

STATE OF MINNESOTA

Journal of the Senate

EIGHTY-THIRD LEGISLATURE

NINETY-NINTH DAY

St. Paul, Minnesota, Thursday, April 29, 2004

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, Bishop Richard Pates.

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

Anderson	Gaither	Larson	Ortman	Senjem
Bachmann	Hann	LeClair	Ourada	Skoe
Bakk	Higgins	Limmer	Pappas	Skoglund
Belanger	Hottinger	Lourey	Pariseau	Solon
Berglin	Johnson, D.J.	Marko	Pogemiller	Sparks
Betzold	Jungbauer	Marty	Ranum	Stumpf
Chaudhary	Kelley	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	

The President declared a quorum present.

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

REPORTS OF COMMITTEES

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

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 1392 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
1392	1334

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

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

Senator Johnson, D.E., from the Committee on Rules and Administration, to which was referred

H.F. No. 2017 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS

H.F. No.	S.F. No.
2017	1944

CONSENT CALENDAR

H.F. No.	S.F. No.
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CALENDAR

H.F. No.	S.F. No.
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and that the above Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 1392 and 2017 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Moua moved that her name be stricken as a co-author to S.F. No. 2349. The motion prevailed.

Senator Dibble moved that the name of Senator Limmer be added as a co-author to S.F. No. 2349. The motion prevailed.

Senator Lourey introduced--

Senate Resolution No. 162: A Senate resolution congratulating the Braham High School Boys basketball team on winning the 2004 State High School Class AA Basketball Tournament.

Referred to the Committee on Rules and Administration.

Senators Moua, Vickerman and Murphy introduced--

Senate Resolution No. 163: A Senate resolution commemorating the life of Orville Ethier.

WHEREAS, Minnesotans must never forget the contributions of those who protected our nation's precious freedoms and risked their lives while bravely serving in our armed forces; and

WHEREAS, on the morning of December 7, 1941, Orville Ethier was aboard the USS Ward, a boat manned by 82 Navy reservists from St. Paul, when a small Japanese sub appeared near the entrance to Pearl Harbor; and

WHEREAS, the Ward fired two shots, one of which struck and sank the sub, and the

commander of the Ward relayed a message about the incident, which constituted the first American shots of World War II, back to military headquarters in Honolulu; and

WHEREAS, because of his role in that historic event, Orville Ethier became president of the First Shots Naval Vets and served as a spokesman for the crew of the Ward; and

WHEREAS, Orville traveled nationally and internationally giving presentations about Pearl Harbor and the Ward's part in the events of that day; and

WHEREAS, over the years, the First Shots Naval Vets held frequent meetings and led the efforts to bring the gun from the Ward to St. Paul in 1958, where it still sits on the State Capitol grounds next to the Veterans Service Building; and

WHEREAS, after the war, Orville returned to St. Paul but was called back to active duty during the Korean War; and

WHEREAS, he worked for the city of St. Paul for 30 years as a gas inspector until his retirement in 1980; and

WHEREAS, in the summer of 2002, the Hawaii Undersea Research Laboratory located the remains of the sunken Japanese sub and found that it had shell damage in its conning tower, providing complete vindication for Orville and his shipmates and putting to rest once and for all the claims of skeptics who had doubted whether the Ward had indeed fired the first shots of the war; and

WHEREAS, Orville Ethier passed away on Tuesday, April 20, 2004, at the age of 82; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it honors the life and work of Orville Ethier, commends his extraordinary lifelong efforts to educate others about his experiences witnessing the start of World War II, and extends sincere condolences to his family and friends.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Senate Majority Leader, and transmit it to the family of Orville Ethier.

Senator Moua moved the adoption of the foregoing resolution.

The question was taken on the adoption of the resolution.

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

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

RECESS

Senator Rest 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Rest moved that H.F. No. 2540 be taken from the table. The motion prevailed.

Pursuant to Rule 26, Senator Rest, designee of the Chair of the Committee on Rules and Administration, designated H.F. No. 2540 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2540: A bill for an act relating to financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, and other changes to income, franchise, property, sales and use, estate, vehicle registration, health care provider, cigarette and tobacco products, insurance premiums, aggregate removal, petroleum, gambling, mortgage registry, occupation, net proceeds, and production taxes, and other taxes and tax-related provisions; changing provisions relating to fiscal disparities, tax-forfeited lands, state debt collection procedures, sustainable forest incentives programs, and tax data provisions; conforming provisions to certain changes in federal law; changing powers and duties of certain local governments and state departments or agencies; changing tax increment financing provisions; authorizing establishment of an International Economic Development Zone and providing for tax incentives; imposing a franchise fee for operation of card clubs; regulating tax preparers; imposing requirement on vendors that contract with state to collect sales taxes; changing provisions relating to certificates of title of vehicles held by motor vehicle dealers; changing or providing for studies and reports; providing for task force on electronic filing and recording of real estate documents; changing and providing penalties; providing for allocation and transfers of funds; clarifying appropriations; appropriating money; amending Minnesota Statutes 2002, sections 16C.03, by adding a subdivision; 16D.10; 97A.061, subdivision 1; 144F.01, subdivision 10; 168A.02, subdivision 2; 168A.11, subdivisions 1, 2, by adding a subdivision; 240.30, by adding a subdivision; 270.02, subdivision 3; 270.65; 270.69, subdivision 4; 270B.01, subdivision 8; 270B.12, subdivision 9; 272.01, subdivision 2; 272.02, subdivisions 1a, 7, 22, by adding subdivisions; 272.0212, subdivisions 1, 2; 272.029, subdivisions 4, 6; 273.11, by adding a subdivision; 273.111, subdivision 6; 273.124, subdivision 8, by adding a subdivision; 273.1384, subdivision 1; 273.19, subdivision 1a; 274.14; 275.065, subdivision 1a; 275.07, subdivisions 1, 4; 276.04, subdivision 2; 282.016; 282.21; 282.224; 282.301; 287.04; 289A.08, subdivision 1; 289A.12, subdivision 3; 289A.31, subdivision 2; 289A.37, subdivision 5; 289A.38, subdivision 6; 289A.56, by adding a subdivision; 289A.60, subdivision 6; 290.06, subdivision 22, by adding a subdivision; 290.0674, subdivision 2; 290.091, subdivision 3; 290.17, by adding a subdivision; 290.191, subdivisions 2, 3, 5, 6, 10, 11, by adding a subdivision; 290.92, subdivisions 1, 4b; 290.9705, subdivision 1; 290A.03, subdivision 13; 290A.07, by adding a subdivision; 290C.05; 295.50, subdivision 4; 295.582; 296A.22, by adding a subdivision; 297A.61, subdivision 4, by adding subdivisions; 297A.62, by adding a subdivision; 297A.67, by adding a subdivision; 297A.68, by adding subdivisions; 297A.70, by adding a subdivision; 297A.71, by adding a subdivision; 297A.87, subdivisions 2, 3; 297A.995, subdivision 6; 297E.01, subdivisions 5, 7, by adding subdivisions; 297E.07; 297F.01, by adding a subdivision; 297F.09, by adding a subdivision; 297I.01, by adding subdivisions; 297I.05, subdivisions 4, 5, by adding a subdivision; 298.01, subdivisions 3, 4; 298.24, subdivision 1; 325D.33, subdivision 6; 365.43, subdivision 1; 365.431; 469.1734, subdivision 6; 469.174, subdivision 11; 469.175, subdivision 4a; 469.176, subdivision 4d; 469.1761, subdivisions 1, 3; 469.1771, subdivision 5; 469.178, subdivision 1; 469.1831, subdivision 6; 473.843, subdivision 5; 473F.02, subdivisions 2, 7; 477A.11, subdivision 4, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 1; Minnesota Statutes 2003 Supplement, sections 4A.02; 16A.152, subdivision 2; 116J.556; 168A.05, subdivision 1a; 270.06; 270.30, subdivisions 1, 5, 8; 270B.12, subdivision 13; 272.02, subdivisions 47, 56, 65; 273.11, subdivision 1a; 273.13, subdivisions 22, 23; 274.014, subdivision 3; 275.065, subdivision 3; 276.112; 289A.02, subdivision 7; 289A.08, subdivision 16; 289A.19, subdivision 4; 289A.40, subdivision 2; 290.01, subdivisions 7, 19, 19a, 19b, 19c, 19d, 31; 290.06,

