

THIRTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, April 6, 2005

The Senate met at 11:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Lt. Col. Rob Lubben.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 31, 2005

The Honorable James P. Metzen
President of the Senate

Dear President Metzen:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1031.

Sincerely,
Tim Pawlenty, Governor

March 31, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2005 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2005	Date Filed 2005
1031		15	3:20 p.m. March 31	March 31
	1036	16	3:30 p.m. March 31	March 31
	925	17	3:45 p.m. March 31	March 31

Sincerely,
Mary Kiffmeyer
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 633: A bill for an act relating to transportation; modifying provisions relating to the use of freeway or expressway shoulders by transit buses and authorizing the commissioner of transportation to allow such use by metro mobility buses; amending Minnesota Statutes 2004, section 169.306.

Senate File No. 633 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 4, 2005

Senator Murphy moved that S.F. No. 633 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 466, 915 and 2126.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 4, 2005

FIRST READING OF HOUSE BILLS

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

H.F. No. 466: A bill for an act relating to agriculture; changing certain warehouse laws; amending Minnesota Statutes 2004, sections 231.08, by adding subdivisions; 231.09; 231.11; 231.18, subdivisions 3, 5; proposing coding for new law in Minnesota Statutes, chapter 231; repealing Minnesota Rules, parts 1560.7700; 1560.7750; 1560.7800; 1560.7850; 1560.7900; 1560.8000; 1560.8100; 1560.8200; 1560.8300; 1560.8400; 1560.8500; 1560.8600; 1560.8700; 1560.8800.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1250, now on General Orders.

H.F. No. 915: A bill for an act relating to transportation; modifying provisions relating to aeronautics; making clarifying changes; amending Minnesota Statutes 2004, sections 360.305, subdivision 4; 360.55, subdivisions 2, 3, 4, 4a; 360.58; 360.59, subdivisions 2, 5, 7, 8; 360.63, subdivision 2; 360.67, subdivision 4; 394.22, subdivision 12; 394.361, subdivisions 1, 3; 462.352, subdivision 10; 462.355, subdivision 4; 462.359, subdivisions 1, 3; repealing Minnesota Statutes 2004, section 360.59, subdivisions 4, 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1037, now on General Orders.

H.F. No. 2126: A bill for an act relating to the military; clarifying the pay differential law for state employees who are ordered to active military service; amending Minnesota Statutes 2004, sections 43A.183; 192.261, subdivision 1.

Referred to the Committee on Agriculture, Veterans and Gaming.

REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 722: A bill for an act relating to health occupations; authorizing a psychologist to release information to law enforcement without the consent of the client; proposing coding for new law in Minnesota Statutes, chapter 148.

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 2004, section 13.384, subdivision 3, is amended to read:

Subd. 3. [CLASSIFICATION OF MEDICAL DATA.] Unless the data is summary data or a statute specifically provides a different classification, medical data are private but are available only to the subject of the data as provided in section 144.335, and shall not be disclosed to others except:

- (a) pursuant to section 13.05;
- (b) pursuant to section 253B.0921;
- (c) pursuant to a valid court order;
- (d) to administer federal funds or programs;
- (e) to the surviving spouse, parents, children, and siblings of a deceased patient or client or, if there are no surviving spouse, parents, children, or siblings, to the surviving heirs of the nearest degree of kindred;

(f) to communicate a patient's or client's condition to a family member or other appropriate person in accordance with acceptable medical practice, unless the patient or client directs otherwise; ~~or~~

(g) when an individual providing mental health services is believed to be the victim of a crime committed by a client, patient, or former client or patient and the disclosure is limited to the data authorized by Code of Federal Regulations, title 45, section 164.512(f)(2); or

(h) as otherwise required or permitted by law.

Sec. 2. Minnesota Statutes 2004, section 13.46, subdivision 7, is amended to read:

Subd. 7. [MENTAL HEALTH DATA.] (a) Mental health data are private data on individuals and shall not be disclosed, except:

(1) pursuant to section 13.05, as determined by the responsible authority for the community mental health center, mental health division, or provider;

(2) pursuant to court order;

(3) pursuant to a statute specifically authorizing access to or disclosure of mental health data or as otherwise provided by this subdivision; ~~or~~

(4) with the consent of the client or patient;

(5) when an individual providing mental health services is believed to be the victim of a crime committed by a client, patient, or former client or patient and the disclosure is limited to the data authorized by Code of Federal Regulations, title 45, section 164.512(f)(2); or

(6) as otherwise permitted by law.

