

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-THIRD LEGISLATURE

FIFTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, May 15, 2003

The Senate met at 9:00 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, Rev. Richard Keene Smith.

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.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

April 22, 2003

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

DEPARTMENT OF LABOR AND INDUSTRY
COMMISSIONER

Scott Brener, 4621 Wooddale Ave., Edina, in the county of Hennepin, effective May 1, 2003, for a term that expires on January 1, 2007.

(Referred to the Committee on Jobs, Housing and Community Development.)

April 22, 2003

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

IRON RANGE RESOURCES AND REHABILITATION AGENCY
COMMISSIONER

Sandra K. Layman, 34671 Rebel Beach Rd., Cohasset, in the county of Itasca, effective May 5, 2003, for a term that expires on January 1, 2007.

(Referred to the Committee on Jobs, Housing and Community Development.)

Sincerely,
Tim Pawlenty, Governor

May 13, 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
1098		38	1:25 p.m. May 13	May 13
941		39	1:20 p.m. May 13	May 13
350		40	1:20 p.m. May 13	May 13
	433	41	1:15 p.m. May 13	May 13
	770	42	1:10 p.m. May 13	May 13

Sincerely,
Mary Kiffmeyer
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 256: A bill for an act relating to crime prevention; making changes related to search warrants; amending Minnesota Statutes 2002, sections 626.11; 626.13.

Senate File No. 256 is herewith returned to the Senate.

Albin A. Mathiowetz, First Assistant Chief Clerk, House of Representatives
Returned May 14, 2003

Senator McGinn moved that S.F. No. 256 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1469, 810, 831 and 1006.

Albin A. Mathiowetz, First Assistant Chief Clerk, House of Representatives
Transmitted May 14, 2003

FIRST READING OF HOUSE BILLS

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

H.F. No. 1469: A bill for an act relating to public finance; providing for public finance instrumentalities and instruments; authorizing, validating, expanding, limiting, and clarifying public financing and economic development structures, instruments, and procedures for local public entities; amending Minnesota Statutes 2002, sections 373.45, subdivision 1; 373.47, subdivision 1; 376.009; 376.55, subdivision 3, by adding a subdivision; 376.56, subdivision 3; 469.103, subdivision 2; 469.1813, subdivision 8; 473.39, by adding a subdivision; 473.898, subdivision 3; 474A.061, subdivision 1; 475.58, subdivision 3b; Laws 1967, chapter 558, section 1, subdivision 5, as amended; Laws 1989, chapter 211, section 8, subdivision 2, as amended; Laws 1989, chapter 211, section 8, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Taxes.

H.F. No. 810: A bill for an act relating to state lands; modifying certain boundary waters canoe area provisions; providing for certain state land acquisition; modifying the Mississippi whitewater trail; modifying provisions of the outdoor recreation system; establishing a mineral coordinating committee; establishing boundaries for a proposed state park; adding to and deleting from state parks, state recreation areas, state forests, and wildlife management areas; authorizing public and private sales and conveyances of certain state lands; requiring certain land exchanges; modifying certain appropriations conditions; amending Minnesota Statutes 2002, sections 84.523, by adding a subdivision; 85.013, subdivision 1; 85.0156, subdivision 1; 86A.04; Laws 2001, First Special Session chapter 2, section 14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 93.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 935, now on General Orders.

H.F. No. 831: A bill for an act relating to unemployment insurance; modifying provisions to increase the solvency of the trust fund; making policy and technical changes; amending Minnesota Statutes 2002, sections 268.035, subdivisions 15, 23; 268.044, subdivision 1, by adding a subdivision; 268.051, subdivisions 1, 2, 3, 5, 6, by adding a subdivision; 268.052, subdivision 1; 268.057, subdivision 5; 268.067; 268.07, subdivision 2; 268.085, subdivision 3; 268.086, subdivision 2; 268.095, subdivisions 1, 2, 6, 11; 268.105, subdivision 7; 268.18, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Rules, part 3315.1015, subpart 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 864, now on General Orders.

H.F. No. 1006: A bill for an act relating to elections; providing for conformity with the federal

Help America Vote Act; creating a complaint process; requiring a report; imposing a penalty; appropriating money; amending Minnesota Statutes 2002, sections 201.021; 201.022; 201.061, subdivisions 1, 3, by adding subdivisions; 201.071, subdivisions 1, 3, by adding subdivisions; 201.091, subdivisions 1, 4, 5, by adding a subdivision; 201.121, subdivision 1; 201.13, subdivision 1; 201.15; 201.155; 201.161; 201.171; 201.221, subdivisions 2, 3; 203B.06, subdivision 4; 203B.08, subdivision 3; 203B.12, subdivision 2; 203B.16, by adding a subdivision; 203B.17; 203B.19; 203B.24, subdivision 2; 203B.26; 204B.47; 204C.10; 206.57, by adding subdivisions; 206.81; proposing coding for new law in Minnesota Statutes, chapters 5; 200; 201; 204C.

Referred to the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Senator Chaudhary moved that the name of Senator Skoglund be added as a co-author to S.F. No. 597. The motion prevailed.

Senator Kubly moved that the name of Senator Skoglund be added as a co-author to S.F. No. 982. The motion prevailed.

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. 1257, 859, S.F. No. 1192, H.F. No. 259, S.F. No. 904, H.F. Nos. 984, 946, 414, S.F. No. 78, H.F. Nos. 504, 503, 837 and 321.