subdivision 2c; 290.0674, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290A.03, subdivision 15; 290C.10; 291.005, subdivision 1; 291.03, subdivision 1; 297A.668, subdivisions 1, 3, 5; 297A.669, subdivision 16; 297A.68, subdivisions 2, 5, 39; 297A.70, subdivision 8; 297F.08, subdivision 12; 297F.09, subdivisions 1, 2; 298.75, subdivision 1; 469.174, subdivision 25; 469.177, subdivision 1; 469.310, subdivision 11; 469.330, subdivision 11; 469.335; 469.337; 477A.011, subdivision 36; 477A.03, subdivision 2b; Laws 1990, chapter 604, article 7, section 29, subdivision 1, as amended; Laws 1998, chapter 389, article 3, section 41; Laws 1998, chapter 389, article 3, section 42, subdivision 2, as amended; Laws 1998, chapter 389, article 8, section 43, subdivision 3; Laws 1998, chapter 389, article 11, section 24, subdivisions 1, 2; Laws 2000, chapter 391, section 1, subdivisions 1, 2, as amended; Laws 2001, First Special Session chapter 10, article 2, section 77, as amended; Laws 2002, chapter 365, section 9; Laws 2002, chapter 377, article 3, section 4; Laws 2003, First Special Session chapter 1, article 2, section 123; Laws 2003, First Special Session chapter 21, article 5, section 13; Laws 2003, First Special Session chapter 21, article 6, section 9; proposing coding for new law in Minnesota Statutes, chapters 270; 272; 273; 290; 290C; 297F; 325F; 469; 473; repealing Minnesota Statutes 2002, sections 273.19, subdivision 5; 274.05; 275.15; 283.07; 297E.12, subdivision 10; 469.176, subdivision 1a; 469.1766; Laws 1975, chapter 287, section 5; Laws 2003, chapter 127, article 9, section 9, subdivision 4; Minnesota Rules, parts 8093.2000; 8093.3000; 8130.0110, subpart 4; 8130.0200, subparts 5, 6; 8130.0400, subpart 9; 8130.1200, subparts 5, 6; 8130.2900; 8130.3100, subpart 1; 8130.4000, subparts 1, 2; 8130.4200, subpart 1; 8130.4400, subpart 3; 8130.5200; 8130.5600, subpart 3; 8130.5800, subpart 5; 8130.7300, subpart 5; 8130.8800, subpart 4.

Senator Pogemiller moved to amend H.F. No. 2540 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2540, and insert the language after the enacting clause, and the title, of S.F. No. 2302, the first engrossment.

The motion prevailed. So the amendment was adopted.

Senator Pogemiller then moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 24, line 30, delete "to" and insert "for"

Page 79, line 27, delete "95" and insert "70"

Page 86, after line 24, insert:

"Sec. 6. Minnesota Statutes 2002, section 168A.05, subdivision 1b, is amended to read:

Subd. 1b. [MANUFACTURED HOME; EXEMPTION.] The provisions of subdivision 1a shall not apply to (1) a manufactured home which is sold or otherwise disposed of pursuant to section 504B.271 by the owner of a manufactured home park as defined in section 327.14, subdivision 3, or (2) a manufactured home which is sold pursuant to section 504B.265 by the owner of a manufactured home park. No county auditor or treasurer shall require a manufactured home park owner to satisfy the delinquent or current year's personal property taxes owed as condition of the title transfer to the park owner.

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

Page 97, after line 35, insert:

"Sec. 22. Minnesota Statutes 2002, section 273.111, subdivision 6, is amended to read:

Subd. 6. [AGRICULTURAL USE.] Real property qualifying under subdivision 3 shall be considered to be in agricultural use provided that annually:

(1) at least 33-1/3 percent of the total family income of the owner is derived therefrom, or the total production income including rental from the property is \$300 \$500 plus \$10 \$50 per tillable acre; and

(2) it is devoted to the production for sale of agricultural products as defined in section 273.13, subdivision 23, paragraph (e).

Slough, wasteland, and woodland contiguous to or surrounded by land that is entitled to valuation and tax deferment under this section is considered to be in agricultural use if under the same ownership and management.

[EFFECTIVE DATE.] This section is effective for assessment year 2005, taxes payable in 2006, and thereafter."

Page 100, line 17, delete the comma and insert a period

Page 100, delete line 18

Page 121, line 2, delete "2005" and insert "2006"

Page 123, after line 7, insert:

"Sec. 30. [273.1322] [VACANT COMMERCIAL INDUSTRIAL PROPERTIES.]

Subdivision 1. [AUTHORITY.] A city may establish, by ordinance, a program to encourage redevelopment, provide for better utilization of commercial industrial property, and eliminate blighting influences by revoking the eligibility of individual commercial industrial properties to receive the credit authorized under section 273.1398, subdivision 4. The program may revoke eligibility only if the property has been vacant, as defined in subdivision 3, clauses (1) to (3), for three or more consecutive years prior to the current assessment year, or under subdivision 3, clause (4), for five or more consecutive years prior to the current assessment year.

Subd. 2. [MINIMUM REQUIREMENTS.] The program must provide:

- (1) standards for determining whether a property is vacant;
- (2) written assessment notice by the city or county to the property owner informing the owner that the property's eligibility will be revoked;
- (3) opportunity for the property owner to appeal the revocation at the board of equalization;
- (4) timely notice to the county assessor of the property's eligibility revocation, if the city has a city assessor and the city assessor has revoked the property's eligibility; and
- (5) any other provisions the city determines are necessary or appropriate to the operation of the program to achieve its purposes.

Subd. 3. [DEFINITION OF VACANT.] A program established under this section may provide that a property is vacant if the property is:

- (1) condemned, dangerous, or having multiple building code violations;
- (2) condemned and illegally occupied;
- (3) either occupied or unoccupied, during which time the enforcement officer for the municipality has issued multiple orders to correct nuisance conditions; or
- (4) unoccupied and not utilized for a commercial or industrial purpose.

Subd. 4. [NOTICE TO PROPERTY OWNER.] The municipality shall give notice to the property owner requiring that any conditions in subdivision 3, clauses (1) to (3), be remedied, and that the property be occupied and used for a commercial or industrial purpose for at least 180 days during the next 12-month period, or else the property may cease to be eligible for the credit under section 273.1398, subdivision 4.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2006 and thereafter."

Page 139, delete lines 28 to 33

Page 150, after line 14, insert:

"Subd. 3. [CITY FEES.] Each home rule charter or statutory city must report to the commissioner of revenue by January 15, 2005, on the type and amount of fees it imposes, amount and type of fee increases since January 1, 2003, the revenues derived from each fee for each of the most recent four calendar years, and the use of the revenues from the fees. The commissioner of revenue shall compile this information and provide a comprehensive report on all city fees to the finance and tax committees of the senate and the appropriations and tax committees of the house of representatives by February 15, 2005."

Page 158, line 24, strike "and thereafter"

Page 158, line 27, after "2006" insert "and subsequent years"

Page 158, line 28, delete everything after "increased" and insert "by \$6,000,000 each year until the need increase percentage equals one."

Page 158, delete lines 29 and 30

Page 188, line 31, reinstate the stricken language

Page 188, line 32, delete the new language

Page 188, line 36, reinstate the stricken language

Page 189, line 6, delete the new language

Page 189, delete lines 7 to 10

Page 189, line 11, delete the new language

Page 189, delete lines 19 to 33

Page 197, delete section 30

Page 199, line 21, delete "trade" and insert "employment"

Page 209, lines 11 and 12, reinstate the stricken language

Page 209, line 13, delete "from the"

Page 209, line 14, delete "estimated date of completion of the project"

Page 233, after line 22, insert:

"Sec. 2. Minnesota Statutes 2002, section 168A.02, subdivision 2, is amended to read:

Subd. 2. [NO VEHICLE REGISTRATION WITHOUT TITLE.] The department shall not register or renew the registration of a vehicle for which a certificate of title is required unless a certificate of title has been issued to the owner ~~or~~, an application therefor has been delivered to and approved by the department, ~~or the vehicle has a Minnesota certificate of title and is being held for resale by a dealer under section 168A.11.~~

Sec. 3. Minnesota Statutes 2002, section 168A.11, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION REQUIREMENTS UPON SUBSEQUENT TRANSFER.] (a) ~~If A dealer who buys a vehicle and holds it for resale and procures the certificate of title from the owner, and complies with subdivision 2 hereof, the dealer need not apply for a certificate of title, but.~~ Upon transferring the vehicle to another person, other than by the creation of a security interest, the dealer shall promptly execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any secured party holding a security

interest created or reserved at the time of the resale, and the date of the security agreement in the spaces provided therefor on the certificate of title or secure reassignment.

(b) If a dealer elects to apply for a certificate of title on a vehicle held for resale, the dealer need not register the vehicle but shall pay one month's registration tax. If a dealer elects to apply for a certificate of title on a vehicle held for resale, the department shall not place any legend on the title that no motor vehicle sales tax was paid by the dealer, but may indicate on the title whether the vehicle is a new or used vehicle.

(c) With respect to motor vehicles subject to the provisions of section 325E.15, the dealer shall also, in the space provided therefor on the certificate of title or secure reassignment, state the true cumulative mileage registered on the odometer or that the exact mileage is unknown if the odometer reading is known by the transferor to be different from the true mileage.

(e) (d) The transferee shall complete the application for title section on the certificate of title or separate title application form prescribed by the department. The dealer shall mail or deliver the certificate to the registrar or deputy registrar with the transferee's application for a new certificate and appropriate taxes and fees, within ten business days.