(b) An agency of the welfare system may not require an individual to consent to the release of mental health data as a condition for receiving services or for reimbursing a community mental health center, mental health division of a county, or provider under contract to deliver mental health services.

(c) Notwithstanding section 245.69, subdivision 2, paragraph (f), or any other law to the contrary, the responsible authority for a community mental health center, mental health division of a county, or a mental health provider must disclose mental health data to a law enforcement agency if the law enforcement agency provides the name of a client or patient and communicates that the:

(1) client or patient is currently involved in an emergency interaction with the law enforcement agency; and

(2) data is necessary to protect the health or safety of the client or patient or of another person.

The scope of disclosure under this paragraph is limited to the minimum necessary for law enforcement to respond to the emergency. Disclosure under this paragraph may include, but is not limited to, the name and telephone number of the psychiatrist, psychologist, therapist, mental health professional, practitioner, or case manager of the client or patient. A law enforcement agency that obtains mental health data under this paragraph shall maintain a record of the requestor, the provider of the information, and the client or patient name. Mental health data obtained by a law enforcement agency under this paragraph are private data on individuals and must not be used by the law enforcement agency for any other purpose. A law enforcement agency that obtains mental health data under this paragraph shall inform the subject of the data that mental health data was obtained.

(d) In the event of a request under paragraph (a), clause (4), a community mental health center, county mental health division, or provider must release mental health data to Criminal Mental Health Court personnel in advance of receiving a copy of a consent if the Criminal Mental Health Court personnel communicate that the:

- (1) client or patient is a defendant in a criminal case pending in the district court;
- (2) data being requested is limited to information that is necessary to assess whether the defendant is eligible for participation in the Criminal Mental Health Court; and
- (3) client or patient has consented to the release of the mental health data and a copy of the consent will be provided to the community mental health center, county mental health division, or provider within 72 hours of the release of the data.

For purposes of this paragraph, "Criminal Mental Health Court" refers to a specialty criminal calendar of the Hennepin County District Court for defendants with mental illness and brain injury where a primary goal of the calendar is to assess the treatment needs of the defendants and to incorporate those treatment needs into voluntary case disposition plans. The data released pursuant to this paragraph may be used for the sole purpose of determining whether the person is eligible for participation in mental health court. This paragraph does not in any way limit or otherwise extend the rights of the court to obtain the release of mental health data pursuant to court order or any other means allowed by law.

Sec. 3. [148.977] [CRIMES AGAINST A PROVIDER.]

Notwithstanding section 144.335, if the provider has been the victim of a crime and knows that the crime was committed by a client or former client, the provider may disclose the identity of the client or former client, and acknowledge the professional relationship to the appropriate law enforcement agency. The provider shall not disclose any private information contained in the client's health record that is not specifically related to the crime.

Delete the title and insert:

"A bill for an act relating to health occupations; authorizing a psychologist to release information to law enforcement without the consent of the client; amending Minnesota Statutes 2004, sections 13.384, subdivision 3; 13.46, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 148."

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1710: A bill for an act relating to human services; implementing child protection, child care, and child and family support provisions; amending Minnesota Statutes 2004, sections 119A.43, subdivision 2; 119B.025, subdivision 1; 119B.03, subdivision 6; 119B.09, subdivisions 4, 9; 144D.025; 256.978, subdivision 2; 256D.02, subdivision 17; 256D.051, subdivision 6c; 256I.04, subdivision 2a; 256I.05, by adding a subdivision; 256J.626, subdivisions 6, 7, 8; 256J.751, subdivisions 2, 5; 257.85, subdivisions 2, 3; 259.23, subdivisions 1, 2; 259.41, subdivision 3; 259.75, subdivision 1; 259.79, subdivision 1; 259.85, subdivision 1; 260.012; 260C.001, subdivision 3; 260C.007, subdivision 8; 260C.151, subdivision 6; 260C.178; 260C.201, subdivisions 1, 10, 11; 260C.312; 260C.317, subdivision 3; 518.551, subdivision 5; 518.68, subdivision 2; 548.091, subdivision 1a; 626.556, subdivisions 1, 2, 3, 10, 10b, 10e, 10f, 10i, 11, 11c, by adding subdivisions; repealing Minnesota Statutes 2004, sections 626.5551, subdivisions 1, 2, 3, 4, 5; Minnesota Rules, parts 9500.1206, subparts 20, 26d, 27; 9560.0220, subpart 6, item B; 9560.0230, subpart 2.