SPECIAL ORDER

H.F. No. 1257: A bill for an act relating to natural resources; authorizing a drainage authority to compensate landowners for the removal of a bridge; amending Minnesota Statutes 2002, section 103E.701, 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 859: A bill for an act relating to natural resources; modifying provisions for the sale of state timber; providing criminal penalties; amending Minnesota Statutes 2002, sections 90.01, by adding a subdivision; 90.101; 90.121; 90.14; 90.151, subdivisions 1, 2; 90.161, subdivision 1; 90.173; 90.191, subdivisions 3, 4; 90.251, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 90.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Ortman	Senjem
Bachmann	Hann	Larson	Ourada	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	Neuville	Sams	
Foley	Koering	Nienow	Saxhaug	
Frederickson	Kubly	Olson	Scheid	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1192: A bill for an act relating to drivers' licenses; requiring department of public safety to forward information about certain driver's license and identification card applicants to selective service system; amending Minnesota Statutes 2002, section 171.06, 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 55 and nays 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bachmann	Day	Johnson, D.J.	LeClair	Ruud
Berglin	Dibble	Koering	Reiter	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 259: A bill for an act relating to drivers' licenses; removing sunset provisions to allow certain school buses to continue to be operated by licensed child care providers and by holders of Class D drivers' licenses under limited conditions; amending Minnesota Statutes 2002, sections 169.448, subdivision 1; 171.02, subdivision 2a; Laws 2001, chapter 97, section 5.

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 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Chaudhary

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 904: A bill for an act relating to state government; state vehicles; regulating the leasing or other acquisition of motor vehicles for the use of state officials and employees; amending Minnesota Statutes 2002, section 16B.54, by adding a subdivision.

CALL OF THE SENATE

Senator Cohen imposed a call of the Senate for the balance of the proceedings on S.F. No. 904. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 904 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 1, as follows:

Those who voted in the affirmative were:

Anderson	Chaudhary	Foley	Johnson, D.E.	Knutson
Bachmann	Cohen	Frederickson	Johnson, D.J.	Koering
Bakk	Day	Gaither	Jungbauer	Kubly
Belanger	Dibble	Hann	Kelley	Langseth
Berglin	Dille	Higgins	Kierlin	Larson
Betzold	Fischbach	Hottinger	Kleis	LeClair

Limmer	Moua	Pappas	Ruud	Solon
Lourey	Murphy	Pariseau	Sams	Sparks
Marko	Neuville	Pogemiller	Saxhaug	Stumpf
Marty	Nienow	Ranum	Scheid	Tomassoni
McGinn	Olson	Rest	Senjem	Vickerman
Metzen	Ortman	Robling	Skoe	Wergin
Michel	Ourada	Rosen	Skoglund	Wiger

Those who voted in the negative were:

Reiter

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 984: A bill for an act relating to cooperatives; authorizing businesses to organize as cooperative associations; providing penalties; amending Minnesota Statutes 2002, sections 80A.14, subdivision 17; 80A.15, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 308B.

Senator Skoe moved to amend H.F. No. 984, as amended pursuant to Rule 45, adopted by the Senate May 14, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 679.)

Page 3, after line 14, insert:

"Subd. 18. [MINNESOTA LIMITED LIABILITY COMPANY.] "Minnesota limited liability company" means a limited liability company governed by chapter 322B."

Page 3, line 15, delete "18" and insert "19"

Page 3, line 19, delete "19" and insert "20"

Page 3, line 21, delete "20" and insert "21"

Page 3, line 24, delete "21" and insert "22"

Page 3, line 26, delete "22" and insert "23"

Page 3, line 31, delete "23" and insert "24"

Page 20, line 3, before "A" insert "(a)" and delete "business entity" and insert "cooperative"

Page 20, delete lines 4 and 5

Page 20, line 6, delete everything before "may" and insert " under chapter 308A" and after "may" insert "convert and"

Page 20, line 8, before "A" insert:

"(b)" and delete "business entity" and insert "cooperative organized under chapter 308A"

Page 20, line 12, after the period, insert "A cooperative organized under chapter 308A, upon distribution of the disclosure required in this subdivision and approval of its members as necessary for amending its articles under chapter 308A, may amend its articles to comply with this chapter."

(c) A cooperative organized under chapter 308A that is converting to be subject to this chapter must prepare a certificate stating:

(1) the date on which the entity was first organized;

(2) the name of the chapter 308A cooperative and, if the name is changed, the name of the cooperative to be governed under this chapter; and

(3) the future effective date and time, which must be a date and time certain, that it will be governed by this chapter, if the effective date and time is not to be the date and time of filing.

(d) Upon filing with the secretary of state of the articles for compliance with this chapter and the certificate required under paragraph (c), a cooperative organized under chapter 308A is converted and governed by this chapter unless a later date and time is specified in the certificate under paragraph (c).

(e) In connection with a conversion under which a cooperative becomes governed by this chapter, the rights, securities, or interests in the chapter 308A cooperative may be exchanged or converted into rights, property, securities, or interests in the cooperative as governed by this chapter.

Subd. 2. [EFFECT OF BEING GOVERNED BY THIS CHAPTER.] The conversion of a cooperative organized under chapter 308A to a cooperative governed by this chapter does not affect any obligations or liabilities of the cooperative before the conversion or the personal liability of any person incurred before the conversion. When the conversion is effective, the rights, privileges, and powers of the cooperative, real and personal property of the cooperative, debts due to the cooperative, and causes of action belonging to the cooperative, remain vested in the cooperative and are the property of the cooperative as converted and governed by this chapter. Title to real property vested by deed or otherwise in the cooperative organized under chapter 308A does not revert and is not impaired by reason of the cooperative being converted and governed by this chapter. Rights of creditors and liens upon property of the cooperative under chapter 308A are preserved unimpaired, and debts, liabilities, and duties of the cooperative under chapter 308A remain attached to the cooperative as converted and governed by this chapter and may be enforced against the cooperative to the same extent as if the debts, liabilities, and duties had originally been incurred or contracted by the cooperative as organized under this chapter. The rights, privileges, powers, and interests in property of the cooperative under chapter 308A, as well as the debts, liabilities, and duties of the cooperative are not deemed, as a consequence of the conversion, to have been transferred for any purpose of the laws of this state."