(e) With respect to vehicles sold to buyers who will remove the vehicle from this state, the dealer shall remove any license plates from the vehicle, issue a 31-day temporary permit pursuant to section 168.091, and notify the registrar within 48 hours of the sale that the vehicle has been removed from this state. The notification must be made in an electronic format prescribed by the registrar. The dealer may contract with a deputy registrar for the notification of sale to an out-of-state buyer. The deputy registrar may charge a fee not to exceed \$7 per transaction to provide this service.

Sec. 4. Minnesota Statutes 2002, section 168A.11, subdivision 2, is amended to read:

~~Subd. 2. [PURCHASE RECEIPT NOTIFICATION ON VEHICLE HELD FOR RESALE.] A dealer, on buying a vehicle for which the seller does not present a certificate of title, shall at the time of taking delivery of the vehicle execute a purchase receipt for the vehicle in a format designated by the department, and deliver a copy to the seller. In a format and at a time prescribed by the registrar, the dealer shall notify the registrar that the vehicle is being held for resale by the dealer. Within 48 hours of acquiring a vehicle titled and registered in Minnesota, a dealer shall notify the registrar that the dealership is holding the vehicle for resale. The notification must be made electronically as prescribed by the registrar. The dealer may contract this service to a deputy registrar and the registrar may charge a fee not to exceed \$7 per transaction to provide this service.~~

Sec. 5. Minnesota Statutes 2002, section 168A.11, is amended by adding a subdivision to read:

Subd. 4. [CENTRALIZED RECORD KEEPING.] Three or more new motor vehicle dealers under common management or control may designate to the department in writing a single location for maintaining the records required by this section that are more than 12 months old. The records must be open to inspection by a representative of the department or a peace officer during reasonable business hours. The location must be at the established place of business of one of the affiliated dealers or at a location within Minnesota not further than 25 miles from the established place of business of one of the affiliated dealers."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Marty requested division of the amendment as follows:

First portion:

Page 79, line 27, delete "95" and insert "70"

Second portion:

The remainder of the amendment.

The question was taken on the adoption of the second portion of the amendment. The motion prevailed. So the second portion of the amendment was adopted.

The question was taken on the adoption of the first portion of the amendment. The motion prevailed. So the first portion of the amendment was adopted.

Senator Pogemiller moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 64, line 16, after the period, insert "A contractor, subcontractor, or builder that does not pay sales tax on purchases for construction of the community or regional center shall not charge sales or use tax to the nonprofit corporation. The nonprofit corporation may file a claim for refund for any sales taxes paid on the construction costs of the community or regional center, and the commissioner of revenue shall pay the refunded amount directly to the nonprofit corporation."

The motion prevailed. So the amendment was adopted.

Senator Belanger moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 332, after line 25, insert:

"Sec. 12. Minnesota Statutes 2003 Supplement, section 349.12, subdivision 25, is amended to read:

Subd. 25. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of compulsive gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services; or

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$35 per diem;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises wholly owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code, not to exceed:

(i) for premises used for bingo, the amount that an organization may expend under board rules on rent for bingo; and

(ii) \$35,000 per year for premises used for other forms of lawful gambling;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the Department of Revenue;

(13) a contribution to or expenditure on a wildlife management project that benefits the public at-large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made;

(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails and all-terrain vehicle trails that are (1) grant-in-aid trails established under section 85.019, or (2) other trails open to public use, including purchase or lease of equipment for this purpose;

(15) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;

(16) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(17) an expenditure by a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veterans organization;

(18) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than \$5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home; or

(19) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2005 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kiscaden moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 51, after line 23, insert:

"Sec. 18. Minnesota Statutes 2002, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. [CITIES OF THE FIRST CLASS; AUTHORIZATION; SCOPE.] (a) A political subdivision of this state city of the first class, as defined in section 410.01, may, by ordinance, impose a general sales tax if permitted by special law or if the political subdivision enacted and imposed the tax before the effective date of section 477A.016 and its predecessor provision at a rate of tax of one-half of one percent, except the city of Duluth may impose a tax at a rate not to exceed one percent. A city of the first class may, by ordinance, extend the time to impose a sales tax that was enacted before July 1, 2004.

(b) This section governs the imposition of a general sales tax by the political subdivision. The provisions of this section preempt the provisions of any special law:

(1) enacted before June 2, 1997, or

(2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference. The provisions of subdivisions 4 through 12 apply to a tax imposed under this subdivision.

(c) This section does not apply to or preempt a sales tax on motor vehicles or A city of the first class may impose, by ordinance, a special excise tax on motor vehicles of up to \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles within the city.

[EFFECTIVE DATE.] This section is effective on and after July 1, 2004.

Sec. 19. Minnesota Statutes 2002, section 297A.99, subdivision 2, is amended to read:

Subd. 2. [LOCAL RESOLUTION BEFORE APPLICATION FOR CITIES OF THE SECOND AND THIRD CLASS; AUTHORITY; SCOPE.] Before the governing body of a political subdivision requests legislative approval of a special law for a local sales tax that is administered under this section, it shall adopt a resolution indicating its approval of the tax. The resolution must include, at a minimum, information on the proposed tax rate, how the revenues will be used, the total revenue that will be raised before the tax expires, and the estimated length of time that the tax will be in effect. This subdivision applies to local laws enacted after June 30, 1998. (a) Subject to the limitations in paragraphs (b) to (d), a city of the second or third class, as defined in section 410.01, may, by ordinance, impose a general sales tax at a rate of one-half of one percent, and may extend the time to impose a sales tax that was enacted prior to July 1, 2004.

(b) The proceeds of a tax imposed or extended under this subdivision must be dedicated exclusively to payment of the cost of a specific capital improvement that provides a benefit to the city and to the county, region, or territory beyond the city boundaries, and must be an improvement in at least one of the following areas:

(1) regional convention or civic centers;

(2) regional airports;

(3) public libraries;

(4) the city's matching funds requirement for major capital infrastructure improvements to arterial roads, bridges, or railroads;

(5) public safety equipment or facilities for dispatching, communications, computers, or training; or

(6) flood control or protection.

(c) Prior to imposition of the tax, the city must provide to the commissioner information that shows the tax will fund an improvement that meets the requirements of paragraph (b).

(d) If the city passes an ordinance to impose the tax, the ordinance must be published for two consecutive weeks in a newspaper of general circulation within the city. The ordinance is not effective until it has been submitted to the voters of the city at a general or special election and a majority of votes cast on the question of approving the tax are in the affirmative.

[EFFECTIVE DATE.] This section is effective on and after July 1, 2004.

Sec. 20. Minnesota Statutes 2002, section 297A.99, subdivision 3, is amended to read:

Subd. 3. ~~[REQUIREMENTS FOR ADOPTION, USE, TERMINATION SPECIAL LAW; LOCAL RESOLUTION; REFERENDUM.]~~ (a) ~~Imposition of a local sales tax is subject to approval by voters of the political subdivision at a general election. A city of the second or third class that proposes to adopt a sales tax to pay for the costs of a project that is not included in subdivision 2, and cities of the fourth class and counties may impose a general sales tax if permitted by special law.~~

~~(b) The proceeds of the tax must be dedicated exclusively to payment of the cost of a specific capital improvement which is designated at least 90 days before the referendum on imposition of the tax is conducted. Before the governing body of a city or county requests legislative approval of a special law for a local sales tax that is administered under this section, it shall adopt a resolution indicating its approval of the tax. The resolution must include, at a minimum, information on the proposed tax rate, how the revenues will be used, the total revenue that will be raised before the tax expires, and the estimated length of time that the tax will be in effect.~~

~~(c) The tax must terminate after the improvement designated under paragraph (b) has been completed. Imposition of a local sales tax under this subdivision is subject to approval by voters of the city or county at a general election.~~

~~(d) After a sales tax imposed by a political subdivision has expired or been terminated, the political subdivision is prohibited from imposing a local sales tax for a period of one year. Notwithstanding subdivision 13, this paragraph applies to all local sales taxes in effect at the time of or imposed after May 26, 1999. The proceeds of the tax must be dedicated exclusively to payment of the cost of a specific capital improvement which is designated at least 90 days before the referendum on imposition of the tax is conducted.~~

~~(e) The tax must terminate after the improvement designated under paragraph (d) has been completed.~~

[EFFECTIVE DATE.] This section is effective on and after July 1, 2004.

Sec. 21. Minnesota Statutes 2003 Supplement, section 297A.99, subdivision 5, is amended to read:

Subd. 5. **[TAX RATE.]** (a) The tax rate is as specified in subdivision 1 or 2, or in the special law authorization and as imposed by the political subdivision.

