance policy; and procure insurance in the amounts it considers necessary against liability of the board or its officers or both, for personal injury or death and property damage or destruction, with the force and effect stated in Minnesota Statutes, chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property as it considers necessary.

Subd. 9. [PROPERTY.] The board may acquire by purchase, lease, condemnation, gift, or grant, real or personal property including positive and negative easements and water and air rights, and it may construct, enlarge, improve, replace, repair, maintain, and operate any interceptor,

treatment works, or water facility determined to be necessary or convenient for the collection and disposal of sewage in the district. Any local government unit and the commissioners of transportation and natural resources may convey to or permit the use of these facilities owned or controlled by the board, subject to the rights of the holders of any bonds issued with respect to them with or without compensation and without an election or approval by any other government unit or agency. All powers conferred by this subdivision may be exercised both within or outside the district as may be necessary for the exercise by the board of its powers or the accomplishment of its purposes. The board may hold, lease, convey, or otherwise dispose of such property for its purposes, upon the terms and in the manner it deems advisable. Unless otherwise provided, the right to acquire lands and property rights by condemnation must be exercised in accordance with Minnesota Statutes, chapter 117, and must apply to any property or interest in property owned by any local government unit. But property devoted to an actual public use at the time, or held to be devoted to such use within a reasonable time, must not be so acquired unless a court of competent jurisdiction determines that the use proposed by the board is paramount. In case of property in actual public use, the board may take possession of any property of which condemnation proceedings have begun at any time after the issuance of a court order appointing commissioners for its condemnation.

Subd. 10. [RIGHTS-OF-WAY.] The board may construct or maintain its systems or facilities in, along, on, under, over, or through public waters, streets, bridges, viaducts, and other public right-of-way without first getting a franchise from any county or local government unit having jurisdiction over them. But the facilities must be constructed and maintained in accordance with the ordinances and resolutions of the county or government unit relating to construction, installation, and maintenance of similar facilities on public properties and must not unnecessarily obstruct the public use of the rights-of-way.

Subd. 11. [DISPOSAL OF PROPERTY.] The board may sell, lease, or otherwise dispose of any real or personal property acquired by it that is no longer required to accomplish its purposes. The property may be sold in the manner provided by Minnesota Statutes, section 469.065, insofar as practical. The board may give notice of sale it considers appropriate. When the board determines that any property or any part of the district disposal system that has been acquired from a local government unit without compensation is no longer required, but is required as a local facility by the government unit from which it was acquired, the board may by resolution transfer it to the government unit.

Subd. 12. [JOINT OPERATIONS.] The board may contract with the United States or an agency of it, any state or agency of it, or any regional public planning body in the state with jurisdiction over any part of the district, or any other municipal or public corporation, or governmental subdivision in any state, for the joint use of any facility owned by the board or the entity, for the operation by the entity of any system or facility of the board, or for the performance on the board's behalf of any service including, but not limited to, planning, on the terms that may be agreed to by the contracting parties. Unless designated by the board as a local sanitary sewer facility, any treatment works or interceptor jointly used, or operated on behalf of the board, as provided in this subdivision, must be considered to be operated by the board to include the facilities in the district disposal system.

Sec. 17. [LOCAL FACILITIES.]

Subdivision 1. [SANITARY SEWER FACILITIES.] Except as otherwise provided in this article, local government units must retain responsibility for the planning, design, acquisition, betterment, operation, administration, and maintenance of all local sanitary sewer facilities as provided by law.

Subd. 2. [ASSUMPTION OF RESPONSIBILITY OVER LOCAL SANITARY SEWER FACILITIES.] The board must upon request of any government unit assume, either alone or jointly with the local government unit, all or any part of the responsibility of the local government unit described in subdivision 1. Except as provided in subdivision 4 and to exercise the responsibility, the board has all the powers and duties elsewhere conferred in this article with the same force and effect as if the local sanitary sewer facilities were a part of the district disposal system.

Subd. 3. [WATER AND STREET FACILITIES.] The board may, on request of any governmental unit, enter into an agreement under which the board may assume, either alone or jointly with such unit, the responsibility to get and construct water and street facilities in conjunction with any project for the acquisition or betterment of the district disposal system or any project undertaken by the board under subdivision 2. Except as provided in subdivision 4, and to exercise any responsibilities under this subdivision, the board has all the powers and duties elsewhere conferred in this article with the same force and effect as if the water or street facilities were a part of the district disposal system.

Subd. 4. [ALLOCATION OF CURRENT COSTS.] All current costs attributable to responsibilities assumed by the board over local sanitary sewer facilities and water and street facilities as provided in this section must be allocated solely to the local unit for or with whom the responsibilities are assumed on the terms and over a period as the board determines to be equitable and in the best interest of the district. But if two or more government units form a region in accordance with this section all or part of the current costs attributable to the region must, at the request of its joint board, be allocated to the region and provided in the agreement establishing the region.

Subd. 5. [PART OF DISTRICT SYSTEM.] This section or any other part of this article does not prevent the board from including, where appropriate, treatment works or interceptors, previously designated or treated as local sanitary sewer facilities, as a part of the district disposal system.

Sec. 18. [SERVICE CONTRACTS WITH GOVERNMENTS OUTSIDE DISTRICT.]

The board may contract with the United States or any agency of it, any state or any agency of it, or any municipal or public corporation, governmental subdivision or agency, or political subdivision in any state, outside the jurisdiction of the board, for furnishing to the entities any services which the board may furnish to local government units in the district under this article including, but not limited to, planning for and the acquisition, betterment, operation, administration, and maintenance of any or all interceptors, treatment works, and local sanitary sewer facilities; if the board may further include as one of the terms of the contract that the entity also pay to the board an amount as may be agreed upon as a reasonable estimate of the proportionate share properly allocable to the entity of costs of acquisition, betterment, and debt service previously allocated to local government units in the district. When the payments are made by the entities to the board, they must be applied in reduction of the total amount of costs allocated after that to each local government unit in the district, on the equitable basis the board considers to be in the best interest of the district. Any municipality in the state may enter into the contract and perform all acts and things required as a condition or consideration for it consistent with the purpose of this article, whether or not included among the powers otherwise granted to the municipality by law or charter, the powers to include those powers set out in section 9, subdivisions 3, 3a, and 4.

Sec. 19. [CONSTRUCTION, MATERIALS, SUPPLIES, EQUIPMENT; CONTRACTS.]