Page 20, delete lines 13 to 32

Page 70, line 9, delete "50" and insert "60"

Page 90, line 13, after the first "other" insert ", a Minnesota limited liability company under the provisions of section 322B.755,"

Page 90, line 21, after the period, insert "This subdivision does not authorize a foreign business entity to do any act not authorized by the law governing the foreign business entity."

Page 90, line 26, after "constituent" insert "domestic" and after "cooperatives" insert ", the name of any Minnesota limited liability company that is a party to the merger, to the extent authorized under section 322B.755," and delete "other" and insert "any"

Page 90, line 27, before "business" insert "foreign"

Page 90, line 28, after "new" insert "domestic" and after "cooperative" insert ", Minnesota limited liability company as required by section 322B.755," and after "other" insert "foreign"

Page 90, line 31, after "constituent" insert "domestic" and after "cooperatives" insert ", the surviving Minnesota limited liability company as provided in section 322B.755," and before "business" insert "foreign"

Page 90, line 33, after "new" insert "domestic" and after "cooperative" insert ", the surviving Minnesota limited liability company as authorized in section 322B.755," and before "business" insert "foreign"

Page 90, line 36, delete the second "the" and insert "each constituent domestic"

Page 91, line 3, before the period, insert "or, if the surviving organization is a Minnesota limited liability company, the articles of organization"

Page 91, line 13, after "adopted" insert "by a domestic cooperative"

Page 91, line 21, before "cooperative" insert "domestic"

Page 91, line 34, before "cooperative" insert "domestic"

Page 91, line 35, delete "article" and insert "chapter"

Page 92, line 3, before the period, insert "or the appropriate office of another jurisdiction"

Page 92, line 6, before "The" insert "For a merger that does not involve a Minnesota limited liability company,"

Page 92, line 8, delete "cooperatives or other" and insert "domestic cooperative, Minnesota limited liability company, if party to the plan, and any foreign"

Page 92, line 9, delete "entities that are parties" and insert "entity that is a party"

Page 92, line 12, after "new" insert "domestic" and delete "or other" and insert ", the Minnesota limited liability company, if any, and any foreign"

Page 92, line 14, after "new" insert "domestic cooperative, Minnesota limited liability company, or foreign" and delete "all" and insert "each merged or consolidated domestic or foreign"

Page 92, line 15, delete "entities" and insert "entity" and delete "are parties" and insert "is a party" and delete "cease" and insert "ceases"

Page 92, line 17, after "new" insert "domestic cooperative, Minnesota limited liability company, or foreign"

Page 92, line 20, after "consolidated" insert "domestic cooperative or foreign"

Page 92, line 21, after "new" insert "domestic cooperative, Minnesota limited liability company, or foreign"

Page 92, delete lines 24 and 25 and insert:

"(c) If a merger involves a Minnesota limited liability company, this subdivision is subject to the provisions of section 322B.755."

Page 92, line 27, before "A" insert "For purposes of this section, "subsidiary" means a domestic cooperative, a Minnesota limited liability company, or a foreign cooperative, and "cooperative" means a domestic cooperative. A Minnesota limited liability company may only participate in a merger under this section to the extent authorized under section 322B.755."

Page 92, line 28, after "parent" insert "domestic" and after the second "a" insert "domestic"

Page 95, delete lines 2 to 9

Page 95, line 10, delete "7" and insert "6"

Page 95, line 22, after "constituent" insert "domestic"

Page 95, line 26, before "the" insert "if" and after "domestic" insert "cooperative and a Minnesota limited liability company"

Page 95, line 28, after "required" insert "by section 322B.755 for the involvement of a Minnesota limited liability company, or for a foreign business entity"

Page 95, line 29, before "business" insert "foreign" and after "constituent" insert "domestic"

Page 95, line 31, after "constituent" insert "domestic"

Page 96, line 3, before "cooperative" insert "domestic"

Page 96, line 8, before "business" insert "foreign"

Page 96, line 9, before "business" insert "foreign"

Page 96, line 11, after the period, insert "If the plan of merger is with a Minnesota limited liability company, the plan of merger may be abandoned by the Minnesota limited liability company as provided in section 322B.755, subject to the contractual rights of any other person under the plan."

Page 106, line 11, delete everything after "308B"

Page 106, delete lines 12 and 13

Page 106, line 14, delete everything before the period

Page 115, after line 29, insert:

"Sec. 3. Minnesota Statutes 2002, section 322B.70, subdivision 1, is amended to read:

Subdivision 1. [MERGER.] With or without a business purpose, a limited liability company may merge:

(1) with another limited liability company pursuant to a plan of merger approved in the manner provided in sections 322B.71 to 322B.75;

(2) with a domestic corporation under a plan of merger approved in the manner provided in sections 322B.71 to 322B.75, and in chapter 302A; and

(3) with any foreign corporation or foreign limited liability company pursuant to a plan of merger approved in the manner provided in section 322B.76; and

(4) with one or more cooperatives organized under chapter 308A or 308B, in the manner provided by and subject to the limitations in section 322B.755.

Sec. 4. [322B.755] [MERGER OF DOMESTIC COOPERATIVE INTO A DOMESTIC LIMITED LIABILITY COMPANY.]