(b) The full political subdivision rate applies to any sales that are taxed at a state rate, and the political subdivision must not have more than one local sales tax rate or more than one local use tax rate. This paragraph does not apply to sales or use taxes imposed on electricity, piped natural or artificial gas, or other heating fuels delivered by the seller, or the retail sale or transfer of motor vehicles, aircraft, watercraft, modular homes, manufactured homes, or mobile homes.

[EFFECTIVE DATE.] This section is effective on and after July 1, 2004.

Sec. 22. Minnesota Statutes 2003 Supplement, section 297A.99, subdivision 12, is amended to read:

Subd. 12. **[EFFECTIVE DATES; NOTIFICATION.]** (a) A political subdivision may impose a tax under this section starting only on the first day of a calendar quarter year. A political subdivision may repeal a tax under this section stopping only on the last day of a calendar quarter.

(b) The political subdivision shall notify the commissioner of revenue at least 90 days before imposing, changing the rate of, or repealing a tax under this section.

(c) The political subdivision shall change the rate of tax imposed under this section starting only on the first day of a calendar quarter, and only after the commissioner has notified sellers at least 60 days prior to the change.

(d) The political subdivision shall apply the rate change for sales tax imposed under this section to purchases from printed catalogs, wherein the purchaser computed the tax based upon local tax rates published in the catalog, starting only on the first day of a calendar quarter, and only after the commissioner has notified sellers at least 120 days prior to the change.

(e) The political subdivision shall apply local jurisdiction boundary changes to taxes imposed under this section starting only on the first day of a calendar quarter, and only after the commissioner has notified sellers at least 60 days prior to the change.

[EFFECTIVE DATE.] This section is effective on and after July 1, 2004."

Page 54, after line 2, insert:

"Sec. 24. Minnesota Statutes 2002, section 477A.016, is amended to read:

477A.016 [NEW TAXES PROHIBITED.]

No county, city, town or other taxing authority shall ~~increase a present tax or~~ impose a new tax on sales ~~or~~ income.

[EFFECTIVE DATE.] This section is effective on and after July 1, 2004."

Page 80, after line 12, insert:

"Sec. 52. [REPEALER.]

Minnesota Statutes 2002, section 297A.99, subdivision 13, is repealed effective July 1, 2004."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Kleis moved to amend the Kiscaden amendment to H.F. No. 2540 as follows:

Page 2, line 36, delete "or special"

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

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

Senator Reiter moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 243, after line 24, insert:

"Sec. 17. [325E.59] [PROHIBITION OF SOCIAL SECURITY NUMBER REQUESTS.]

No person doing business in the state may require a customer or consumer to provide a social security number as a condition of receiving a service or product, except for businesses engaged in providing banking, investment, insurance, student loan services, or health care claims services."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Rest questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Senator Ortman moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 25, after line 15, insert:

"Sec. 15. Minnesota Statutes 2003 Supplement, section 290.0674, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] An individual is allowed a credit against the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for education-related expenses for a qualifying child in kindergarten through grade 12. For purposes of this section, "education-related expenses" means:

(1) fees or tuition for instruction by an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota Music Teachers Association, and who is not a lineal ancestor or sibling of the dependent for instruction outside the regular school day or school year, including tutoring, driver's education offered as part of school curriculum, regardless of whether it is taken from a public or private entity or summer camps, in grade or age appropriate curricula that supplement curricula and instruction available during the regular school year, that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the graduation rule under section 120B.02, paragraph (e), clauses (1) to (7), (9), and (10), and that do not include the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship;

(2) expenses for textbooks, including books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(3) a maximum expense of \$200 per family for personal computer hardware, excluding single purpose processors, and educational software that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the graduation rule under section 120B.02 purchased for use in the taxpayer's home and not used in a trade or business regardless of whether the computer is required by the dependent's school; and

(4) the amount paid to others for tuition and transportation of a qualifying child attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A.

For purposes of this section, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Senator LeClair imposed a call of the Senate for the balance of the proceedings on H.F. No. 2540. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 32 and nays 34, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Foley	Marko	Ranum	Solon
Bakk	Higgins	Marty	Rest	Sparks
Berglin	Hottinger	Metzen	Sams	Stumpf
Betzold	Kelley	Moua	Saxhaug	Tomassoni
Chaudhary	Kubly	Murphy	Scheid	Vickerman
Cohen	Langseth	Pappas	Skoe	Wiger
Dibble	Lourey	Pogemiller	Skoglund	

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

Senator McGinn moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Pages 150 and 151, delete section 1

Page 155, lines 20 and 21, reinstate the stricken language

Page 156, delete lines 31 to 36

Page 157, delete line 1

Pages 157 and 158, delete sections 3 to 5

Re-number 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 16 and nays 50, as follows:

Those who voted in the affirmative were:

Bachmann	Jungbauer	Limmer	Olson	Reiter
Gaither	Knutson	McGinn	Ortman	Rest
Hann	LeClair	Michel	Pariseau	Robling
Johnson, D.J.				

Those who voted in the negative were:

Anderson	Fischbach	Kubly	Nienow	Senjem
Bakk	Foley	Langseth	Ourada	Skoe
Belanger	Frederickson	Larson	Pappas	Skoglund
Berglin	Higgins	Lourey	Pogemiller	Solon
Betzold	Hottinger	Marko	Ranum	Sparks
Chaudhary	Kelley	Marty	Rosen	Stumpf
Cohen	Kierlin	Metzen	Ruud	Tomassoni
Day	Kiscaden	Moua	Sams	Vickerman
Dibble	Kleis	Murphy	Saxhaug	Wergin
Dille	Koering	Neuville	Scheid	Wiger

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

Senator Nienow moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 143, delete section 45 and insert:

"Sec. 45. [EDUCATION RESERVE ACCOUNT; APPROPRIATION.]

(a) There is created in the state treasury an education reserve account as a special revenue fund for deposit of appropriations and other receipts as provided by law.

(b) \$26,130,000 is appropriated from the general fund to the education reserve account in fiscal year 2005. This is a onetime appropriation. Of this amount, the following amounts are appropriated to the commissioner of education in the fiscal years indicated to supplement the general education aid program under Minnesota Statutes, section 126C.13, subdivision 4:

(1) \$5,366,000 in fiscal year 2005;

(2) \$48,000 in fiscal year 2006; and

(3) \$45,000 in fiscal year 2007.

(c) As provided in Minnesota Statutes, section 275.025, subdivision 1, beginning with taxes payable in 2007, the commissioner of finance shall deposit in the education reserve account the increased amount of the state general levy for that year over the state general levy base amount for taxes payable in 2002.

(d) Each year, one-half of the annual amount will be deposited in the education reserve account in the state fiscal year corresponding to the first six months of the calendar year, and the other half will be deposited in the state fiscal year corresponding to the last six months of the calendar year. The amounts in the education reserve account do not lapse or cancel each year, but remain until appropriated by law for education aid or higher education funding."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the amendment was adopted.

Senator Jungbauer moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Pages 220 to 222, delete section 2

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Senator Kiscaden moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 86, after line 24, insert:

"Sec. 6. [174.11] [COMMISSIONER TO NOTIFY COUNTY AUDITOR OF PROPERTY ACQUISITIONS.]

Upon acquisition of any taxable real property, the commissioner must notify the county auditor of the county where the property is located that the property has been acquired."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Kleis moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 35, after line 12, insert:

"Sec. 22. [290.433] [GLOBAL WAR ON TERRORISM CHECKOFF.]

Every individual who files an income tax return or property tax refund claim, and every corporation that files an income tax return, may designate on their return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual or corporation and paid into an account to be established for the purpose of paying bonuses to residents of this state who are veterans of the global war on terrorism. The commissioner shall, on the income tax returns and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the account for veterans of the global war on terrorism. The amounts designated under this section shall be annually appropriated to the commissioner of the Department of Veterans Affairs to pay bonuses to veterans of the global war on terrorism. All interest earned on money accrued shall be credited to the account by the commissioner of finance.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2003, and for property tax refund claims for property taxes payable after December 31, 2003."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Neuville moved to amend the Kleis amendment to H.F. No. 2540 as follows:

Page 1, line 21, after "terrorism" insert "as determined by law"

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

The question recurred on the Kleis amendment, as amended.

The roll was called, and there were yeas 59 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Hottinger	Kubly	Metzen
Bachmann	Dille	Johnson, D.J.	Langseth	Michel
Bakk	Fischbach	Jungbauer	Larson	Moua
Belanger	Foley	Kelley	LeClair	Murphy
Berglin	Frederickson	Kiscaden	Limmer	Neuville
Chaudhary	Gaither	Kleis	Lourey	Nienow
Cohen	Hann	Knutson	Marko	Olson
Day	Higgins	Koering	McGinn	Ortman

Ourada	Rest	Sams	Solon	Vickerman
Pariseau	Robling	Saxhaug	Sparks	Wergin
Ranum	Rosen	Scheid	Stumpf	Wiger
Reiter	Ruud	Senjem	Tomassoni	

Those who voted in the negative were:

Betzold	Pappas	Pogemiller	Skoe	Skoglund
Marty				

The motion prevailed. So the Kleis amendment, as amended, was adopted.