Subdivision 1. [PLANS AND SPECIFICATIONS.] When the board orders a project involving the acquisition or betterment of a part of the district disposal system, it must cause plans and specifications of this project to be made, or if previously made, to be modified, if necessary, and to be approved by the agency if required, and after any required approval by the agency, one or more contracts for work and materials called for by the plans and specification may be awarded as provided in this section.

Subd. 2. [UNIFORM MUNICIPAL CONTRACTING LAW.] Except as otherwise provided in this section, all contracts for work to be done or for purchases of materials, supplies, or equipment must be done in accordance with Minnesota Statutes, section 471.345.

Subd. 3. [CONTRACTS OR PURCHASES.] The board may without advertising for bids, enter into any contract or purchase any materials, supplies, or equipment of the type referred to in subdivision 2 in accordance with applicable state law.

Sec. 20. [ANNEXATION OF TERRITORY.]

Any municipality in Douglas county, upon resolution adopted by a four-fifths vote of its governing body, may petition the board for annexation to the district of the area then comprising the municipality or any part of it and, if accepted by the board, the area must be considered annexed to the district and subject to the jurisdiction of the board under the terms and provisions of this article. The territory so annexed is subject to taxation and assessment under this article and is subject to taxation by the board like other property in the district for the payment of principal and interest thereafter becoming due on general obligations of the board, whether authorized or issued before or after the annexation. The board may condition approval of the annexation upon the contribution, by or on behalf of the municipality petitioning for annexation, to the board of an amount as may be agreed upon as being a reasonable estimate of the proportionate share, properly allocable to the municipality, of cost or acquisition, betterment, and debt service previously allocated to local government units in the district, on the terms as may be agreed upon and in place of or in addition to further conditions as the board deems in the best interests of the district. Notwithstanding any other provisions of this article to the contrary, the conditions established for annexation may include the requirement that the annexed municipality pay for, contract for, and oversee the construction of local sanitary sewer facilities and interceptor sewers as those terms are defined in section 1. To pay the contribution or satisfy any other condition established by the board, the municipality petitioning annexation may exercise the powers conferred in section 9. When the contributions are made by the municipality to the board, they must be applied to reduce the total amount of costs thereafter allocated to each local government unit in the district, on the equitable basis as the board considers to be in the best interests of the district, applying so far as practicable and appropriate the criteria set forth in section 8, subdivision 2. On annexation of the territory, the secretary of the board must certify to the auditor and treasurer of the county in which the municipality is located the fact of the annexation and a legal description of the territory annexed.

Sec. 21. [PROPERTY EXEMPT FROM TAXATION.]

Any properties, real or personal, owned, leased, controlled, used, or occupied by the sanitary sewer board for any purpose under this article are declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and are exempt from taxation by the state or any political subdivision of the state; but the properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any of the properties in any manner different from their use as part of the disposal system at the time may be considered in determining the special benefit received by the properties. All of the assessments are subject to final approval by the board, whose determination of the benefits is conclusive upon the political subdivision levying the assessment.

Sec. 22. [RELATION TO EXISTING LAWS.]

This article prevails over any law or charter inconsistent with it. The powers conferred on the board under this article do not diminish or supersede the powers conferred on the agency by Minnesota Statutes, chapters 115 and 116.

Sec. 23. [APPLICATION.]

This article applies to the townships of Carlos, Brandon, La Grand, Leaf Valley, Miltona, and Moe in Douglas county.

Sec. 24. [LOCAL APPROVAL.]

Sections 1 to 23 take effect for those townships that have approved it the day after each of the governing bodies of at least four of the local governmental units referred to in section 23 have complied with Minnesota Statutes, section 645.021, subdivision 3. A township listed in section 23 that has not complied with Minnesota Statutes, section 645.021, subdivision 3, by the date when the first four townships have done so may opt back in to the district at a later time by annexation as provided in this article.

ARTICLE 13"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Belanger moved to amend S.F. No. 1505 as follows:

Page 126, after line 11, insert:

"Sec. 26. [VALIDATION OF APPROVAL.]

Notwithstanding Minnesota Statutes, section 645.021, subdivision 3, Laws 1980, chapter 569, sections 2 through 8, approved by the board of directors of local government information systems by resolution adopted on July 30, 1980, are effective as of July 1, 1980, and apply to obligations issued by local government information systems after April 1, 2003."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Ourada moved to amend S.F. No. 1505 as follows:

Page 126, after line 1, insert:

"Sec. 25. [BUFFALO; CITY BONDS FOR HIGHWAY 55.]

The city of Buffalo may issue up to \$1,300,000 of its general obligation bonds to pay for the city's share of costs of reconstruction and upgrading of that part of Minnesota trunk highway marked 55 that lies within the city of Buffalo.

The bonds must be issued and sold in accordance with Minnesota Statutes, chapter 475, except that the debt need not be included within any limit on net debt imposed by Minnesota Statutes, chapter 475, and no election is required to authorize the bond issue.

Notwithstanding any other law, including any law enacted during the 2003 legislative session whether enacted before or after the enactment of this act, the debt or debt service on bonds issued under this section is excluded from any levy or other taxing limits and is not spending or revenue for purposes of calculating local government aids or local government aids reductions.

[EFFECTIVE DATE.] This section is effective the day after the governing body of Buffalo and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1505 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 58 and nays 8, as follows:

Those who voted in the affirmative were:

Bakk
Belanger
Berglin
Betzold

Chaudhary
Cohen
Day
Dibble

Dille
Fischbach
Foley
Frederickson

Gaither
Higgins
Hottinger
Johnson, D.E.

Johnson, D.J.
Jungbauer
Kelley
Kierlin

Kiscaden	Marty	Ortman	Ruud	Sparks
Knutson	McGinn	Ourada	Sams	Stumpf
Koering	Metzen	Pappas	Saxhaug	Tomassoni
Kubly	Michel	Pogemiller	Scheid	Vickerman
Langseth	Moua	Ranum	Senjem	Wergin
Larson	Murphy	Rest	Skoe	Wiger
Lourey	Neuville	Robling	Skoglund	
Marko	Olson	Rosen	Solon	

Those who voted in the negative were:

Bachmann	Kleis	Limmer	Pariseau	Reiter
Hann	LeClair	Nienow		

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 26, Senator Hottinger, Chair of the Committee on Rules and Administration, designated S.F. No. 990 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 990: A bill for an act relating to agriculture; changing certain wild rice provisions; authorizing certain embargoes; clarifying certain food provisions; clarifying an enforcement provision; changing a milk storage requirement; changing certain procedures and requirements for organic food; providing for compliance with federal law; extending a provision authorizing certain emergency restrictions; clarifying the definition of pasture for the purpose of animal feedlot regulation; providing for the headquarters of the departments of agriculture and health to be named after Orville L. Freeman; eliminating a requirement for anaplasmosis testing; amending Minnesota Statutes 2002, sections 30.49, subdivision 6; 31.05, by adding a subdivision; 31.101, subdivisions 3, 4, 5, 6, 7, 8, 9, 10, 11, 12; 31.102, subdivision 1; 31.103, subdivision 1; 31.92, subdivision 3, by adding subdivisions; 31.94; 32.01, subdivision 10; 32.21, subdivision 4; 32.394, subdivisions 4, 8c; 32.415; 35.0661, subdivision 4; 35.243; 116.07, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 2002, sections 31.92, subdivisions 2a, 5; 31.93; 31.95; 32.391, subdivisions 1a, 1b, 1c; 35.251; Minnesota Rules, parts 1700.0800; 1700.1000; 1700.1300; 1705.0550; 1705.0560; 1705.0570; 1705.0580; 1705.0590; 1705.0600; 1705.0610; 1705.0630; 1715.1430.

Senator Murphy moved to amend S.F. No. 990 as follows:

Page 17, after line 6, insert:

"Sec. 28. Minnesota Statutes 2002, section 198.001, is amended by adding to subdivision to read:

Subd. 9. [EXECUTIVE DIRECTOR.] "Executive director" means the executive director for the board of directors of the Minnesota veterans homes.

Sec. 29. Minnesota Statutes 2002, section 198.004, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The board shall appoint an executive director. The executive director shall serve in the unclassified service at the pleasure of the board. The executive director must be a resident of the state of Minnesota, a citizen of the United States, a licensed nursing home administrator, and a veteran as that term is defined in section 197.447. The executive director shall serve as secretary of the board.

Sec. 30. Minnesota Statutes 2002, section 198.005, is amended to read:

198.005 [ADMINISTRATORS.]

The board shall appoint an administrator for each of the veterans homes. The administrators act as the administrative head for their respective veterans homes. The administrators shall have a current Minnesota nursing home administrator's license and shall serve in the unclassified service. The salaries of the administrators are not subject to section 43A.17, subdivision 1. The administrators serve at the pleasure of the board and report directly to the executive director.

Sec. 31. Minnesota Statutes 2002, section 198.007, is amended to read:

198.007 [QUALITY ASSURANCE.]

~~The board~~ Each home shall ~~create~~ have a utilization review committee ~~for each home~~ comprised of the appropriate professionals employed by or under contract to the home. The committee shall use ~~the case-mix~~ a patient classification system ~~established under section 144.072 approved by the board~~ to assess the appropriateness and quality of care and services provided residents of the homes.

~~The board~~ Each home shall ~~create~~ have an admissions committee ~~for each home~~ comprised of the appropriate professionals employed by or under contract to each home and adopt a preadmission screening program for all applicants for admission to the homes who may require nursing or boarding care, taking into account the eligibility requirements in section 198.022, the admissions criteria established by board rules, and the availability of space in the homes."

Page 17, after line 17, insert:

"(d) Minnesota Statutes 2002, sections 198.001, subdivision 7; 198.002, subdivision 5; and 198.003, subdivision 2, are repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Murphy then moved to amend S.F. No. 990 as follows:

Page 16, line 19, after the second comma, insert "or the facility is determined to be a concentrated animal feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on April 15, 2003,"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Dille moved to amend S.F. No. 990 as follows:

Page 8, line 6, delete everything after the period

Page 8, delete lines 7 to 11

The motion prevailed. So the amendment was adopted.

Senator Kubly moved to amend S.F. No. 990 as follows:

Page 13, after line 14, insert:

"Sec. 27. Minnesota Statutes 2002, section 41A.09, subdivision 1a, is amended to read:

Subd. 1a. [ETHANOL PRODUCTION GOAL.] It is a goal of the state that ethanol production plants in the state attain a total annual production level of:

(1) 240,000,000 gallons in 2003;

(2) 300,000,000 gallons in 2004;

- (3) 360,000,000 gallons in 2005 and 2006;
- (4) 420,000,000 gallons in 2007; and
- (5) 480,000,000 gallons in 2008 and subsequent years."

Page 17, after line 6, insert:

"Sec. 29. Minnesota Statutes 2002, section 239.791, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM OXYGEN CONTENT REQUIRED.] (a) Except as provided in subdivisions 10 to 14, a person responsible for the product shall comply with the following requirements:

~~(a) After October 1, 1995, gasoline sold or offered for sale at any time in a carbon monoxide control area must contain at least 2.7 percent oxygen by weight.~~

~~(b) (1) after October 1, 1997, all gasoline sold or offered for sale in Minnesota must contain at least 2.7 percent oxygen by weight; and~~

~~(2) after January 1, 2004, all gasoline sold or offered for sale in Minnesota must contain at least 3.4 percent oxygen by weight.~~

~~(e) (b) For the purposes of this subdivision, the oxygenates listed in section 239.761, subdivision 6, paragraph (b), shall not be included in calculating the oxygen content of the gasoline."~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Anderson moved to amend S.F. No. 990 as follows:

Page 17, after line 9, insert:

"Sec. 29. [GATS REVIEW AND REPORT.]

The commissioner of agriculture shall analyze the negative and positive impacts of the new round of talks under the World Trade Organization called the General Agreement on Trade and Services (GATS), especially those rules that would interfere with agriculture and agribusiness subsidies, regulation, or education, and report to the chairs of the legislative committees with jurisdiction over agriculture and commerce by January 1, 2004. For the purpose of gathering and analyzing data, the commissioner of agriculture is encouraged to work with community resources with specific expertise relating to these concerns, such as the Carlson School of Business, the Humphrey Institute of Public Policy, the University of Minnesota Labor Education Service, and other trade and labor organizations."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Betzold moved to amend the Anderson amendment to S.F. No. 990 as follows:

Page 1, line 11, delete "1" and insert "15"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the adoption of the Anderson amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 990 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Olson	Senjem
Bachmann	Hann	Larson	Ortman	Skoe
Bakk	Higgins	LeClair	Pappas	Skoglund
Belanger	Hottinger	Limmer	Pariseau	Solon
Berglin	Johnson, D.E.	Lourey	Pogemiller	Sparks
Betzold	Johnson, D.J.	Marko	Ranum	Stumpf
Chaudhary	Jungbauer	Marty	Reiter	Tomassoni
Cohen	Kelley	McGinn	Rest	Vickerman
Day	Kierlin	Metzen	Robling	Wergin
Dibble	Kiscaden	Michel	Rosen	Wiger
Dille	Kleis	Moua	Ruud	
Fischbach	Knutson	Murphy	Sams	
Foley	Koering	Neuville	Saxhaug	
Frederickson	Kubly	Nienow	Scheid	

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

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDERS

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

H.F. Nos. 677, 456, 446, S.F. Nos. 905, 418, H.F. No. 258, S.F. Nos. 692, 891, H.F. No. 317, S.F. No. 645, H.F. No. 1080, S.F. Nos. 793, 575, H.F. Nos. 294, 700, 1167 and S.F. No. 1069.