Subdivision 1. [DEFINITION.] As used in this section, "domestic cooperative" means a cooperative organized under chapter 308A or 308B.

Subd. 2. [AUTHORIZATION; LIMITATIONS.] (a) A limited liability company may merge with a domestic cooperative only as provided by this section. A limited liability company may merge with one or more domestic cooperatives if:

(1) only one limited liability company and only one or more domestic cooperatives are parties to the merger;

(2) when the merger becomes effective, the separate existence of each domestic cooperative ceases and the limited liability company is the surviving organization;

(3) as to each domestic cooperative, the plan of merger is initiated and adopted, and the merger is effectuated, as provided in section 308B.801; and

(4) as to the limited liability company, the plan of merger complies with section 322B.71, the plan of merger is approved as provided in section 322B.72, and the articles of merger are prepared, signed, and filed as provided in section 322B.73.

(b) For purposes of a merger authorized by this section:

(1) the term "constituent organization" as used in sections 322B.71, subdivision 1, clause (1); 322B.71, subdivision 1, clause (3), item (i); 322B.73; and 322B.75, includes a domestic cooperative;

(2) the term "constituent organization" as used in section 322B.72 does not include a domestic cooperative;

(3) the term "ownership interests" as used in section 322B.71, subdivision 1, clause (3), item (i), includes membership interests in a domestic cooperative;

(4) notwithstanding sections 322B.71, subdivision 1, clause (1), item (i); 322B.71, subdivision 1, clause (4); 322B.75, subdivision 2, clause (1); 322B.75, subdivision 2, clause (4), item (i); and 322B.75, subdivision 2, clause (5), the surviving organization must be the limited liability company;

(5) section 322B.75, subdivision 2, clause (3), does not apply;

(6) the term "ownership interests" includes membership interests in a domestic cooperative and the term "owners" includes members of a domestic cooperative; and

(7) "dissenters rights" includes dissenters rights under the law governing the domestic cooperative.

Subd. 3. [ABANDONMENT.] Section 308B.835 governs the abandonment by a domestic cooperative of a merger authorized by this section. Section 322B.74 governs the abandonment by a limited liability company of a merger authorized by this section, except that for the purposes of a merger authorized by this section:

(1) the term "constituent organization" as used in section 322B.74, subdivision 1, clause (1), does not include a domestic cooperative;

(2) the requirement stated in section 322B.74, subdivision 1, clause (1), as to a domestic corporation does not apply and instead the abandonment must have been approved by the domestic cooperative in the manner provided in chapter 308B;

(3) the reference in section 322B.74, subdivision 2, to a domestic corporation does not apply and instead the abandonment by the domestic cooperative may be accomplished as provided in chapter 308B; and

(4) the term "constituent organization" as used in section 322B.74, subdivision 3, includes a domestic cooperative."

Correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 984 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 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, as amended, was passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 946: A bill for an act relating to insurance; regulating the insurance guaranty association; regulating the collection and use of certain insurance information; amending Minnesota Statutes 2002, sections 60C.02, subdivision 1; 60C.03, subdivisions 5, 9; 60C.05, subdivision 1; 60C.07, subdivision 2; 60C.09; 60C.11, subdivision 7; 60C.16; 60C.18, subdivision 1; 72A.501, subdivision 2; repealing Minnesota Statutes 2002, section 60C.18, subdivision 2.

Senator Scheid moved that the amendment made to H.F. No. 946 by the Committee on Rules and Administration in the report adopted May 8, 2003, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 946 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	Kubly	Nienow	Sams
Bachmann	Hann	Langseth	Olson	Saxhaug
Bakk	Higgins	Larson	Ortman	Scheid
Belanger	Hottinger	LeClair	Ourada	Senjem
Berglin	Johnson, D.E.	Limmer	Pappas	Skoe
Betzold	Johnson, D.J.	Lourey	Pariseau	Skoglund
Cohen	Jungbauer	Marko	Pogemiller	Solon
Day	Kelley	McGinn	Ranum	Sparks
Dibble	Kierlin	Metzen	Reiter	Stumpf
Dille	Kiscaden	Michel	Rest	Tomassoni
Fischbach	Kleis	Moua	Robling	Vickerman
Foley	Knutson	Murphy	Rosen	Wergin
Frederickson	Koering	Neuville	Ruud	Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 414: A bill for an act relating to natural resources; updating soil and water conservation district law; changing requirements for petitions and elections relating to soil and water conservation districts; clarifying removal provisions for soil and water conservation district supervisors; amending Minnesota Statutes 2002, sections 103A.206; 103C.005; 103C.101, subdivisions 6, 9, by adding a subdivision; 103C.201, subdivisions 1, 2, 5, 6, 7, 8; 103C.205; 103C.211; 103C.225, subdivisions 1, 3, 4, 8; 103C.305, subdivision 1; 103C.311, subdivisions 1, 2; 103C.315, subdivisions 1, 2, 4, 5; 103C.331, subdivisions 11, 12, 19, by adding a subdivision; 103C.401, subdivisions 1, 2; 351.14, subdivision 5; repealing Minnesota Statutes 2002, section 103C.301.

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	Berglin	Day	Foley	Higgins
Bachmann	Betzold	Dibble	Frederickson	Hottinger
Bakk	Chaudhary	Dille	Gaither	Johnson, D.E.
Belanger	Cohen	Fischbach	Hann	Johnson, D.J.

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 78: A bill for an act relating to local government; providing reimbursement to fire departments for expenses incurred in extinguishing certain motor vehicle fires; providing cities and towns authority to collect unpaid bills for certain emergency services from nonresidents; appropriating money; amending Minnesota Statutes 2002, sections 161.465; 366.011; 366.012.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Vickerman moved that H.F. No. 1244 be taken from the table. The motion prevailed.