Senator Frederickson moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 199, delete lines 20 to 24 and insert "chairs of the house of representatives and senate tax committees."

The motion prevailed. So the amendment was adopted.

Senator Olson moved to amend the second Pogemiller amendment to H.F. No. 2540, adopted by the Senate April 29, 2004, as follows:

Page 1, delete lines 22 to 37

Page 2, delete lines 1 to 3

The motion prevailed. So the amendment was adopted.

Senator Vickerman moved to amend the Belanger amendment to H.F. No. 2540, adopted by the Senate April 29, 2004, as follows:

Page 5, line 23, delete "2005" and insert "2004"

The motion prevailed. So the amendment was adopted.

Senator Neuville moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 80, after line 14, insert:

"Section 1. Minnesota Statutes 2002, section 123B.53, is amended by adding a subdivision to read:

Subd. 1a. [DEBT SERVICE LEVIES; CHOICE OF TAX BASE.] A school board may by resolution elect to levy the debt service for a bond issued after July 1, 2004, against the referendum market value of the district, as defined under section 126C.01, subdivision 3, rather than the net tax capacity of the district, except that for purposes of this subdivision, noncommercial 4c(1) property under section 273.13 is valued at its market value. A resolution to levy against referendum market value must be passed at an open meeting of the board, at least 60 days prior to the referendum election.

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

Sec. 2. Minnesota Statutes 2003 Supplement, section 123B.53, subdivision 4, is amended to read:

Subd. 4. [DEBT SERVICE EQUALIZATION REVENUE.] (a) The debt service equalization revenue of a district equals the sum of the first tier debt service equalization revenue and the second tier debt service equalization revenue.

(b) The first tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue minus the amount raised by a levy of 15 percent times the adjusted net tax capacity of the district minus the second tier debt service equalization revenue of the district.

(c) The second tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, excluding alternative facilities levies under section 123B.59, subdivision 5, minus the amount raised by a levy of 25 percent times the adjusted net tax capacity of the district.

(d) Debt service equalization revenue is determined as provided under this subdivision regardless of whether the debt service is being levied against net tax capacity or referendum market value.

[EFFECTIVE DATE.] This section is effective July 1, 2004.

Sec. 3. Minnesota Statutes 2002, section 123B.55, is amended to read:

123B.55 [DEBT SERVICE LEVY.]

Subdivision 1. [LEVY AMOUNT.] A district may levy the amounts necessary to make payments for bonds issued and for interest on them, including the bonds and interest on them, issued as authorized by Minnesota Statutes 1974, section 275.125, subdivision 3, clause (7)(C); and the amounts necessary for repayment of debt service loans and capital loans, minus the amount of debt service equalization revenue of the district.

Subd. 2. [AID APPORTIONMENT.] A district's debt service equalization aid shall be apportioned between the next tax capacity debt service levy and the referendum market value debt service levy in the same proportions as eligible debt service revenues resulting from bonds issued against net tax capacity are to eligible debt service revenues resulting from bonds issued against referendum market value.

Subd. 3. [NET TAX CAPACITY DEBT SERVICE LEVY.] The levy amount determined under subdivision 1, plus the eligible debt service revenues resulting from bonds issued against net tax capacity, minus the debt service equalization aid apportioned to the net tax capacity debt service levy, must be levied against the net tax capacity of the district as determined under section 273.13 and must be included with the other net tax capacity levies certified to the county auditor under section 275.07.

Subd. 4. [REFERENDUM MARKET VALUE DEBT SERVICE LEVY.] The eligible debt service revenues resulting from bonds issued against referendum market value, minus the debt service equalization aid apportioned to the referendum market value debt service levy, must be levied against the referendum market value of the district as defined in section 126C.01, subdivision 3, and must be separately certified to the county auditor under section 275.07.

[EFFECTIVE DATE.] This section is effective beginning with taxes payable in 2005.

Sec. 4. Minnesota Statutes 2002, section 123B.71, subdivision 9, is amended to read:

Subd. 9. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 8 shall submit to the commissioner a proposal containing information including at least the following:

(1) the geographic area and population to be served, preschool through grade 12 student enrollments for the past five years, and student enrollment projections for the next five years;

(2) a list of existing facilities by year constructed, their uses, and an assessment of the extent to which alternate facilities are available within the school district boundaries and in adjacent school districts;

(3) a list of the specific deficiencies of the facility that demonstrate the need for a new or

renovated facility to be provided, and a list of the specific benefits that the new or renovated facility will provide to the students, teachers, and community users served by the facility;

(4) the relationship of the project to any priorities established by the school district, educational cooperatives that provide support services, or other public bodies in the service area;

(5) a specification of how the project will increase community use of the facility and whether and how the project will increase collaboration with other governmental or nonprofit entities;

(6) a description of the project, including the specification of site and outdoor space acreage and square footage allocations for classrooms, laboratories, and support spaces; estimated expenditures for the major portions of the project; and the dates the project will begin and be completed;

(7) a specification of the source of financing the project; the scheduled date for a bond issue or school board action; a schedule of payments, including debt service equalization aid; whether the debt service will be levied against net tax capacity or referendum market value; and the effect of a bond issue on local property taxes by the property class and valuation;

(8) an analysis of how the proposed new or remodeled facility will affect school district operational or administrative staffing costs, and how the district's operating budget will cover any increased operational or administrative staffing costs;

(9) a description of the consultation with local or state road and transportation officials on school site access and safety issues, and the ways that the project will address those issues;

(10) a description of how indoor air quality issues have been considered and a certification that the architects and engineers designing the facility will have professional liability insurance;

(11) as required under section 123B.72, for buildings coming into service after July 1, 2002, a certification that the plans and designs for the extensively renovated or new facility's heating, ventilation, and air conditioning systems will meet or exceed code standards; will provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;

(12) a specification of any desegregation requirements that cannot be met by any other reasonable means; and

(13) a specification, if applicable, of how the facility will utilize environmentally sustainable school facility design concepts.

[EFFECTIVE DATE.] This section is effective July 1, 2004."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Robling moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Pages 139 and 140, delete section 40

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 28 and nays 38, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Gaither	Lourey	Pogemiller	Solon
Bakk	Hann	Marty	Ranum	Sparks
Berglin	Higgins	Metzen	Rest	Stumpf
Betzold	Hottinger	Michel	Sams	Tomassoni
Chaudhary	Kelley	Moua	Saxhaug	Vickerman
Cohen	Kubly	Murphy	Scheid	Wiger
Dibble	Langseth	Olson	Skoe	
Foley	Limmer	Pappas	Skoglund	

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

Senator Neuville moved to amend the Neuville amendment to H.F. No. 2540, adopted by the Senate April 29, 2004, as follows:

Page 2, line 15, delete "next" and insert "net"

The motion prevailed. So the amendment was adopted.

Senator Marty moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 12, line 22, after "(7)" insert "except as provided in clause (10),"

Page 13, line 1, delete "and"

Page 13, line 3, after "2" insert "; and

(10) the amount of the expense deduction calculated under Public Law 107-147 or Public Law 108-27 that is greater than the amount allowed under section 179 of the Internal Revenue Code without regard to Public Law 107-147 or Public Law 108-27 for a motor vehicle; and the amount of the depreciation deduction for a motor vehicle calculated under Public Law 107-147 or Public Law 108-27 that is greater than the amount allowed under section 168 of the Internal Revenue Code without regard to Public Law 107-147 or Public Law 108-27"

Page 13, line 4, delete "This section is" and insert "Clause (10) of this section is effective for purchases of motor vehicles occurring the day after final enactment for taxable years beginning after December 31, 2003; clauses (8) and (9) are"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 52, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Kelley	Pappas	Rest
Berglin	Higgins	Marty	Pogemiller	Skoglund
Cohen	Hottinger	Moua	Ranum	

Those who voted in the negative were:

Bachmann	Day	Gaither	Kiscaden	Langseth
Bakk	Dille	Hann	Kleis	Larson
Belanger	Fischbach	Johnson, D.J.	Knutson	LeClair
Betzold	Foley	Jungbauer	Koering	Limmer
Chaudhary	Frederickson	Kierlin	Kubly	Lourey

Marko	Nienow	Robling	Senjem	Vickerman
McGinn	Olson	Rosen	Skoe	Wergin
Metzen	Ortman	Ruud	Solon	Wiger
Michel	Ourada	Sams	Sparks	
Murphy	Pariseau	Saxhaug	Stumpf	
Neuville	Reiter	Scheid	Tomassoni	

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

Senator Nienow moved to amend the Nienow amendment to H.F. No. 2540, adopted by the Senate April 29, 2004, as follows:

Page 1, line 10, delete "\$26,130,000" and insert "\$26,080,000"

The motion prevailed. So the amendment was adopted.

H.F. No. 2540 was read the third time, as amended.