SPECIAL ORDERS

H.F. No. 677: A bill for an act relating to occupations and professions; modifying licensure requirements for architects, engineers, surveyors, landscape architects, geoscientists, and interior designers; amending Minnesota Statutes 2002, sections 326.10, by adding subdivisions; 326.107, subdivisions 4, 8; repealing Minnesota Statutes 2002, sections 326.10, subdivision 5; 326.107, subdivisions 6, 9.

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 67 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Olson	Scheid
Bachmann	Hann	Larson	Ortman	Senjem
Bakk	Higgins	LeClair	Ourada	Skoe
Belanger	Hottinger	Limmer	Pappas	Skoglund
Berglin	Johnson, D.E.	Lourey	Pariseau	Solon
Betzold	Johnson, D.J.	Marko	Pogemiller	Sparks
Chaudhary	Jungbauer	Marty	Ranum	Stumpf
Cohen	Kelley	McGinn	Reiter	Tomassoni
Day	Kierlin	Metzen	Rest	Vickerman
Dibble	Kiscaden	Michel	Robling	Wergin
Dille	Kleis	Moua	Rosen	Wiger
Fischbach	Knutson	Murphy	Ruud	
Foley	Koering	Neuville	Sams	
Frederickson	Kubly	Nienow	Saxhaug	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 456: A bill for an act relating to historic districts; designating Victory Memorial Drive as a historic district; amending Minnesota Statutes 2002, section 138.73, by adding a subdivision.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	Larson	Olson	Saxhaug
Bachmann	Higgins	LeClair	Ortman	Scheid
Bakk	Johnson, D.E.	Limmer	Ourada	Senjem
Belanger	Johnson, D.J.	Lourey	Pappas	Skoe
Berglin	Jungbauer	Marko	Pariseau	Skoglund
Betzold	Kelley	Marty	Pogemiller	Solon
Chaudhary	Kierlin	McGinn	Ranum	Sparks
Day	Kiscaden	Metzen	Reiter	Stumpf
Dibble	Kleis	Michel	Rest	Tomassoni
Fischbach	Knutson	Moua	Robling	Vickerman
Foley	Koering	Murphy	Rosen	Wergin
Frederickson	Kubly	Neuville	Ruud	Wiger
Gaither	Langseth	Nienow	Sams	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 446: A bill for an act relating to child labor; exempting certain minors from minimum age restrictions for work as youth athletic program referees, umpires, or officials; amending Minnesota Statutes 2002, section 181A.07, by adding a subdivision.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Hann	LeClair	Ortman	Scheid
Bachmann	Higgins	Limmer	Ourada	Senjem
Bakk	Johnson, D.E.	Lourey	Pappas	Skoe
Belanger	Johnson, D.J.	Marko	Pariseau	Skoglund
Berglin	Jungbauer	Marty	Pogemiller	Solon
Betzold	Kelley	McGinn	Ranum	Sparks
Chaudhary	Kierlin	Metzen	Reiter	Tomassoni
Day	Kiscaden	Michel	Rest	Vickerman
Dibble	Kleis	Moua	Robling	Wergin
Fischbach	Knutson	Murphy	Rosen	Wiger
Foley	Koering	Neuville	Ruud	
Frederickson	Kubly	Nienow	Sams	
Gaither	Larson	Olson	Saxhaug	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 905: A bill for an act relating to environment; modifying expenditure limits for upgrading feedlots; amending Minnesota Statutes 2002, section 116.07, subdivision 7.

Senator Murphy moved to amend S.F. No. 905 as follows:

Page 4, line 23, after the first comma, insert "in effect"

The motion prevailed. So the amendment was adopted.

S.F. No. 905 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 62 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Higgins	LeClair	Ortman	Senjem
Bachmann	Johnson, D.E.	Limmer	Ourada	Skoe
Bakk	Johnson, D.J.	Lourey	Pappas	Skoglund
Belanger	Jungbauer	Marko	Pariseau	Solon
Betzold	Kelley	Marty	Pogemiller	Sparks
Chaudhary	Kierlin	McGinn	Ranum	Stumpf
Day	Kiscaden	Metzen	Reiter	Tomassoni
Dibble	Kleis	Michel	Robling	Vickerman
Fischbach	Knutson	Moua	Rosen	Wergin
Foley	Koering	Murphy	Ruud	Wiger
Frederickson	Kubly	Neuville	Sams	
Gaither	Langseth	Nienow	Saxhaug	
Hann	Larson	Olson	Scheid	

Those who voted in the negative were:

Berglin

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

SPECIAL ORDER

S.F. No. 418: A bill for an act relating to occupations and professions; removing the restriction of prescribing only topical legend drugs by board certified optometrists; requiring that legend drugs be used as included in optometry curricula; authorizing the prescription of certain controlled substances; amending reporting requirement of health professionals to include all legend drugs; requiring optometrists using legend drugs be held to the same standards as physicians; amending Minnesota Statutes 2002, sections 147.111, subdivision 4; 148.574; 148.575, subdivisions 1, 2; 148.576; 148.577; 151.37, subdivision 11; 152.11, subdivision 2; 152.12, subdivisions 1, 4.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Jungbauer	Langseth	Metzen
Bachmann	Foley	Kelley	Larson	Michel
Bakk	Frederickson	Kierlin	LeClair	Moua
Belanger	Gaither	Kiscaden	Limmer	Neuville
Berglin	Hann	Kleis	Lourey	Nienow
Betzold	Higgins	Knutson	Marko	Olson
Day	Johnson, D.E.	Koering	Marty	Ortman
Dibble	Johnson, D.J.	Kubly	McGinn	Ourada

Pappas	Robling	Scheid	Sparks	Wiger
Pogemiller	Rosen	Senjem	Stumpf	
Ranum	Ruud	Skoe	Tomassoni	
Reiter	Sams	Skoglund	Vickerman	
Rest	Saxhaug	Solon	Wergin	