H.F. No. 1244: A bill for an act relating to lawful gambling; making various clarifying and technical changes; providing and modifying definitions; permitting resale of certain gambling equipment; providing for fees, prices, and prize limits; clarifying requirements for gambling managers and employees, premises, records and reports; regulating linked bingo games; clarifying conduct of high school raffles; amending Minnesota Statutes 2002, sections 349.12, subdivisions 4, 18, 19, 25, by adding subdivisions; 349.151, subdivisions 4, 4b; 349.153; 349.155, subdivision 3; 349.161, subdivision 5; 349.163, subdivision 3; 349.166, subdivisions 1, 2; 349.167, subdivisions 4, 6, 7; 349.168, subdivisions 1, 2, 6, by adding a subdivision; 349.169, subdivisions 1, 3; 349.17, subdivisions 3, 6, 7, by adding a subdivision; 349.18, subdivision 1; 349.19, subdivision 3, by adding a subdivision; 349.191, subdivisions 1, 1a; 349.211, subdivision 1, by adding a subdivision; 609.761, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 2002, sections 349.168, subdivision 9.

Senator Vickerman moved to amend H.F. No. 1244, as amended pursuant to Rule 45, adopted by the Senate May 7, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1153.)

Page 1, after line 25, insert:

"Sec. 2. Minnesota Statutes 2002, section 349.12, subdivision 4, is amended to read:

Subd. 4. [BINGO.] "Bingo" means a game where each player has a bingo hard card or bingo paper sheet, for which a consideration has been paid, and played in accordance with this chapter and with rules of the board for the conduct of bingo. "Bingo" also includes a linked bingo game."

Page 2, after line 2, insert:

"Sec. 4. Minnesota Statutes 2002, section 349.12, subdivision 18, is amended to read:

Subd. 18. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo hard cards or paper sheets, linked bingo paper sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, paddlewheel tables, paddletickets, paddleticket cards, tipboards, tipboard tickets, and pull-tab dispensing devices."

Page 6, after line 32, insert:

"Sec. 7. Minnesota Statutes 2002, section 349.12, is amended by adding a subdivision to read:

Subd. 25a. [LINKED BINGO GAME.] "Linked bingo game" means a bingo game played at two or more locations where licensed organizations are authorized to conduct bingo, where there is a common prize pool and a common selection of numbers or symbols conducted at one location, and where the results of the selection are transmitted to all participating locations by satellite, telephone, or other means by a linked bingo game provider.

Sec. 8. Minnesota Statutes 2002, section 349.12, is amended by adding a subdivision to read:

Subd. 25b. [LINKED BINGO GAME PROVIDER.] "Linked bingo game provider" means any person who provides the means to link bingo prizes in a linked bingo game, who provides linked bingo paper sheets to the participating organizations, who provides linked bingo prize management, and who provides the linked bingo game system.

Sec. 9. Minnesota Statutes 2002, section 349.12, is amended by adding a subdivision to read:

Subd. 25c. [LINKED BINGO GAME SYSTEM.] "Linked bingo game system" means the equipment used by the linked bingo provider to conduct, transmit, and track a linked bingo game. The system must be approved by the board before its use in this state and it must have dial-up or other capability to permit the board to monitor its operation remotely.

Sec. 10. Minnesota Statutes 2002, section 349.12, is amended by adding a subdivision to read:

Subd. 25d. [LINKED BINGO PRIZE POOL.] "Linked bingo prize pool" means the total of all prize money that each participating organization has contributed to the linked bingo game prize. No participating organization may contribute more than \$300 per bingo occasion to a linked bingo prize pool."

Page 7, after line 15, insert:

"Sec. 14. Minnesota Statutes 2002, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

- (1) to regulate lawful gambling to ensure it is conducted in the public interest;
- (2) to issue licenses to organizations, distributors, bingo halls, manufacturers, linked bingo game providers, and gambling managers;
- (3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, linked bingo game providers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, employees eligible to make sales on behalf of a distributor, manufacturers, bingo halls, linked bingo game providers, and gambling managers for failure to comply with any provision of this chapter or any rule or order of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, linked bingo game providers, or gambling managers as provided in this chapter;

(13) to register employees of organizations licensed to conduct lawful gambling;

(14) to require fingerprints from persons determined by board rule to be subject to fingerprinting;

(15) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;

(16) to order organizations, distributors, manufacturers, bingo halls, linked bingo game providers, and gambling managers to take corrective actions; and

(17) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, employee eligible to make sales on behalf of a distributor, manufacturer, bingo hall licensee, linked bingo game provider, or gambling manager a civil penalty of not more than \$500 per violation for a failure to comply with any provision of this chapter or any rule adopted or order issued by the board. Any organization, distributor, bingo hall licensee, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All fees and penalties received by the board must be deposited in the general fund."

Page 8, after line 8, insert:

"Sec. 16. Minnesota Statutes 2002, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, limited liability company, or partnership that is licensed by the board as a distributor, manufacturer, linked bingo game provider, or a bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the board may not accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, a linked bingo game provider, a bingo hall, or a manufacturer while employed with or a member of the board or within one year after terminating employment with or leaving the board.

(c) A distributor, bingo hall, manufacturer, linked bingo game provider, or organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the gambling control board for one year after the employee, director, or member has terminated employment with or left the gambling control board.