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

Page 95, line 5, delete "2005" and insert "2006"

Page 95, line 10, delete "2005" and insert "2006" and delete "county or"

Page 96, line 27, strike everything after "(4)"

Page 96, strike line 28

Page 96, line 29, strike "(5)"

Page 96, line 30, strike "(6)" and insert "(5)"

Page 96, line 31, strike "(7)" and insert "(6)"

Page 97, line 7, strike "(8)" and insert "(7)"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

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

S.F. No. 1937: A bill for an act relating to natural resources; providing for enhanced roadside wildlife habitat; establishing a fee for permits to field train dogs; appropriating money; amending Minnesota Statutes 2004, sections 97B.005, subdivisions 1, 3, 4, by adding a subdivision; 160.232.

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

Page 2, lines 22 and 23, delete the new language

Page 3, line 5, delete "\$250,000" and insert "\$....." in both places

Page 3, line 15, delete "\$50,000" and insert "\$....."

Page 3, line 17, delete "\$200,000" and insert "\$....."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 1483: A bill for an act relating to health; modifying the Minnesota Emergency Health Powers Act; modifying authority of out-of-state license holders; amending Minnesota Statutes 2004, sections 12.03, subdivision 4d, by adding a subdivision; 12.22, subdivision 2a, by adding a subdivision; 12.31, subdivision 1; 12.32; 12.34, subdivision 1; 12.381; 12.39; 12.42; 13.3806, subdivision 1a; Laws 2002, chapter 402, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 12.

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

Page 3, after line 2, insert:

"Sec. 6. Minnesota Statutes 2004, section 12.31, subdivision 2, is amended to read:

Subd. 2. [DECLARATION OF PEACETIME EMERGENCY.] (a) The governor may declare a peacetime emergency. A peacetime declaration of emergency may be declared only when an act of nature, a technological failure or malfunction, a terrorist incident, ~~a public health emergency~~, an industrial accident, a hazardous materials accident, or a civil disturbance endangers life and property and local government resources are inadequate to handle the situation. When the governor declares a peacetime emergency, the governor must immediately notify the majority and minority leaders of the senate and the speaker and majority and minority leaders of the house of representatives. A peacetime emergency must not be continued for more than five days unless extended by resolution of the Executive Council up to 30 days. An order, or proclamation declaring, continuing, or terminating an emergency must be given prompt and general publicity and filed with the secretary of state.

(b) ~~This paragraph applies to a peacetime emergency declared as a result of a public health~~

~~emergency. If the legislature is sitting in session at the time of the emergency declaration, the governor may exercise the powers and duties conferred by this chapter for the period allowed under paragraph (a). If the legislature is not sitting in session when a peacetime emergency is declared or renewed, the governor may exercise the powers and duties conferred by this chapter for the period allowed under paragraph (a) only if the governor issues a call convening both houses of the legislature at the same time the governor declares or renews the peacetime emergency. By majority vote of each house of the legislature, the legislature may terminate a peacetime emergency extending beyond 30 days. If the governor determines a need to extend the peacetime emergency declaration beyond 30 days and the legislature is not sitting in session, the governor must issue a call immediately convening both houses of the legislature.~~"

Page 7, line 5, after "organization" insert "whether paid or volunteer"

Page 8, line 12, delete "8," and after the period, insert "The other sections expire August 1, 2007."

Page 8, line 14, delete "13" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing legislative emergency authority;"

Page 1, line 7, delete "subdivision 1" and insert "subdivisions 1, 2"

And when so amended the bill do pass and be re-referred to the Committee on Crime Prevention and Public Safety. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1872: A bill for an act relating to health; lowering the blood lead level needed to trigger a lead risk assessment; amending Minnesota Statutes 2004, section 144.9504, subdivision 2.

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1025: A bill for an act relating to human services; allowing PACE programs to be covered under alternative integrated long-term care services; amending Minnesota Statutes 2004, section 256B.69, subdivision 23.

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

Page 3, line 35, after the period, insert "The process for solicitation and approval of these programs shall only begin after the commissioner receives grant money in an amount sufficient to cover the state share of the administrative and actuarial costs to implement the programs during state fiscal years 2006 and 2007. Grants for this purpose shall be deposited in a special revenue account and used solely for the purpose of PACE administrative and actuarial costs."