With the unanimous consent of the Senate, Senator Pogemiller moved to amend H.F. No. 2540, as amended by the Senate April 29, 2004, as follows:

(The text of the amended House File is identical to S.F. No. 2302.)

Page 332, after line 34, insert:

"Sec. 13. [APPROPRIATION REDUCTION.]

Notwithstanding any other law to the contrary, if amendments to this act adopted on April 29, 2004, result in an increase to the deficit for the 2004-2005 biennium as reflected in the February 2004 state general fund budget forecast, the amount of the appropriation under article 3, section 45, is reduced by an amount equal to the increase in the deficit. If amendments to this act adopted on April 29, 2004, result in an increase to the deficit for the 2006-2007 biennium as reflected in the February 2004 state general fund budget forecast, the distribution under article 2, section 45, is reduced by an amount equal to the increase in the deficit."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

The question was taken on the passage of H.F. No. 2540, as amended.

The roll was called, and there were yeas 38 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Foley	Lourey	Ranum	Solon
Bakk	Higgins	Marko	Rest	Sparks
Belanger	Hottinger	Marty	Sams	Stumpf
Berglin	Kelley	Metzen	Saxhaug	Tomassoni
Betzold	Kierlin	Moua	Scheid	Vickerman
Chaudhary	Kiscaden	Murphy	Senjem	Wiger
Cohen	Kubly	Pappas	Skoe	
Dibble	Langseth	Pogemiller	Skoglund	

Those who voted in the negative were:

Bachmann	Hann	Larson	Nienow	Robling
Day	Johnson, D.J.	LeClair	Olson	Rosen
Dille	Jungbauer	Limmer	Ortman	Ruud
Fischbach	Kleis	McGinn	Ourada	Wergin
Frederickson	Knutson	Michel	Pariseau	
Gaither	Koering	Neuville	Reiter	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pogemiller moved that S.F. No. 2302, No. 136 on General Orders, be stricken and laid on the table. The motion prevailed.

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

REPORTS OF COMMITTEES

Senator Rest moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 3022, 2895 and the reports pertaining to appointments. The motion prevailed.

Senator Cohen from the Committee on Finance, to which was referred

H.F. No. 2671: A bill for an act relating to motor carriers; modifying provisions governing motor carriers; making technical and clarifying changes; amending Minnesota Statutes 2002, sections 221.011, subdivision 6; 221.0269, subdivision 3; 221.0314, subdivisions 7, 9; 221.033, subdivision 1; 221.036, subdivisions 1, 3, 12; 221.037, subdivision 2; 221.605, subdivision 1; 299K.07; Minnesota Statutes 2003 Supplement, sections 169.86, subdivision 5; 221.602, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 2002, sections 221.011, subdivision 2b; 221.033, subdivision 3; 221.034; Minnesota Rules, parts 8860.0100; 8860.0200; 8860.0300; 8860.0400; 8860.0500; 8860.0600; 8860.0700; 8860.0800.

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 1602: A bill for an act relating to taxation; providing for partial conformity to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003; amending Minnesota Statutes 2003 Supplement, section 290.01, subdivision 19.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Taxes without recommendation. Report adopted.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 2437: A bill for an act relating to farm products; regulating liens and financing statements; establishing filing requirements; setting fees; amending Minnesota Statutes 2002, sections 336A.01; 336A.02; 336A.03; 336A.04; 336A.05; 336A.06; 336A.07; 336A.08; 336A.09; 336A.10; 336A.11, subdivisions 1, 2; 336A.12; 336A.13; proposing coding for new law in Minnesota Statutes, chapter 336A; repealing Minnesota Rules, parts 8265.0100; 8265.0200; 8265.0300; 8265.0400; 8265.0500; 8265.0600.

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

Page 23, after line 32, insert:

"Sec. 16. [TEMPORARY SURCHARGE.]

A \$10 surcharge on every effective financing statement and lien notice filed on or after July 1, 2004, shall be collected and remitted to the secretary of state for deposit in the general fund.

This section expires June 30, 2005.

Sec. 17. [APPROPRIATION.]

\$62,000 is appropriated in fiscal year 2005 from the general fund to the secretary of state for purposes of implementing this act. This is a onetime appropriation."

Page 23, line 36, delete "17" and insert "19"

Page 24, line 11, delete "16" and insert "18"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "appropriating money;"

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 1721: A bill for an act relating to health; modifying prior authorization requirements for health care services; establishing requirements for provider contracting; modifying provisions for payment of claims; regulating the disclosure of profiling data; amending Minnesota Statutes 2002, sections 62M.07; 62Q.74; 62Q.75, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2002, section 62Q.745.

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

Page 2, line 27, delete "62Q.752" and insert "62Q.739"

Page 5, after line 9, insert:

"Subd. 3. [HOSPITAL CONTRACT AMENDMENT DISCLOSURE.] (a) Any amendment or change in the terms of an existing contract between a network organization and a hospital, ambulatory surgical center, or freestanding emergency room must be disclosed to that provider.

(b) Any amendment or change in the contract that alters the financial reimbursement or alters the written contractual policies and procedures governing the relationship between the hospital, ambulatory surgical center, or freestanding emergency room and the network organization must be disclosed to that provider before the amendment or change is deemed to be in effect.

(c) For purposes of this subdivision, "network organization" means a preferred provider organization, as defined in section 145.61, subdivision 4c; a managed care organization, as defined in section 62Q.01, subdivision 5; or other entity that uses or consists of a network of health care providers."

Page 6, line 31, reinstate the stricken "(a)"

Page 7, after line 12, insert:

"(b) "Health care provider" or "provider" means a physician, chiropractor, dentist, podiatrist, hospital, ambulatory surgical center, freestanding emergency room, or other provider, as defined in section 62J.03."

Page 10, line 2, strike "except" and insert "as defined in section 62Q.74, but does not include"

Pages 11 and 12, delete section 11

Page 12, line 10, delete "11, and 12" and insert "and 11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "regulating the disclosure of profiling data;"

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

Senator Marty from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 3022: A bill for an act relating to natural resources; requiring permits to be issued for a taconite pellet production facility.

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

Delete everything after the enacting clause and insert:

"Section 1. [ENVIRONMENTAL REVIEW; IRON NUGGET PRODUCTION SCALE DEMONSTRATION FACILITY EXEMPTION.]

(a) The first iron nugget production scale demonstration facility that meets all of the criteria in this section shall be exempt from environmental review under Minnesota Statutes, chapter 116D, and Minnesota Rules, chapter 4410. The qualifying project must:

(1) be the first iron nugget production scale demonstration facility in Minnesota;

(2) involve a single rotary hearth furnace of maximum outside diameter of 60 meters;

(3) be located outside the area adjacent to the north shore of Lake Superior classified as the lake orientation zone in the Department of Natural Resources report entitled "North Shore Characterization Study;" and

(4) have complete permit applications submitted to the appropriate state agencies in calendar year 2004 for all permits required to construct and operate the facility.

(b) The Department of Natural Resources, the Environmental Quality Board, the Pollution Control Agency, and any other state agency with applicable permit-granting authority shall provide public notice for any necessary permits for the iron nugget production scale demonstration facility within four months of receiving complete applications.

(c) If the first iron nugget production scale demonstration facility to qualify for this exemption is proposed at a stationary source that has permitted taconite pellet furnaces, permanent shutdown of those pellet furnaces, prior to start up of the iron nugget production scale demonstration facility, shall be a requirement in the iron nugget production scale demonstration facility air quality permit. The shutdown of these furnaces shall not be creditable in calculating the "net emissions increase," as defined in the Code of Federal Regulations, title 40, section 52.21, for this project.

(d) Permit applications must comply with applicable law, except that an iron nugget production scale demonstration facility that meets the criteria in this section is exempt from environmental review under Minnesota Statutes, chapter 116D, and Minnesota Rules, chapter 4410, and the company is not required to perform environmental review before permits are issued for the iron nugget production scale demonstration facility.

(e) The construction and operation of the iron nugget production scale demonstration facility will demonstrate whether the technology is technically and economically feasible at this larger scale. Environmental data from the operation of the iron nugget production scale demonstration facility may be used in the environmental review and permitting of commercial scale facilities built elsewhere in Minnesota.

(f) The exemption does not affect any existing permit requirement that may require environmental review for a commercial scale iron nugget facility at an existing taconite facility located within the area adjacent to the north shore of Lake Superior classified as the lake orientation zone in the Department of Natural Resources report entitled "North Shore Characterization Study."

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to natural resources; granting certain temporary exemptions for an iron nugget production scale demonstration facility."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 653: A bill for an act relating to public safety; modifying emergency 911 telephone system provisions to require multiline telephone systems to provide caller location; amending Minnesota Statutes 2002, sections 403.01, subdivision 6; 403.02, by adding subdivisions; 403.07, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 403.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 403.01, subdivision 6, is amended to read:

Subd. 6. [MULTISTATION OR PBX SYSTEM.] Every owner and operator of a multistation or private branch exchange (PBX) ~~telecommunications~~ multiline telephone system, or a similar system using devices with telephone functionality such as voice-over-Internet protocol, shall design and maintain the system to dial the 911 number without charge to the caller and provide a call back number and emergency response location as required by section 403.15.