So the bill was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 258: A bill for an act relating to agriculture; prohibiting registration of certain fertilizers; amending Minnesota Statutes 2002, section 18C.401, by adding a subdivision.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Ortman	Scheid
Bachmann	Hann	Larson	Ourada	Senjem
Bakk	Higgins	LeClair	Pappas	Skoglund
Belanger	Hottinger	Limmer	Pariseau	Solon
Berglin	Johnson, D.E.	Lourey	Pogemiller	Sparks
Betzold	Johnson, D.J.	Marko	Ranum	Stumpf
Chaudhary	Kelley	Marty	Reiter	Tomassoni
Cohen	Kierlin	McGinn	Rest	Vickerman
Day	Kiscaden	Metzen	Robling	Wergin
Dibble	Kleis	Michel	Rosen	Wiger
Fischbach	Knutson	Moua	Ruud	
Foley	Koering	Nienow	Sams	
Frederickson	Kubly	Olson	Saxhaug	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 692: A bill for an act relating to the city of Minneapolis; authorizing the creation of a community planning and economic development department of the city.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Nienow	Sams
Bachmann	Gaither	Langseth	Olson	Saxhaug
Bakk	Hann	Larson	Ortman	Scheid
Belanger	Higgins	LeClair	Ourada	Senjem
Berglin	Johnson, D.E.	Limmer	Pappas	Skoe
Betzold	Johnson, D.J.	Lourey	Pariseau	Solon
Chaudhary	Jungbauer	Marko	Pogemiller	Sparks
Cohen	Kelley	Marty	Ranum	Stumpf
Day	Kierlin	McGinn	Reiter	Tomassoni
Dibble	Kiscaden	Metzen	Rest	Vickerman
Dille	Kleis	Michel	Robling	Wergin
Fischbach	Knutson	Moua	Rosen	Wiger
Foley	Koering	Neuville	Ruud	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 891: A bill for an act relating to housing and redevelopment authorities; authorizing an authority to create certain legal entities to engage in housing activities; amending Minnesota Statutes 2002, section 469.012, subdivision 1.

Senator Rest moved to amend S.F. No. 891 as follows:

Page 9, line 33, after "469.047" insert "and other laws that apply to housing and redevelopment authorities, as if the limited partnership, limited liability company, or corporation were a housing and redevelopment authority"

The motion prevailed. So the amendment was adopted.

S.F. No. 891 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Nienow	Scheid
Bachmann	Gaither	Langseth	Olson	Senjem
Bakk	Hann	Larson	Ortman	Skoe
Belanger	Higgins	LeClair	Ourada	Skoglund
Berglin	Johnson, D.E.	Limmer	Pariseau	Solon
Betzold	Johnson, D.J.	Lourey	Pogemiller	Sparks
Chaudhary	Jungbauer	Marko	Reiter	Stumpf
Cohen	Kelley	Marty	Rest	Tomassoni
Day	Kierlin	McGinn	Robling	Vickerman
Dibble	Kiscaden	Metzen	Rosen	Wergin
Dille	Kleis	Michel	Ruud	Wiger
Fischbach	Knutson	Moua	Sams	
Foley	Koering	Neuville	Saxhaug	

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

SPECIAL ORDER

H.F. No. 317: A bill for an act relating to counties; allowing use of certain county facilities for commercial wireless service providers and allowing the lease of sites for public safety communications equipment; proposing coding for new law in Minnesota Statutes, chapter 375.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Ortman	Scheid
Bachmann	Hann	Larson	Ourada	Senjem
Bakk	Higgins	LeClair	Pappas	Skoe
Belanger	Johnson, D.E.	Lourey	Pariseau	Skoglund
Berglin	Johnson, D.J.	Marko	Pogemiller	Solon
Betzold	Jungbauer	Marty	Ranum	Sparks
Chaudhary	Kelley	McGinn	Reiter	Stumpf
Cohen	Kierlin	Metzen	Rest	Tomassoni
Day	Kiscaden	Michel	Robling	Vickerman
Dibble	Kleis	Moua	Rosen	Wergin
Dille	Knutson	Neuville	Ruud	Wiger
Fischbach	Koering	Nienow	Sams	
Foley	Kubly	Olson	Saxhaug	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 645: A bill for an act relating to landlords and tenants; providing for interest rates on security deposits; amending Minnesota Statutes 2002, section 504B.178, subdivision 2.

Senator Metzen moved that S.F. No. 645 be laid on the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 1080: A bill for an act relating to the military; extending certain tuition reimbursement; deleting a reporting requirement; amending Minnesota Statutes 2002, section 192.501, subdivision 2.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Nienow	Sams
Bachmann	Gaither	Langseth	Olson	Saxhaug
Bakk	Hann	Larson	Ortman	Scheid
Belanger	Higgins	LeClair	Ourada	Senjem
Berglin	Johnson, D.E.	Limmer	Pappas	Skoe
Betzold	Johnson, D.J.	Lourey	Pariseau	Skoglund
Chaudhary	Jungbauer	Marko	Pogemiller	Solon
Cohen	Kelley	Marty	Ranum	Sparks
Day	Kierlin	McGinn	Reiter	Stumpf
Dibble	Kiscaden	Metzen	Rest	Tomassoni
Dille	Kleis	Michel	Robling	Vickerman
Fischbach	Knutson	Moua	Rosen	Wergin
Foley	Koering	Neuville	Ruud	Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 793: A bill for an act relating to public safety; clarifying eligibility of local governments for state aid in building components of the regionwide public safety radio and communications system; amending Minnesota Statutes 2002, sections 473.891, subdivision 10; 473.898, subdivision 3.

Senator Ranum moved to amend S.F. No. 793 as follows:

Page 2, lines 12 to 15, delete the new language

Page 2, line 16, after the period, insert "The bond proceeds may be used to make improvements to an existing 800 MHz radio system that will interoperate with the regionwide public safety radio communication system, provided that the improvements conform to the board's plan and technical standards."

Amend the title as follows:

Page 1, line 4, delete "and"

Page 1, line 5, delete "communications" and insert "communication"

The motion prevailed. So the amendment was adopted.

S.F. No. 793 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Nienow	Saxhaug
Bachmann	Hann	Larson	Olson	Scheid
Bakk	Higgins	LeClair	Ortman	Skoe
Belanger	Johnson, D.E.	Limmer	Pappas	Skoglund
Berglin	Johnson, D.J.	Lourey	Pariseau	Solon
Betzold	Jungbauer	Marko	Pogemiller	Sparks
Chaudhary	Kelley	Marty	Ranum	Stumpf
Day	Kierlin	McGinn	Reiter	Tomassoni
Dibble	Kiscaden	Metzen	Rest	Vickerman
Dille	Kleis	Michel	Robling	Wergin
Fischbach	Knutson	Moua	Rosen	Wiger
Foley	Koering	Murphy	Ruud	
Frederickson	Kubly	Neuville	Sams	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Metzen moved that S.F. No. 645 be taken from the table. The motion prevailed.