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1822: A bill for an act relating to human services; specifying criteria for coverage of medical assistance special transportation services; increasing special transportation reimbursement

rates; extending the prohibition on the use of brokers or coordinators to manage special transportation services; requiring a review of special transportation services; amending Minnesota Statutes 2004, section 256B.0625, subdivision 17; Laws 2003, First Special Session chapter 14, article 12, section 93.

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

Page 1, delete lines 26 to 28

Page 2, delete lines 1 to 11

Page 4, delete lines 15 and 16

Page 4, line 17, delete "(2)" and insert "(1)"

Page 4, line 19, delete "(3)" and insert "(2)"

Page 4, line 21, delete "(4)" and insert "(3)"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1445: A bill for an act relating to health; requiring information about postpartum depression to be given to mothers and their families; proposing coding for new law in Minnesota Statutes 2004, chapter 145.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1836: A bill for an act relating to human services; creating a program for individuals with HIV; appropriating money; amending Minnesota Statutes 2004, section 256.9365, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was re-referred

S.F. No. 775: A bill for an act relating to taxation; sales and use; exempting sales of stoves that burn biomass fuels; amending Minnesota Statutes 2004, section 297A.67, by adding a subdivision.

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

Page 1, after line 12, insert:

"Sec. 2. Laws 1999, chapter 243, article 4, section 19, as amended by Laws 2001, First Special Session chapter 5, article 12, section 88, and by Laws 2003, First Special Session chapter 21, article 8, section 14, is amended to read:

Sec. 19. [EFFECTIVE DATES.]

Sections 1, 2, 5, 7, 9, and 11 are effective for sales and purchases made after June 30, 1999.

Section 3 is effective for amended returns and refund claims filed on or after July 1, 1999.

Section 4 is effective the day following final enactment and applies retroactively to all open tax years and to assessments and appeals under Minnesota Statutes, sections 289A.38 and 289A.65, for which the time limits have not expired on the date of final enactment of this act. The provisions of Minnesota Statutes, section 289A.50, apply to refunds claimed under section 4. Refunds claimed under section 4 must be filed by the later of December 31, 1999, or the time limit under Minnesota Statutes, section 289A.40, subdivision 1.

Section 6 is effective retroactively for sales and purchases made after June 30, 1998.

Section 8 is effective for purchases and sales made after the date of final enactment.

Section 10 is effective for purchases made after the date of final enactment and before July 1, 2005 2007.

Section 12 is effective the day after final enactment. Section 12, paragraphs (a) to (c), apply to all local sales taxes enacted after July 1, 1999. Section 12, paragraph (d), applies to all local sales taxes in effect at the time of, or imposed after the day of, the enactment of this section.

Section 13 is effective the day following final enactment.

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

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "extending the sales tax exemption related to the construction of a biomass fueled electric generation facility;"

Page 1, line 5, before the period, insert "; Laws 1999, chapter 243, article 4, section 19, as amended"

And when so amended the bill do pass and be re-referred to the Committee on Taxes. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce, to which was re-referred

S.F. No. 65: A bill for an act relating to health care; modifying premium rate restrictions; establishing expenditure limits; modifying cost containment provisions; modifying certain loan forgiveness programs; modifying medical assistance, general assistance medical care, and MinnesotaCare programs; requiring reports; appropriating money; amending Minnesota Statutes 2004, sections 62A.65, subdivision 3; 62D.12, subdivision 19; 62J.04, subdivision 3, by adding a subdivision; 62J.041; 62J.301, subdivision 3; 62J.38; 62J.692, subdivision 3; 62L.08, subdivision 8; 144.1501, subdivisions 2, 4; 256.045, subdivision 3a; 256.9693; 256B.0625, subdivision 3b, by adding a subdivision; 256B.0627, subdivisions 1, 4, 9; 256B.0631, by adding a subdivision; 256D.03, subdivision 4; 256L.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; 256; 256B; 256L.

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

Page 4, line 5, delete "prior authorization" and insert "health maintenance organizations for services provided in the prepaid health programs administered"

Page 11, after line 19, insert:

"(d) This section does not apply to health plan companies offering only limited dental or vision plans."

Page 16, after line 34, insert:

"Sec. 11. Minnesota Statutes 2004, section 62M.06, subdivision 2, is amended to read:

Subd. 2. [EXPEDITED APPEAL.] (a) When an initial determination not to certify a health care service is made prior to or during an ongoing service requiring review and the attending health

care professional believes that the determination warrants an expedited appeal, the utilization review organization must ensure that the enrollee and the attending health care professional have an opportunity to appeal the determination over the telephone on an expedited basis. In such an appeal, the utilization review organization must ensure reasonable access to its consulting physician or health care provider. For review of initial determinations not to certify a service for prepaid health care programs under chapter 256B, 256D, or 256L, the health care provider must follow published evidence-based care guidelines as established by a nonprofit Minnesota quality improvement organization or by the professional association of the specialty that typically provides the service.