Sec. 2. Minnesota Statutes 2002, section 403.02, is amended by adding a subdivision to read:

Subd. 22. [CALL BACK NUMBER.] "Call back number" means a number used by the public safety answering point to recontact the location from which the 911 call was placed.

Sec. 3. Minnesota Statutes 2002, section 403.02, is amended by adding a subdivision to read:

Subd. 23. [EMERGENCY LOCATION IDENTIFICATION NUMBER.] "Emergency location identification number" means a valid North American numbering plan format telephone number, assigned to the multiline telephone system operator by the appropriate authority, that is used to route the call to a public safety answering point and is used to retrieve the automatic location identification for the public safety answering point.

Sec. 4. Minnesota Statutes 2002, section 403.02, is amended by adding a subdivision to read:

Subd. 24. [EMERGENCY RESPONSE LOCATION.] "Emergency response location" means a location to which a 911 emergency response team may be dispatched. The location should be specific enough to provide a reasonable opportunity for the emergency response team to locate a caller anywhere within it.

Sec. 5. Minnesota Statutes 2002, section 403.02, is amended by adding a subdivision to read:

Subd. 25. [MULTILINE TELEPHONE SYSTEM.] "Multiline telephone system" means a private telephone system comprised of common control units, telephones, and control hardware and software that share a common interface to the public switched telephone network. This includes network and premises-based systems and systems owned or leased by governmental agencies and nonprofit entities, as well as for-profit businesses.

Sec. 6. Minnesota Statutes 2002, section 403.02, is amended by adding a subdivision to read:

Subd. 26. [SHARED RESIDENTIAL MULTILINE TELEPHONE SYSTEM SERVICE.] "Shared residential multiline telephone service" means the use of a multiline telephone system to provide service to residential facilities. For purposes of this subdivision, "residential facilities" means both single-family and multifamily facilities including extended care facilities and dormitories.

Sec. 7. Minnesota Statutes 2002, section 403.07, subdivision 5, is amended to read:

Subd. 5. [LIABILITY.] (a) A wire line telecommunications service provider, its employees, or its agents are not liable to any person who uses enhanced 911 telecommunications service for release of subscriber information required under this chapter to any public safety answering point.

(b) A wire line telecommunications service provider is not liable to any person for the good faith release to emergency communications personnel of information not in the public record, including, but not limited to, unpublished or nonlisted telephone numbers.

(c) A wire line telecommunications service provider, its employees, or its agents are not liable to any person for civil damages resulting from or caused by any act or omission in the development, design, installation, operation, maintenance, performance, or provision of enhanced 911 telecommunications service, except for willful or wanton misconduct.

(d) A multiline telephone system manufacturer, provider, or operator is not liable for any civil damages or penalties as a result of any act or omission, except willful or wanton misconduct, in connection with developing, adopting, operating, or implementing any plan or system required by section 403.15.

Sec. 8. [403.15] [MULTILINE TELEPHONE SYSTEM 911 REQUIREMENTS.]

Subdivision 1. [MULTILINE TELEPHONE SYSTEM USER DIALING INSTRUCTIONS.] Each multiline telephone system operator must demonstrate or otherwise inform each new telephone system user how to call for emergency assistance from that particular multiline telephone system.

Subd. 2. [SHARED RESIDENTIAL MULTILINE TELEPHONE SYSTEM.] After January 1, 2005, operators of shared multiline telephone systems serving residential customers shall ensure that the shared system is connected to the public switched network and that 911 calls from this system result in at least one distinctive automatic number identification and automatic location identification for each residential unit. This requirement does not apply if the residential facility maintains one of the following:

- (1) automatic location identification for each respective emergency response location;
- (2) the ability to direct emergency responders to the 911 caller's location through an alternative and adequate means, such as the establishment of a 24-hour private answering point; or
- (3) a connection to a switchboard operator, attendant, or other designated on-site individual.

Subd. 3. [HOTEL AND MOTEL MULTILINE TELEPHONE SYSTEM.] Operators of hotel and motel multiline telephone systems shall permit the dialing of 911 and shall ensure that 911 calls originating from hotel or motel multiline telephone systems allow the 911 system to clearly identify the address and specific location of the 911 caller.

Subd. 4. [BUSINESS MULTILINE TELEPHONE SYSTEM.] (a) An operator of business multiline telephone systems connected to the public switched telephone network and serving business locations of one employer shall ensure that calls to 911 from any telephone on the system result in one of the following:

- (1) automatic location identification for each respective emergency response location; or
- (2) an ability to direct emergency responders to the 911 caller's location through an alternative and adequate means, such as the establishment of a 24-hour private answering point; or

(3) a connection to a switchboard operator, attendant, or other designated on-site individual.

(b) Except as provided in paragraph (c), providers of shared telecommunications services subject to this section serving multiple employers' business locations shall ensure that calls to 911 from any telephone result in automatic location identification for the respective emergency response location of each business location sharing the telecommunication services.

(c) Only one emergency response location is required in the following circumstances:

(1) an employer's workspace is less than 40,000 square feet, located on a single floor and on a single contiguous property;

(2) an employer's workspace is less than 7,000 square feet, located on multiple floors and on a single contiguous property; and

(3) an employer's workspace is a single public entrance, single floor facility on a single contiguous property.

Subd. 5. [EXEMPTIONS.] (a) Multiline telephone systems with a single emergency response location are exempt from the signaling and database maintenance regulations. Requirements for multiline telephone system operators and wireless multiline telephone system operators to provide dialing instructions still apply.

(b) Multiline telephone system operators that employ alternative methods of enhanced 911 support are exempt from the signaling and database maintenance regulations.

(c) A multiline telephone system operator may apply for an exemption from the requirements in this section from the chief officer of each public safety answering point serving that jurisdiction.

Subd. 6. [APPLICABILITY.] The requirements of subdivisions 3 and 4 apply to multiline telephone systems installed after December 31, 2004. The requirements of subdivisions 1 and 2 and the exemptions in subdivision 5 apply regardless of when the multiline telephone system was installed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public safety; modifying 911 emergency telecommunications provisions governing multiline telephone systems; amending Minnesota Statutes 2002, sections 403.01, subdivision 6; 403.02, by adding subdivisions; 403.07, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 403."

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

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 2895: A bill for an act relating to state government; providing for local government impact notes; providing that certain rules take effect only upon legislative approval; amending Minnesota Statutes 2002, section 14.19; proposing coding for new law in Minnesota Statutes, chapter 14.

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

Delete everything after the enacting clause and insert:

"Section 1. [14.112] [LOCAL GOVERNMENT IMPACT.]

Subdivision 1. [REQUEST AND PREPARATION.] The elected governing body of a statutory or home rule city, township, county, school district, soil and water conservation district, or sanitary

district may request the commissioner of finance to prepare a local fiscal impact and fiscal benefit note on a rule proposed by a state agency. The request must be made by submitting a resolution of the governing body to the commissioner of finance at least 20 days before a public hearing on a proposed rule is held or, if the agency intends to adopt the rule without a public hearing, at least 20 days before the deadline for requesting a public hearing. Upon receipt of a request, the commissioner of finance must prepare an estimate of the fiscal impact and fiscal benefit of the rule on each category of political subdivision requesting a local impact note. The commissioner may require any political subdivision or state agency to supply information necessary for the commissioner to determine fiscal impact and fiscal benefit. Relevant information submitted by a political subdivision, whether or not requested by the commissioner, must be considered by the commissioner and commented on in the local fiscal impact and fiscal benefit note. The commissioner must prepare the local fiscal impact and fiscal benefit note before the close of the hearing record or, if there is no public hearing, before the agency submits the record to the administrative law judge.

Subd. 2. [FEE.] The commissioner of finance may bill the political subdivision requesting the local fiscal impact and fiscal benefit note up to \$35 per hour for time spent preparing the note. Upon receiving a request for a note from a political subdivision, the commissioner must give the political subdivision an estimate of the fee that the commissioner will charge. The political subdivision may withdraw the request for the note. Upon completion of the note, the requesting political subdivision must pay the fee in the time and manner requested by the commissioner of finance. Fees collected under this subdivision must be deposited in the general fund.

Subd. 3. [EXCLUSION.] This section does not apply to a rule proposed by the Public Utilities Commission.

Sec. 2. [14.127] [LEGISLATIVE APPROVAL REQUIRED.]

Subdivision 1. [COST THRESHOLDS.] An agency must determine if the cost of complying with a proposed rule in the first year after the rule takes effect will exceed \$50,000 for: (1) any one business that has less than 50 full-time employees; or (2) any one statutory or home rule city that has less than ten full-time employees. For purposes of this section, "business" means a business entity organized for profit or as a nonprofit, and includes an individual, partnership, corporation, joint venture, association, or cooperative.