S.F. No. 645: A bill for an act relating to landlords and tenants; providing for interest rates on security deposits; amending Minnesota Statutes 2002, section 504B.178, subdivision 2.

Senator Anderson moved to amend S.F. No. 645 as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2002, section 504B.171, subdivision 2, is amended to read:

Subd. 2. [BREACH VOIDS RIGHT TO POSSESSION.] A breach of the covenant created by subdivision 1 voids the tenant's or licensee's right to possession of the residential premises. All other provisions of the lease or license, including but not limited to the obligation to pay rent, remain in effect until the lease is terminated by the terms of the lease or operation of law. If the tenant or licensee breaches the covenant created by subdivision 1, the landlord may bring, or assign to the county or city attorney of the county or city in which the residential premises are located, the right to bring an eviction action against the tenant or licensee. The assignment must be in writing on a form provided by the county or city attorney, and the county or city attorney may determine whether to accept the assignment. If the county or city attorney accepts the assignment of the landlord's right to bring an eviction action:

(1) any court filing fee that would otherwise be required in an eviction action is waived; and

(2) the landlord retains all the rights and duties, including removal of the tenant's or licensee's personal property, following issuance of the writ of recovery of premises and order to vacate and delivery of the writ to the sheriff for execution."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 645 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Nienow	Sams
Bachmann	Hann	Larson	Olson	Saxhaug
Bakk	Higgins	LeClair	Ortman	Scheid
Belanger	Johnson, D.E.	Limmer	Ourada	Senjem
Berglin	Johnson, D.J.	Lourey	Pappas	Skoe
Betzold	Jungbauer	Marko	Pariseau	Skoglund
Cohen	Kelley	Marty	Pogemiller	Solon
Day	Kierlin	McGinn	Ranum	Sparks
Dibble	Kiscaden	Metzen	Reiter	Stumpf
Dille	Kleis	Michel	Rest	Tomassoni
Fischbach	Knutson	Moua	Robling	Vickerman
Foley	Koering	Murphy	Rosen	Wergin
Frederickson	Kubly	Neuville	Ruud	Wiger

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

SPECIAL ORDER

S.F. No. 575: A bill for an act relating to civil actions; modifying the limitation period for civil actions for personal injury based on sexual abuse against a minor; amending Minnesota Statutes 2002, section 541.073.

Senator Neuville moved to amend S.F. No. 575 as follows:

Pages 1 and 2, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 2002, section 541.073, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS PERIOD; ACTION FOR DAMAGES.] (a) An action for damages based on personal injury caused by sexual abuse must be commenced within six years of the time the plaintiff knew or had reason to know that the injury was caused by the sexual abuse.

(b) The plaintiff need not establish which act in a continuous series of sexual abuse acts by the defendant caused the injury.

(c) The knowledge of a parent or guardian may not be imputed to a minor.

(d) This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.

Sec. 2. Minnesota Statutes 2002, section 541.073, is amended by adding a subdivision to read:

Subd. 2a. [ACTION FOR DECLARATORY RELIEF.] (a) An equitable action for declaratory relief establishing that the plaintiff was sexually abused as a minor may be brought at any time and is not subject to a statute of limitations. Except as provided in paragraph (b), a plaintiff who prevails in an action under this paragraph is entitled to costs, disbursements, and reasonable attorney fees, including costs incurred in connection with discovery.

(b) A plaintiff is not entitled to recover attorney fees if the defendant complies with all discovery in the action or admits the allegations in the complaint before the trial begins.

(c) This subdivision does not allow a claim for damages otherwise barred under subdivision 2 and is not applicable until the statute of limitations in subdivision 2 has expired.

Sec. 3. Minnesota Statutes 2002, section 541.073, subdivision 3, is amended to read:

Subd. 3. [APPLICABILITY.] ~~This section~~ (a) Subdivision 2 applies to an action for damages

commenced against a person who caused the plaintiff's personal injury either by (1) committing sexual abuse against the plaintiff, or (2) negligently permitting sexual abuse against the plaintiff to occur.

(b) Subdivision 2a applies to an action for declaratory relief against a person who committed sexual abuse against the plaintiff or negligently permitted sexual abuse against the plaintiff to occur.

Sec. 4. [EFFECTIVE DATE.]

This act is effective August 1, 2003, and applies to causes of action for declaratory relief arising before, on, or after the effective date, including actions for declaratory relief that were terminated or extinguished before the effective date."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Bachmann	Gaither	Knutson	Olson	Senjem
Belanger	Hann	Koering	Ourada	Skoe
Betzold	Johnson, D.J.	Larson	Pariseau	Wergin
Day	Jungbauer	LeClair	Reiter	
Dille	Kierlin	McGinn	Robling	
Fischbach	Kiscaden	Neuville	Rosen	
Frederickson	Kleis	Nienow	Ruud	

Those who voted in the negative were:

Anderson	Higgins	Marko	Pappas	Skoglund
Bakk	Johnson, D.E.	Marty	Pogemiller	Solon
Berglin	Kelley	Metzen	Ranum	Sparks
Chaudhary	Kubly	Michel	Rest	Stumpf
Cohen	Langseth	Moua	Sams	Tomassoni
Dibble	Limmer	Murphy	Saxhaug	Vickerman
Foley	Lourey	Ortman	Scheid	Wiger

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

S.F. No. 575 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 41 and nays 25, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.E.	Marko	Pogemiller	Sparks
Bakk	Kelley	Marty	Ranum	Stumpf
Berglin	Kiscaden	McGinn	Rest	Tomassoni
Chaudhary	Kleis	Metzen	Sams	Vickerman
Cohen	Knutson	Michel	Saxhaug	Wiger
Dibble	Kubly	Moua	Scheid	
Fischbach	Langseth	Murphy	Skoe	
Foley	Limmer	Ortman	Skoglund	
Higgins	Lourey	Pappas	Solon	

Those who voted in the negative were:

Bachmann	Frederickson	Kierlin	Nienow	Robling
Belanger	Gaither	Koering	Olson	Rosen
Betzold	Hann	Larson	Ourada	Ruud
Day	Johnson, D.J.	LeClair	Pariseau	Senjem
Dille	Jungbauer	Neuville	Reiter	Wergin

So the bill passed and its title was agreed to.