(b) The utilization review organization shall notify the enrollee and attending health care professional by telephone of its determination on the expedited appeal as expeditiously as the enrollee's medical condition requires, but no later than 72 hours after receiving the expedited appeal.

(c) If the determination not to certify is not reversed through the expedited appeal, the utilization review organization must include in its notification the right to submit the appeal to the external appeal process described in section 62Q.73 and the procedure for initiating the process. This information must be provided in writing to the enrollee and the attending health care professional as soon as practical.

Sec. 12. Minnesota Statutes 2004, section 62M.06, subdivision 3, is amended to read:

Subd. 3. [STANDARD APPEAL.] The utilization review organization must establish procedures for appeals to be made either in writing or by telephone.

(a) A utilization review organization shall notify in writing the enrollee, attending health care professional, and claims administrator of its determination on the appeal within 30 days upon receipt of the notice of appeal. If the utilization review organization cannot make a determination within 30 days due to circumstances outside the control of the utilization review organization, the utilization review organization may take up to 14 additional days to notify the enrollee, attending health care professional, and claims administrator of its determination. If the utilization review organization takes any additional days beyond the initial 30-day period to make its determination, it must inform the enrollee, attending health care professional, and claims administrator, in advance, of the extension and the reasons for the extension.

(b) The documentation required by the utilization review organization may include copies of part or all of the medical record and a written statement from the attending health care professional.

(c) Prior to upholding the initial determination not to certify for clinical reasons, the utilization review organization shall conduct a review of the documentation by a physician who did not make the initial determination not to certify. For review of initial determinations not to certify a service for prepaid health care programs under chapter 256B, 256D, or 256L, the physician must follow publicly available evidence-based care guidelines as established by a nonprofit Minnesota quality improvement organization or by the professional association of the specialty that typically provides the service.

(d) The process established by a utilization review organization may include defining a period within which an appeal must be filed to be considered. The time period must be communicated to the enrollee and attending health care professional when the initial determination is made.

(e) An attending health care professional or enrollee who has been unsuccessful in an attempt to reverse a determination not to certify shall, consistent with section 72A.285, be provided the following:

(1) a complete summary of the review findings;

(2) qualifications of the reviewers, including any license, certification, or specialty designation;
and

(3) the relationship between the enrollee's diagnosis and the review criteria used as the basis for the decision, including the specific rationale for the reviewer's decision.

(f) In cases of appeal to reverse a determination not to certify for clinical reasons, the utilization review organization must ensure that a physician of the utilization review organization's choice in the same or a similar specialty as typically manages the medical condition, procedure, or treatment under discussion is reasonably available to review the case.

(g) If the initial determination is not reversed on appeal, the utilization review organization must include in its notification the right to submit the appeal to the external review process described in section 62Q.73 and the procedure for initiating the external process."

Page 19, line 26, delete "on prior authorization" and insert "by a prepaid health plan to deny or limit coverage"

Page 19, line 27, delete "covered under section 28,"

Page 19, line 28, delete "appropriately"

Page 49, line 19, delete "diagnosis/treatment pairings" and insert "services" and delete "for" and insert a period

Page 49, delete lines 20 and 21 and insert:

"(b) Prior authorization shall be conducted by the medical director of the Department of Human Services in conjunction with a medical policy advisory council. To the extent available, the medical director shall use publicly available evidence-based guidelines developed by an independent, nonprofit organization or by the professional association of the specialty that typically provides the service or by a multistate Medicaid evidence-based practice center. If the commissioner does not have a medical director and medical policy director in place, the commissioner may contract prior authorization to a Minnesota-licensed utilization review organization."