Subd. 2. [AGENCY DETERMINATION.] An agency must make the determination required by subdivision 1 before the close of the hearing record, or before the agency submits the record to the administrative law judge if there is no hearing. The administrative law judge must review and approve or disapprove the agency determination under this section.

Subd. 3. [LEGISLATIVE APPROVAL REQUIRED.] If the agency determines that the initial or yearly cost exceeds the threshold in subdivision 1, or if the administrative law judge disapproves the agency's determination that the cost does not exceed the threshold in subdivision 1, the rules may not take effect until the rules are approved by a law enacted after the agency determination or administrative law judge disapproval.

Subd. 4. [EXCEPTIONS.] (a) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the legislature has appropriated money to sufficiently fund the expected cost of the rule upon the business proposed to be regulated by the rule.

(b) Subdivision 3 does not apply if the administrative law judge approves an agency's determination that the rule has been proposed pursuant to a specific federal statutory or regulatory mandate.

(c) This section does not apply if the rule is adopted under section 14.388 or under another law specifying that the rulemaking procedures of chapter 14 do not apply.

(d) This section does not apply to a rule adopted by the Public Utilities Commission.

(e) Subdivision 3 does not apply if the governor waives application of subdivision 3. The governor may issue a waiver at any time, either before or after the rule would take effect but for

the requirement of legislative approval. As soon as possible after issuing a waiver under this paragraph, the governor must send notice of the waiver to the speaker of the house of representatives and the president of the senate, and must publish notice of this determination in the State Register.

Subd. 5. [SEVERABILITY.] If an administrative law judge determines that part of a proposed rule exceeds the threshold specified in subdivision 1, but that a severable portion of a proposed rule does not exceed the threshold in subdivision 1, the administrative law judge may provide that the severable portion of the rule that does not exceed the threshold may take effect without legislative approval.

Sec. 3. Minnesota Statutes 2002, section 14.19, is amended to read:

14.19 [DEADLINE TO COMPLETE RULEMAKING.]

Within 180 days after issuance of the administrative law judge's report or that of the chief administrative law judge, the agency shall submit its notice of adoption, amendment, or repeal to the State Register for publication. If the agency has not submitted its notice to the State Register within 180 days, the rule is automatically withdrawn. The agency may not adopt the withdrawn rules without again following the procedures of sections 14.05 to 14.28, with the exception of section 14.101, if the noncompliance is approved by the chief administrative law judge. The agency shall report to the Legislative Coordinating Commission, other appropriate committees of the legislature, and the governor its failure to adopt rules and the reasons for that failure. The 180-day time limit of this section does not include:

(1) any days used for review by the chief administrative law judge or the commission if the review is required by law; ~~or~~

(2) days during which the rule cannot be adopted, because of votes by legislative committees under section 14.126; or

(3) days during which the rule cannot be adopted, because approval of the legislature is required under section 14.127.

Sec. 4. [APPROPRIATION.]

\$45,000 is appropriated in fiscal year 2005 from the general fund to the commissioner of finance for purposes of implementing this act.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 2004. Sections 2 and 3 apply to any rule for which the hearing record has not closed before the effective date of the applicable section or, if there is no public hearing, for which the agency has not submitted the record to the administrative law judge before that date."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

And when so amended the bill do pass.

Senator Marty questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

Senator Cohen from the Committee on Finance, to which was re-referred

S.F. No. 2573: A bill for an act relating to state government; codifying transfer of planning office to Department of Administration; authorizing forward pricing for energy purchases; reinstating Small Business Procurement Advisory Council; establishing a technology enterprise fund; amending Minnesota Statutes 2002, sections 4A.03; 4A.04; 4A.05, subdivisions 1, 1a, 2;

4A.07, subdivisions 2, 3, 4, 5; 16B.87, subdivision 1; 16C.17, subdivision 2; 116.182, subdivision 3a; 116C.03, subdivisions 4, 5; 116C.712, subdivisions 3, 5; 124D.23, subdivision 9; 299C.65, subdivision 2; 414.01, subdivisions 1, 16; 414.011, subdivision 11; 414.031, subdivision 4a; 414.12, subdivision 3; 572A.02, subdivisions 2, 5; Minnesota Statutes 2003 Supplement, sections 4.045; 4A.02; 14.3691, subdivision 2; 15A.0815, subdivision 2; 16E.01, subdivision 3; 40A.121, subdivision 1; 43A.08, subdivision 1; 103F.211, subdivision 2; 116C.03, subdivision 2; 145.9255, subdivision 1; 145.9266, subdivision 6; 145.951; 245.697, subdivision 2a; 272.67, subdivision 1; 276A.09; 299A.293, subdivision 1; 365.46, subdivision 2; 379.05; 412.021, subdivision 1; 412.091; 469.334, subdivision 1; 473F.13, subdivision 1; 473H.14; 477A.014, subdivision 4; 572A.015, subdivision 2; 572A.02, subdivision 6; 611A.78, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16C; repealing Minnesota Statutes 2002, sections 4A.01; 394.232, subdivisions 1, 3, 4, 5, 6, 7, 8; 414.01, subdivision 7a; 462.3535; 473.1455; 572A.01; 572A.03, subdivision 2; Minnesota Statutes 2003 Supplement, sections 119A.04, subdivision 3; 394.232, subdivision 2; Minnesota Rules, part 4410.0200, subpart 1a.

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

Senator Cohen from the Committee on Finance, to which was re-referred

H.F. No. 1961: A bill for an act relating to crime prevention; expanding the crime of causing death while committing child abuse; amending Minnesota Statutes 2002, section 609.185.

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

Senator Cohen from the Committee on Finance, to which was referred

S.F. No. 1974: A bill for an act relating to natural resources; extending the availability of appropriations from the Minnesota future resources fund and the environment and natural resources trust fund.

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

Page 2, after line 7, insert:

"Sec. 2. [LCMR PARKS STUDY.]

Subdivision 1. [REGIONAL PARKS.] The Legislative Commission on Minnesota Resources shall continue studying park issues, including the study of funding for operation and maintenance costs at regional parks within the seven-county metropolitan area and outside the seven-county metropolitan area. The commission may make additional recommendations on park issues to the 2005 legislature.

Subd. 2. [FUNDING AUTHORIZATION.] To begin implementing the recommendations in the Legislative Commission on Minnesota Resources February 2004 parks report, up to \$6,000 of the appropriation in Laws 2003, chapter 128, article 1, section 9, subdivision 3, paragraph (b), is for an agreement with the Association of Minnesota Counties to identify and develop a comprehensive list of regional parks outside of the seven-county metropolitan area, including an inventory of park facilities.

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

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

Senator Marty from the Committee on Environment and Natural Resources, to which was referred the following appointment as reported in the Journal for February 12, 2004:

BOARD OF WATER AND SOIL RESOURCES
CHAIR

Jerome Deal

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

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

Senator Marty from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for February 19, 2004:

MINNESOTA POLLUTION CONTROL AGENCY

Michelle Beeman
Dennis Jensen

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

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2437, 1721, 653, 2573 and 1974 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2671 and 1961 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pariseau moved that the name of Senator Johnson, D.J. be added as a co-author to S.F. No. 2888. The motion prevailed.

Senator Jungbauer moved that the name of Senator Senjem be added as a co-author to S.F. No. 3051. The motion prevailed.

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 Skoglund introduced--

S.F. No. 3053: A bill for an act relating to education; providing that children have healthy a la carte options in Minnesota's school lunch program; proposing coding for new law in Minnesota Statutes, chapter 124D.

Referred to the Committee on Education.

Senators Skoglund and Pogemiller introduced--

S.F. No. 3054: A bill for an act relating to taxation; income; modifying the electronic filing requirement; amending Minnesota Statutes 2003 Supplement, section 289A.08, subdivision 16.

Referred to the Committee on Taxes.

Senators Dibble, Anderson, Rest, Hottinger and Marko introduced--

S.F. No. 3055: A bill for an act relating to the environment; mandating certain project environmental review; amending Minnesota Statutes 2003 Supplement, section 116D.04, subdivision 2a.

Referred to the Committee on Environment and Natural Resources.

RECESS

Senator Rest moved that the Senate do now recess until 2:15 p.m. The motion prevailed.

The hour of 2:15 p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Senator Johnson, D.E. was excused from the Session of today. Senator Johnson, D.J. was excused from the Session of today from 9:00 to 9:40 a.m. Senator Dille was excused from the Session of today from 9:30 to 10:15 a.m. Senator Jungbauer was excused from the Session of today from 9:30 to 10:25 a.m. Senator Kierlin was excused from the Session of today from 11:40 a.m. to 12:05 p.m.

ADJOURNMENT

Senator Rest moved that the Senate do now adjourn until 11:00 a.m., Monday, May 3, 2004. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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