Sec. 17. Minnesota Statutes 2002, section 349.155, subdivision 3, is amended to read:

Subd. 3. [MANDATORY DISQUALIFICATIONS.] (a) In the case of licenses for manufacturers, distributors, bingo halls, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, or an employee eligible to make sales on behalf of the applicant or licensee:

- (1) has ever been convicted of a felony or a crime involving gambling;
- (2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (3) is or has ever been connected with or engaged in an illegal business;
- (4) owes \$500 or more in delinquent taxes as defined in section 270.72;
- (5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or
- (6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

- (1) has been convicted of a felony or gross misdemeanor within the five years before the issuance or renewal of the license;
- (2) has ever been convicted of a crime involving gambling; or
- (3) has had a license issued by the board or director permanently revoked for violation of law or board rule."

Page 9, after line 18, insert:

"Sec. 19. Minnesota Statutes 2002, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

- (1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor, except that gambling equipment used exclusively in a linked bingo game may be sold to a licensed linked bingo provider; or
- (2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state.

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by subdivision 5, paragraph (h), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Sec. 20. [349.1635] [LINKED BINGO GAME PROVIDER LICENSE.]

Subdivision 1. [LICENSE REQUIRED.] No person may do any of the following without having first obtained a license from the board:

- (1) provide the means to link prizes in a linked bingo game;
- (2) provide linked bingo game prize management;
- (3) provide the linked bingo system; or
- (4) provide linked bingo paper sheets to an organization.

Subd. 2. [LICENSE APPLICATION.] The board may issue a license to a linked bingo game provider who meets the qualifications of this chapter and the rules promulgated by the board. The application shall be on a form prescribed by the board. The license is valid for two years and the fee for a linked bingo game provider license is \$5,000 per year.

Subd. 3. [ATTACHMENTS TO APPLICATION.] An applicant for a linked bingo game provider license must attach to its application:

- (1) evidence of a bond in the principal amount of \$250,000 payable to the state of Minnesota conditioned on the payment of all linked bingo prizes and any other money due and payable under this chapter;
- (2) detailed plans and specifications for the operation of the linked bingo game and the linked bingo system; and
- (3) any other information required by the board by rule.

Subd. 4. [PROHIBITION.] (a) Except for services associated exclusively with a linked bingo game, a linked bingo game provider may not participate or assist in the conduct of lawful gambling by an organization. No linked bingo game provider may:

- (1) also be licensed as a bingo hall or hold any financial or managerial interest in a bingo hall;
- (2) also be licensed as a distributor or hold any financial or managerial interest in a distributor;
- (3) sell or lease linked bingo game equipment to any person not licensed as an organization;
- (4) purchase gambling equipment to be used exclusively in a linked bingo game from any person not licensed as a manufacturer under section 349.163; and
- (5) provide an organization, a lessor of gambling premises, or an appointed official any compensation, gift, gratuity, premium, or contribution.

(b) Employees of the board and the division of alcohol and gambling enforcement may inspect the books, records, inventory, and business premises of a licensed linked bingo game provider without notice during the normal business hours of the linked bingo game provider. The board may charge a linked bingo game provider for the actual cost of conducting scheduled or unscheduled inspections of the licensee's facilities."

Page 9, line 21, after "Bingo" insert ", with the exception of linked bingo games,"

Page 10, line 19, delete the new language and reinstate the stricken language

Page 10, after line 22, insert:

"Sec. 22. Minnesota Statutes 2002, section 349.166, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling, with the exception of linked bingo games, may be conducted by an organization without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 4 and 5; 349.18, subdivision 1; and 349.19 if:

- (1) the organization conducts lawful gambling on five or fewer days in a calendar year;
 - (2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;
 - (3) the organization pays a fee of \$25 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;
 - (4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;
 - (5) the organization purchases all gambling equipment and supplies from a licensed distributor; and
 - (6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.
- (b) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), the board shall not issue any authorization, license, or permit to the to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed.
- (c) Merchandise prizes must be valued at their fair market value.
- (d) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.
- (e) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 297E.02, subdivision 4, paragraph (b), clause (4), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

(f) The organization must maintain all required records of exempt gambling activity for 3-1/2 years."

Page 11, after line 21, insert:

"Sec. 24. Minnesota Statutes 2002, section 349.167, subdivision 6, is amended to read:

Subd. 6. [RECRUITMENT OF GAMBLING MANAGERS.] No organization may seek or accept assistance from a manufacturer or distributor, or linked bingo game provider, or a representative, agent, affiliate, or employee of a manufacturer or distributor, or linked bingo game provider, in identifying or recruiting candidates to become a gambling manager for the organization."

Page 14, after line 6, insert:

"Sec. 32. Minnesota Statutes 2002, section 349.17, subdivision 3, is amended to read:

Subd. 3. [WINNERS.] Each bingo winner must be determined and every prize shall be awarded

and delivered the same day on which the bingo occasion is conducted, except that prizes won in a linked bingo game must be delivered within three business days of the day on which the occasion was conducted.

Sec. 33. Minnesota Statutes 2002, section 349.17, subdivision 6, is amended to read:

Subd. 6. [CONDUCT OF BINGO.] (a) Each bingo hard card and paper sheets must have five horizontal rows of spaces with each row except one having five numbers. The center row must have four numbers and the center space marked "free." Each column must have one of the letters B-I-N-G-O in order at the top. Bingo paper sheets may also have numbers that are not preprinted but are filled in by players.

(b) A game of bingo begins with the first letter and number called. Each player must cover or mark with a liquid dauber the numbers when bingo balls, similarly numbered, are randomly drawn, announced, and displayed to the players, either manually or with a flashboard and monitor. The game is won when a player has covered or marked a previously designated arrangement of numbers on the card or sheet and declared bingo. The game is completed when a winning card or sheet is verified and a prize awarded, except that prizes won in linked bingo games may be awarded pursuant to subdivision 3.