Page 49, line 22, delete "(b)" and insert "(c)"

Page 49, delete line 27

Page 49, line 28, delete "(2)" and insert "(1)"

Page 49, line 29, delete "(3)" and insert "(2)"

Page 49, line 30, delete "(4)" and insert "(3)"

Page 49, line 31, delete "(5)" and insert "(4)"

Page 49, line 33, delete "(6)" and insert "(5)" and delete "and" and insert:

"(6) chiropractic visits beyond ten visits;

(7) circumcision; and"

Page 49, line 34, delete "(7)" and insert "(8)"

Page 50, line 1, delete "the public"

Page 50, delete line 2

Page 50, line 3, delete "256D, or 256L," and insert "the medical assistance benefit set"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "subdivision 8;" insert "62M.06, subdivisions 2, 3;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 1636: A bill for an act relating to commerce; regulating the investment authority of, and annual reporting required for, certain financial institutions; removing obsolete references to the credit union advisory task force; regulating residential mortgage originators; providing for insurance license renewals; regulating for the voluntary dissolution of fraternal benefit societies; amending Minnesota Statutes 2004, sections 47.10, subdivision 1; 48.10; 52.062, subdivision 2; 60A.13, subdivision 5; 64B.30, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 58; repealing Minnesota Statutes 2004, sections 52.062, subdivision 3; Minnesota Rules, part 2675.2610, subpart 5.

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

Page 2, after line 13, insert:

"Sec. 2. Minnesota Statutes 2004, section 47.75, is amended to read:

47.75 [LIMITED TRUSTEESHIP.]

Subdivision 1. [RETIEMENT, HEALTH SAVINGS, AND MEDICAL SAVINGS ACCOUNTS.] (a) A commercial bank, savings bank, savings association, credit union, or industrial loan and thrift company may act as trustee or custodian:

- (1) under the Federal Self-Employed Individual Tax Retirement Act of 1962, as amended;
- (2) of a medical savings account under the Federal Health Insurance Portability and Accountability Act of 1996, as amended;
- (3) of a health savings account under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, as amended; and also
- (4) under the Federal Employee Retirement Income Security Act of 1974, as amended.

(b) The trustee or custodian may accept the trust funds if the funds are invested only in savings accounts or time deposits in the commercial bank, savings bank, savings association, credit union, or industrial loan and thrift company. All funds held in the fiduciary capacity may be commingled by the financial institution in the conduct of its business, but individual records shall be maintained by the fiduciary for each participant and shall show in detail all transactions engaged under authority of this subdivision."

Page 2, after line 28, insert:

"Sec. 4. Minnesota Statutes 2004, section 48.15, subdivision 4, is amended to read:

Subd. 4. [RETIEMENT, HEALTH SAVINGS, AND MEDICAL SAVINGS ACCOUNTS.] (a) A state bank may act as trustee or custodian:

- (1) of a self-employed retirement plan under the Federal Self-Employed Individual Tax Retirement Act of 1962, as amended;
- (2) of a medical savings account under the Federal Health Insurance Portability and Accountability Act of 1996, as amended;
- (3) of a health savings account under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, as amended; and
- (4) of an individual retirement account under the Federal Employee Retirement Income

Security Act of 1974, as amended, if the bank's duties as trustee or custodian are essentially ministerial or custodial in nature and the funds are invested only ~~(1)~~ (i) in the bank's own savings or time deposits; or ~~(2)~~ (ii) in any other assets at the direction of the customer if the bank does not exercise any investment discretion, invest the funds in collective investment funds administered by it, or provide any investment advice with respect to those account assets.

(b) Affiliated discount brokers may be utilized by the bank acting as trustee or custodian for self-directed IRAs, if specifically authorized and directed in appropriate documents. The relationship between the affiliated broker and the bank must be fully disclosed. Brokerage commissions to be charged to the IRA by the affiliated broker should be accurately disclosed. Provisions should be made for disclosure of any changes in commission rates prior to their becoming effective. The affiliated broker may not provide investment advice to the customer.

(c) All funds held in the fiduciary capacity may be commingled by the financial institution in the conduct of its business, but individual records shall be maintained by the fiduciary for each participant and shall show in detail all transactions engaged under authority of this subdivision.

(d) The authority granted by this section is in addition to, and not limited by section 47.75.

Sec. 5. Minnesota Statutes 2004, section 48.512, is amended by adding a subdivision to read:

Subd. 10. [FEDERAL LAW COMPLIANCE.] In lieu of the identification rules in subdivision 2, a financial intermediary may choose to comply with the federal customer identification standards set forth in United States Code, title 31, section 5318, and its implementing regulation, Code of Federal Regulations, title 31, section 103.121, as amended from time to time."