RECONSIDERATION

Having voted on the prevailing side, Senator Foley moved that the vote whereby H.F. No. 317 was passed by the Senate on May 5, 2003, be now reconsidered. The motion prevailed. So the vote was reconsidered.

Senator Vickerman moved to amend H.F. No. 317 as follows:

Page 2, after line 11, insert:

"Sec. 2. [RECORDER MAY BE APPOINTED.]

Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Rock county board of commissioners, the office of county recorder in the county is not elective but must be filled by appointment by the county board as provided in the resolution. Before the county board may adopt a resolution under this section, the board must hold a public hearing on the proposal to appoint the county recorder.

Sec. 3. [BOARD CONTROLS, MAY CHANGE AS LONG AS DUTIES DONE.]

Upon adoption of a resolution by the Rock county board of commissioners and subject to sections 4 and 5, the duties of the elected official required by statute whose office is made appointive as authorized by this act must be discharged by the board of commissioners of Rock county acting through a department head appointed by the board for that purpose. A reorganization, reallocation, or delegation or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Sec. 4. [INCUMBENT TO COMPLETE TERM.]

The person currently serving as county recorder must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the current term of office or until a vacancy occurs in the office, whichever occurs earlier.

Sec. 5. [FOUR-FIFTHS VOTE; REVERSE REFERENDUM.]

The county board may provide for the appointment of the county recorder as permitted in this act without an affirmative vote of the voters of the county if the resolution to make the office appointed is approved by 80 percent of the members of the county board. Before the adoption of the resolution, the county board must publish a resolution notifying the public of its intent to consider adopting the option once each week for two consecutive weeks in the official publication of the county. Following the publication, the county board shall provide an opportunity at its next regular meeting for public comment relating to the option, prior to formally adopting the option. The option may be implemented without the submission of the question of its implementation to the voters of the county, unless within 30 days after the second publication of the resolution, a petition requesting a referendum, signed by at least ten percent of the registered voters of the county, is filed with the county auditor. If a petition is filed, the option may be implemented unless disapproved by a majority of the voters of the county voting on the question at a regular or special election.

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

Sections 2 to 5 are effective the day after the governing body of Rock county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "permitting the appointment of the Rock county recorder;"

The motion prevailed. So the amendment was adopted.

H.F. No. 317 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kubly	Neuville	Sams
Bachmann	Gaither	Langseth	Nienow	Saxhaug
Bakk	Hann	Larson	Olson	Scheid
Belanger	Higgins	LeClair	Ortman	Senjem
Berglin	Johnson, D.E.	Limmer	Ourada	Skoe
Betzold	Johnson, D.J.	Lourey	Pappas	Skoglund
Chaudhary	Jungbauer	Marko	Pariseau	Solon
Cohen	Kelley	Marty	Pogemiller	Sparks
Day	Kierlin	McGinn	Ranum	Stumpf
Dibble	Kiscaden	Metzen	Reiter	Tomassoni
Dille	Kleis	Michel	Rest	Vickerman
Fischbach	Knutson	Moua	Robling	Wergin
Foley	Koering	Murphy	Ruud	Wiger

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

SPECIAL ORDER

H.F. No. 294: A bill for an act relating to the military; requiring payment of a salary differential and continuation of certain benefits to certain state employees who are members of the national guard or other military reserve units and who reported for active military duty; permitting local governments to pay a similar salary differential for their employees who are members of the national guard or other military reserve units and who have reported for active military service; amending Minnesota Statutes 2002, section 471.975; proposing coding for new law in Minnesota Statutes, chapter 43A.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Nienow	Saxhaug
Bachmann	Hann	Larson	Olson	Scheid
Bakk	Higgins	LeClair	Ortman	Senjem
Belanger	Johnson, D.E.	Limmer	Ourada	Skoe
Betzold	Johnson, D.J.	Lourey	Pappas	Skoglund
Chaudhary	Jungbauer	Marko	Pariseau	Solon
Cohen	Kelley	Marty	Pogemiller	Sparks
Day	Kierlin	McGinn	Ranum	Stumpf
Dibble	Kiscaden	Metzen	Reiter	Tomassoni
Dille	Kleis	Michel	Rest	Vickerman
Fischbach	Knutson	Moua	Robling	Wergin
Foley	Koering	Murphy	Ruud	Wiger
Frederickson	Kubly	Neuville	Sams	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 700: A bill for an act relating to civil actions; providing immunity for good faith reports to or requests for assistance from law enforcement; proposing coding for new law in Minnesota Statutes, chapter 604A.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Langseth	Olson	Saxhaug
Bachmann	Gaither	LeClair	Ortman	Scheid
Bakk	Hann	Limmer	Ourada	Senjem
Belanger	Johnson, D.E.	Lourey	Pappas	Skoe
Berglin	Johnson, D.J.	Marko	Pariseau	Skoglund
Betzold	Jungbauer	Marty	Pogemiller	Solon
Chaudhary	Kelley	McGinn	Ranum	Stumpf
Cohen	Kierlin	Metzen	Reiter	Tomassoni
Day	Kiscaden	Michel	Rest	Vickerman
Dibble	Kleis	Moua	Robling	Wergin
Dille	Knutson	Murphy	Rosen	Wiger
Fischbach	Koering	Neuville	Ruud	
Foley	Kubly	Nienow	Sams	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1167: A bill for an act relating to victims; increasing parental liability owed to a victim for acts of certain juvenile offenders; amending certain laws to enhance victim rights; amending Minnesota Statutes 2002, sections 260B.163, subdivision 1; 260B.171, subdivision 4; 611A.01.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	LeClair	Ortman	Senjem
Bachmann	Hann	Limmer	Ourada	Skoe
Bakk	Johnson, D.E.	Lourey	Pappas	Skoglund
Belanger	Johnson, D.J.	Marko	Pariseau	Solon
Betzold	Jungbauer	Marty	Pogemiller	Sparks
Chaudhary	Kelley	McGinn	Ranum	Stumpf
Cohen	Kierlin	Metzen	Reiter	Tomassoni
Day	Kiscaden	Michel	Rest	Vickerman
Dibble	Kleis	Moua	Robling	Wergin
Dille	Knutson	Murphy	Rosen	Wiger
Fischbach	Koering	Neuville	Ruud	
Foley	Langseth	Nienow	Saxhaug	
Frederickson	Larson	Olson	Scheid	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1069: A bill for an act relating to commerce; regulating financial institution examinations, applications, loans, advertising, and organizational provisions; revising the standard nonforfeiture law for individual deferred annuities; regulating the deposit and investment of local public funds; making various technical changes; repealing obsolete rules; amending Minnesota Statutes 2002, sections 46.04, subdivision 1; 46.041, subdivision 2; 47.015, by adding a subdivision; 47.101, subdivision 2; 47.59, subdivision 2; 47.67; 48.08; 48.24, subdivision 6; 52.06, subdivision 1; 61A.245, subdivisions 3, 4, 5, 6, 12; 118A.03, subdivisions 2, 3; 300.025; 300.23; 332.29, subdivision 1; repealing Minnesota Rules, parts 2675.0300; 2675.2250; 2675.6400.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Nienow	Sams
Bakk	Hann	Larson	Olson	Saxhaug
Belanger	Higgins	LeClair	Ortman	Scheid
Berglin	Johnson, D.E.	Limmer	Ourada	Senjem
Betzold	Johnson, D.J.	Lourey	Pappas	Skoe
Chaudhary	Jungbauer	Marko	Pariseau	Skoglund
Cohen	Kelley	Marty	Pogemiller	Solon
Day	Kierlin	McGinn	Ranum	Sparks
Dibble	Kiscaden	Metzen	Reiter	Stumpf
Dille	Kleis	Michel	Rest	Tomassoni
Fischbach	Knutson	Moua	Robling	Vickerman
Foley	Koering	Murphy	Rosen	Wergin
Frederickson	Kubly	Neuville	Ruud	Wiger