Sec. 34. Minnesota Statutes 2002, section 349.17, subdivision 7, is amended to read:

Subd. 7. [NOON HOUR BINGO.] Notwithstanding subdivisions 1 and 3, an organization may conduct bingo subject to the following restrictions:

- (1) the bingo is conducted only between the hours of 11:00 a.m. and 2:00 p.m.;
- (2) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;
- (3) the bingo is limited to one progressive bingo game per site as defined by section 349.211, subdivision 2;
- (4) the bingo is conducted using only bingo paper sheets; ~~and~~
- (5) if the premises are leased, the rent may not exceed \$25 per day for each day bingo is conducted; and
- (6) linked bingo games may not be conducted at a noon hour bingo occasion.

Sec. 35. Minnesota Statutes 2002, section 349.17, is amended by adding a subdivision to read:

Subd. 8. [LINKED BINGO GAMES.] (a) A licensed organization may conduct or participate in a linked bingo game in association with one or more other licensed organizations.

(b) Each participating licensed organization shall contribute to each prize awarded in a linked bingo game in an amount not to exceed \$300 per occasion.

(c) The board may adopt rules to:

- (1) specify the manner in which a linked bingo game must be played and how the linked bingo prizes must be awarded;
- (2) specify the records to be maintained by a linked bingo game provider;
- (3) require the submission of periodic reports by the linked bingo game provider and specify the content of the reports;
- (4) establish the qualifications required to be licensed as a linked bingo game provider; and
- (5) any other matter involving the operation of a linked bingo game."

Page 14, lines 9 and 10, delete the new language

Page 14, lines 17 to 19, reinstate the stricken language

Page 14, lines 22 to 24, reinstate the stricken language

Page 14, lines 28 to 36, delete the new language

Page 15, lines 1 to 35, delete the new language

Page 15, line 36, delete "(e)" and before "or" insert "linked bingo game provider,"

Page 16, lines 5, 13, 20, and 27, delete the new language and reinstate the stricken language

Page 16, delete lines 33 to 35 and insert:

"Sec. 37. Minnesota Statutes 2002, section 349.19, is amended by adding a subdivision to read:

Subd. 2b. [LINKED BINGO PRIZE POOL ACCOUNT.] A licensed organization participating in a linked bingo game must maintain a separate account in a bank for the deposit of the organization's portion of the linked bingo game prize pool. The name of the bank, the account number, and authorization for electronic funds transfer must be provided by the organization to the linked bingo game provider. Deposits must be made into the account by the organization as designated by the linked bingo game provider. Money in the account must be available to the linked bingo game provider at all times by electronic funds transfer, unless the linked bingo provider agrees to the transfer of the funds by other means."

Page 18, after line 7, insert:

"Sec. 39. Minnesota Statutes 2002, section 349.191, subdivision 1, is amended to read:

Subdivision 1. [CREDIT RESTRICTION.] A manufacturer may not offer or extend to a distributor, a linked bingo game provider may not offer or extend to an organization, and a distributor may not offer or extend to an organization, credit for a period of more than 30 days for the sale or lease of any gambling equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30-day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Sec. 40. Minnesota Statutes 2002, section 349.191, subdivision 1a, is amended to read:

Subd. 1a. [CREDIT AND SALES TO DELINQUENT ORGANIZATIONS.] (a) If a distributor or linked bingo game provider does not receive payment in full from an organization within 35 days of the day immediately following the date of the invoice, the distributor or linked bingo game provider must notify the board in writing of the delinquency on the next business day.

(b) If a distributor or linked bingo game provider who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor or linked bingo game provider must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors and linked bingo game providers that until further notice from the board, they may sell gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors and linked bingo game providers not to sell any gambling equipment to the delinquent organization.

(d) No distributor or linked bingo game provider may extend credit or sell gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 41. Minnesota Statutes 2002, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] Except as provided in subdivision subdivisions 1a and 2, prizes for a

single bingo game may not exceed \$200 except prizes for a cover-all game, which may exceed \$200 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed \$1,000. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is \$3,500. A prize may be determined based on the value of the bingo packet sold to the player. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

Sec. 42. Minnesota Statutes 2002, section 349.211, is amended by adding a subdivision to read:

Subd. 1a. [LINKED BINGO PRIZES.] Prizes for a linked bingo game shall be limited as follows:

(1) no organization may contribute more than \$300 per occasion to a linked bingo game prize pool; and

(2) if an organization contributes to a linked bingo game prize pool, the organization's aggregate value of cover-all prizes available during the bingo occasion must be reduced by the amount contributed to the linked bingo game prize pool."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1244 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 57 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bakk	Betzold	Moua	Skoglund	Solon
Berglin	Foley	Neuville		

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

SPECIAL ORDER

H.F. No. 504: A bill for an act relating to elections; limiting certain ballot questions; amending Minnesota Statutes 2002, section 205.10, 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 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	Hottinger	Limmer	Ourada	Skoe
Betzold	Johnson, D.E.	Lourey	Pappas	Skoglund
Chaudhary	Johnson, D.J.	Marko	Pogemiller	Solon
Cohen	Jungbauer	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	Murphy	Ruud	Wiger

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 503: A bill for an act relating to elections; clarifying certain duties; amending Minnesota Statutes 2002, section 204D.04, 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Larson	Ortman	Scheid
Bachmann	Gaither	LeClair	Ourada	Senjem
Bakk	Hann	Limmer	Pappas	Skoe
Belanger	Higgins	Marko	Pariseau	Skoglund
Berglin	Hottinger	Marty	Pogemiller	Solon
Betzold	Johnson, D.J.	McGinn	Ranum	Sparks
Chaudhary	Jungbauer	Metzen	Reiter	Stumpf
Cohen	Kierlin	Michel	Rest	Tomassoni
Day	Kiscaden	Moua	Robling	Vickerman
Dibble	Kleis	Murphy	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

H.F. No. 837: A bill for an act relating to natural resources; allowing the Clearwater river watershed district to charge for facilities for disposing sewage, industrial waste, or other wastes.