Page 3, after line 14, insert:

"Sec. 7. Minnesota Statutes 2004, section 55.10, subdivision 4, is amended to read:

Subd. 4. [WILL SEARCHES, BURIAL DOCUMENTS PROCUREMENT, AND INVENTORY OF CONTENTS.] (a) Upon being furnished with satisfactory proof of death of a sole lessee or the last surviving co-lessee of a safe deposit box, an employee of the safe deposit company shall open the box and examine the contents in the presence of an individual who appears in person and furnishes an affidavit stating that the individual believes:

(1) the box may contain the will or deed to a burial lot or a document containing instructions for the burial of the lessee or that the box may contain property belonging to the estate of the lessee; and

(2) the individual is an interested person as defined in this section and wishes to open the box for any one or more of the following purposes:

(i) to conduct a will search;

(ii) to obtain a document required to facilitate the lessee's wishes regarding body, funeral, or burial arrangements; or

(iii) to obtain an inventory of the contents of the box.

(b) The safe deposit company may not open the box under this section if it has received a copy of letters of office of the representative of the deceased lessee's estate or other applicable court order.

(c) The safe deposit company need not open the box if:

(1) the box has previously been opened under this section for the same purpose;

(2) the safe deposit company has received notice of a written or oral objection from any person or has reason to believe that there would be an objection; or

(3) the lessee's key or combination is not available.

(d) For purposes of this section, the term "interested person" means any of the following:

(1) a person named as personal representative in a purported will of the lessee;

(2) a person who immediately prior to the death of the lessee had the right of access to the box as a deputy;

(3) the surviving spouse of the lessee;

(4) a devisee of the lessee;

(5) an heir of the lessee;

(6) a person designated by the lessee in a writing acceptable to the safe deposit company which is filed with the safe deposit company before death; or

(7) a state or county agency with a claim authorized by section 256B.15.

(e) For purposes of this section, the term "will" includes a will or a codicil.

(f) If the box is opened for the purpose of conducting a will search, the safe deposit company shall remove any document that appears to be a will and make a true and correct machine copy thereof, replace the copy in the box, and then deliver the original thereof to the clerk of court for the county in which the lessee resided immediately before the lessee's death, if known to the safe deposit company, otherwise to the clerk of the court for the county in which the safe deposit box is located. The will must be personally delivered or sent by registered mail. If the interested person so requests, any deed to burial lot or document containing instructions for the burial of the lessee may be copied by the safe deposit box company and the copy or copies thereof delivered to the interested person.

(g) If the box is opened for the purpose of obtaining a document required to facilitate the lessee's wishes regarding the body, funeral, or burial arrangements, any such document may be removed from the box and delivered to the interested person with a true and correct machine copy retained in the box. If the safe deposit box company discovers a document that appears to be a will, the safe deposit company shall act in accordance with paragraph (f).

(h) If the box is opened for the purpose of obtaining an inventory of the contents of the box, the employee of the safe deposit company shall make, or cause to be made, an inventory of the contents of the box, to which the employee and the interested person shall attest under penalty of perjury to be correct and complete. Within ten days of opening the box pursuant to this subdivision, the safe deposit company shall deliver the original inventory of the contents to the court administrator for the county in which the lessee resided immediately before the lessee's death, if known to the safe deposit company, otherwise to the court administrator for the county in which the safe deposit box is located. The inventory must be personally delivered or sent by registered mail. If the interested person so requests, the safe deposit company shall make a true and correct copy of any document in the box, and of the completed inventory form, and deliver that copy to the interested person. If the contents of the box include a document that appears to be a will, the safe deposit company shall act in accordance with paragraph (f).

(i) If a box opened for the purpose of conducting an inventory, will search, or burial document search is completely empty, the safe deposit company need not follow the procedures above. Instead, the employee of the safe deposit company can complete an inventory of the box contents indicating the fact that the box contained nothing. The form must be signed by the employee and the interested person. If the interested person so requests, the safe deposit company may provide a copy of the completed inventory form to the interested person. The interested person shall then complete the documentation needed by the safe deposit company to surrender the empty box. If another interested person inquires about the box after it has been surrendered, the safe deposit company may state that the deceased renter had previously rented the box and that the box was surrendered because it was empty.

(j) The safe deposit company need not ascertain the truth of any statement in the affidavit

required to be furnished under this subdivision and when acting in reliance upon an affidavit, it is discharged as if it dealt with the personal representative of the lessee. The safe deposit company is not responsible for the adequacy of the description of any property included in an inventory of the contents of a safe deposit box, nor for conversion of the property in connection with actions performed under this subdivision, except for conversion by intentional acts of the company or its employees, directors, officers, or agents. If the safe deposit company is not satisfied that the requirements of this subdivision have been met, it may decline to open the box.