So the bill passed and its title was agreed to.

RECONSIDERATION

Having voted on the prevailing side, Senator Belanger moved that the vote whereby S.F. No. 1505 was passed by the Senate on May 5, 2003, be now reconsidered. The motion prevailed. So the vote was reconsidered.

CALL OF THE SENATE

Senator Pappas imposed a call of the Senate for the balance of the proceedings on S.F. No. 1505. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Having voted on the prevailing side, Senator Hann moved that the vote whereby the second Marty amendment to S.F. No. 1505 was adopted on May 5, 2003, be now reconsidered. The motion prevailed. So the vote was reconsidered.

The question recurred on the second Marty amendment.

Pages 254 and 255, delete section 21

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Johnson, D.J.	LeClair	Nienow	Senjem
Bachmann	Jungbauer	Marko	Ortman	Wergin
Chaudhary	Kierlin	Marty	Pappas	Wiger
Cohen	Kiscaden	McGinn	Reiter	
Day	Kleis	Metzen	Robling	
Fischbach	Knutson	Moua	Rosen	
Frederickson	Larson	Neuville	Ruud	

Those who voted in the negative were:

Bakk	Hann	Limmer	Ranum	Sparks
Belanger	Higgins	Lourey	Rest	Stumpf
Berglin	Hottinger	Michel	Sams	Tomassoni
Betzold	Johnson, D.E.	Murphy	Saxhaug	Vickerman
Dibble	Kelley	Olson	Scheid	
Dille	Koering	Ourada	Skoe	
Foley	Kubly	Pariseau	Skoglund	
Gaither	Langseth	Pogemiller	Solon	

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

S.F. No. 1505 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 55 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Knutson	Michel	Scheid
Bakk	Frederickson	Koering	Moua	Senjem
Belanger	Gaither	Kubly	Murphy	Skoe
Berglin	Hann	Langseth	Olson	Skoglund
Betzold	Higgins	Larson	Ourada	Solon
Chaudhary	Hottinger	Limmer	Pogemiller	Sparks
Cohen	Johnson, D.E.	Lourey	Ranum	Stumpf
Day	Johnson, D.J.	Marko	Rest	Tomassoni
Dibble	Kelley	Marty	Ruud	Vickerman
Dille	Kierlin	McGinn	Sams	Wergin
Fischbach	Kiscaden	Metzen	Saxhaug	Wiger

Those who voted in the negative were:

Bachmann	LeClair	Ortman	Pariseau	Robling
Jungbauer	Neuville	Pappas	Reiter	Rosen
Kleis	Nienow			

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Larson moved that S.F. No. 633 be withdrawn from the Committee on Rules and Administration and returned to its author. The motion prevailed.

Senator Ranum moved that S.F. No. 1131 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration. 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 Skoglund and Anderson introduced--

S.F. No. 1535: A bill for an act relating to public safety; repealing the Personal Protection Act; repealing Laws 2003, chapter 28, article 2.

Referred to the Committee on Crime Prevention and Public Safety.

Senator Betzold introduced--

S.F. No. 1536: A bill for an act relating to state government; transferring the responsibilities of the gambling control board to the department of commerce; abolishing the board.

Referred to the Committee on State and Local Government Operations.

Senator LeClair introduced--

S.F. No. 1537: A bill for an act relating to education finance; focusing education funding on the classroom; increasing efficiencies in state government; eliminating duplicative programs; amending Minnesota Statutes 2002, sections 124D.11, subdivision 6; 124D.135, subdivisions 1, 3; 124D.20, subdivisions 1, 5; 124D.531, subdivision 7; 126C.17, by adding a subdivision; repealing Minnesota Statutes 2002, sections 119A.12; 119A.37; 119A.445; 119A.52; 120B.23; 121A.16; 121A.17; 122A.62; 122A.63; 122A.64; 122A.65; 123B.59, subdivisions 6, 7; 124D.081; 124D.115; 124D.1156; 124D.117; 124D.135, subdivision 4; 124D.15; 124D.16; 124D.17; 124D.20, subdivisions 3, 4, 4a, 6, 7; 124D.221; 124D.23; 124D.39; 124D.40; 124D.41; 124D.42; 124D.43; 124D.44; 124D.45; 124D.81; 124D.83; 124D.84; 126C.445; 126C.455; 129C.10; 129C.15; 129C.20; 129C.25; 129C.26; Laws 1993, chapter 224, article 8, section 20, subdivision 2, as amended; Laws 2000, chapter 489, article 2, section 36, as amended; Laws 2001, First Special Session chapter 6, article 2, section 70.

Referred to the Committee on Education.

MEMBERS EXCUSED

Senator Pariseau was excused from the Session of today from 11:00 a.m. to 12:25 p.m. Senator Anderson was excused from the Session of today from 11:50 a.m. to 1:30 p.m. Senator Ranum was excused from the Session of today from 12:45 to 1:15 p.m. Senator Hottinger was excused from the Session of today from 2:15 to 3:45 p.m. Senator Berglin was excused from the Session of today from 3:25 to 3:30 p.m.

ADJOURNMENT

Senator Rest moved that the Senate do now adjourn until 9:00 a.m., Tuesday, May 6, 2003. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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