Senator Dille moved to amend H.F. No. 837, as amended pursuant to Rule 45, adopted by the Senate May 8, 2003, as follows:

(The text of the amended House File is identical to S.F. No. 1054.)

Page 1, line 9, delete "outstanding"

Page 1, line 14, delete ", paragraph (b)"

Amend the title as follows:

Page 1, line 3, delete "charge" and insert "collect charges"

The motion prevailed. So the amendment was adopted.

H.F. No. 837 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	Larson	Ortman	Senjem
Bachmann	Hann	LeClair	Ourada	Skoe
Bakk	Higgins	Limmer	Pappas	Skoglund
Belanger	Hottinger	Lourey	Pariseau	Solon
Berglin	Johnson, D.E.	Marko	Pogemiller	Sparks
Betzold	Johnson, D.J.	Marty	Ranum	Stumpf
Chaudhary	Jungbauer	McGinn	Reiter	Tomassoni
Cohen	Kierlin	Metzen	Rest	Vickerman
Day	Kiscaden	Michel	Robling	Wergin
Dibble	Kleis	Moua	Rosen	Wiger
Dille	Knutson	Murphy	Ruud	
Fischbach	Koering	Neuville	Sams	
Foley	Kubly	Nienow	Saxhaug	
Frederickson	Langseth	Olson	Scheid	

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

SPECIAL ORDER

H.F. No. 321: A bill for an act relating to the city of Northfield; authorizing the city to establish and operate related medical facilities in conjunction with its municipal hospital at a site outside the city limits; authorizing Northfield to acquire real or personal property for the related medical facilities.

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

RECONSIDERATION

Having voted on the prevailing side, Senator Dibble moved that the vote whereby S.F. No. 829 was passed by the Senate on May 14, 2003, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 829: A bill for an act relating to metropolitan government; eliminating certain reporting requirements; providing for a parks division committee on the metropolitan council; providing for the direct charging by the metropolitan council of industrial dischargers for certain wastewater treatment user fees; removing an obsolete requirement for metropolitan school districts to submit capital improvement plans to the metropolitan council for review; amending Minnesota Statutes 2002, sections 473.123, subdivision 4; 473.13, subdivision 1; 473.517, by adding a subdivision; repealing Minnesota Statutes 2002, sections 473.121, subdivision 12; 473.1623; 473.301, subdivision 4; 473.303; 473.704, subdivision 19; 473.863.

Senator Dibble moved to amend S.F. No. 829 as follows:

Page 4, after line 34, insert:

"Sec. 4. [METROPOLITAN COUNCIL REDISTRICTING PLAN.]

Metropolitan council redistricting plan MC03, on file with the geographical information systems office of the legislative coordinating commission and published on its Web site on May 13, 2003, is adopted as the metropolitan council redistricting plan."

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

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "providing a redistricting plan for the metropolitan council;"

Senator Dibble moved that S.F. No. 829 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Senator Dille introduced--

S.F. No. 1550: A bill for an act relating to public safety; permitting school buses and Head Start buses to be inspected by certified inspectors; amending Minnesota Statutes 2002, section 169.451.

Referred to the Committee on Finance.

Senators Vickerman, Solon, Kubly, Saxhaug and Rosen introduced--

S.F. No. 1551: A bill for an act relating to governmental operations; appropriating money for local government planning assistance.

Referred to the Committee on Finance.

Senators Kubly, Bakk, Saxhaug, Sams and Rosen introduced--

S.F. No. 1552: A bill for an act relating to appropriations; appropriating money for technical assistance to small businesses.

Referred to the Committee on Finance.

Senator Betzold introduced--

S.F. No. 1553: A bill for an act relating to game and fish; modifying angling license fees; amending Minnesota Statutes 2002, section 97A.475, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Dibble moved that S.F. No. 829 be taken from the table. The motion prevailed.

S.F. No. 829: A bill for an act relating to metropolitan government; eliminating certain reporting requirements; providing for a parks division committee on the metropolitan council; providing for the direct charging by the metropolitan council of industrial dischargers for certain wastewater treatment user fees; removing an obsolete requirement for metropolitan school districts to submit capital improvement plans to the metropolitan council for review; amending Minnesota Statutes 2002, sections 473.123, subdivision 4; 473.13, subdivision 1; 473.517, by adding a subdivision; repealing Minnesota Statutes 2002, sections 473.121, subdivision 12; 473.1623; 473.301, subdivision 4; 473.303; 473.704, subdivision 19; 473.863.

The question recurred on the adoption of the Dibble amendment. The motion prevailed. So the amendment was adopted.

S.F. No. 829 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

RECESS

Senator Hottinger moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

MEMBERS EXCUSED

Senator Murphy was excused from the Session of today from 10:15 to 11:00 a.m. Senator Kelley was excused from the Session of today from 11:00 a.m. to 12:00 noon. Senator McGinn was excused from the Session of today from 11:30 a.m. to 1:00 p.m.

ADJOURNMENT

Senator Hottinger moved that the Senate do now adjourn until 10:00 a.m., Friday, May 16, 2003. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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