(j) (k) No contents of a box other than a will and a document required to facilitate the lessee's wishes regarding body, funeral, or burial arrangements may be removed pursuant to this subdivision. The entire contents of the box, however, may be removed pursuant to section 524.3-1201."

Page 4, line 17, before "An" insert "(a)"

Page 4, after line 26, insert:

"(b) The receipt by an individual of prior consent of the commissioner under this section must not be construed as imposing upon an employer an affirmative obligation to employ that individual in any capacity. Nothing in this section precludes an employer from denying employment based upon the existence of a criminal offense specified in subdivision 2 or for any other lawful reason.

Sec. 9. Minnesota Statutes 2004, section 58.16, subdivision 4, is amended to read:

Subd. 4. [TRUST ACCOUNT.] The residential mortgage originator shall deposit in a trust account within three business days all fees received before the time a loan is actually funded. The trust account must be in a financial institution located within the state of Minnesota, and, with respect to advance fees, the account must be controlled by an unaffiliated accountant, attorney, or bank officer or employee."

Page 5, after line 20, insert:

"Sec. 12. Minnesota Statutes 2004, section 82.17, subdivision 10, is amended to read:

Subd. 10. [LOAN BROKER.] "Loan broker" means a licensed real estate broker or salesperson who, for another and for a ~~commission, fee, or other valuable consideration~~ an advance fee or with the intention or expectation of receiving the same, directly or indirectly, negotiates or offers or attempts to negotiate a loan secured or to be secured by a mortgage or other encumbrance on real estate, or represents himself or herself or otherwise holds himself or herself out as a licensed real estate broker or salesperson, either in connection with any transaction in which he or she directly or indirectly negotiates or offers or attempts to negotiate a loan, or in connection with the conduct of his or her ordinary business activities as a loan broker.

"Loan broker" does not include a licensed real estate broker or salesperson who, in the course of representing a purchaser or seller of real estate, incidentally assists the purchaser or seller in obtaining financing for the real property in question if the licensee does not receive a separate commission, fee, or other valuable consideration for this service.

For the purposes of this subdivision, an "advance fee" means a commission, fee, charge, or compensation of any kind paid before the closing of a loan, that is intended in whole or in part as payment for finding or attempting to find a loan for a borrower. Advance fee does not include pass-through fees or commitment or extended lock fees or other fees as determined by the commissioner.

Sec. 13. Minnesota Statutes 2004, section 82.17, subdivision 18, is amended to read:

Subd. 18. [REAL ESTATE BROKER; BROKER.] "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee, or other valuable consideration or with the intention or

expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

(b) for another and for commission, fee, or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate, which is not a residential mortgage loan as defined by section 58.02, subdivision 18;

(c) "real estate broker" or "broker" as set forth in clause (b) shall not apply to the originating, making, processing, selling, or servicing of a loan in connection with the ~~broker's~~ ordinary business activities ~~by~~ of a mortgagee, lender, or servicer approved or certified by the secretary of Housing and Urban Development, or approved or certified by the administrator of Veterans Affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved ~~or certified~~ as a multifamily seller/servicer by the Federal Home Loan Mortgage Corporation, or as a multifamily partner approved ~~or certified~~ by the Federal National Mortgage Association;

(d) for another and for commission, fee, or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its good will, inventory, or fixtures, or any interest therein;

(e) for another and for commission, fee, or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;

(f) for another and for commission, fee, or other valuable consideration or with the intention or expectation of receiving the same, promotes the sale of real estate by advertising it in a publication issued primarily for this purpose, if the person:

(1) negotiates on behalf of any party to a transaction;

(2) disseminates any information regarding the property to any party or potential party to a transaction subsequent to the publication of the advertisement, except that in response to an initial inquiry from a potential purchaser, the person may forward additional written information regarding the property which has been prepared prior to the publication by the seller or broker or a representative of either;

(3) counsels, advises, or offers suggestions to the seller or a representative of the seller with regard to the marketing, offer, sale, or lease of the real estate, whether prior to or subsequent to the publication of the advertisement;

(4) counsels, advises, or offers suggestions to a potential buyer or a representative of the seller with regard to the purchase or rental of any advertised real estate; or

(5) engages in any other activity otherwise subject to licensure under this chapter;

(g) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not the real estate is owned by the person. A person shall be presumed to be engaged in the business of selling real estate if the person engages as principal in five or more transactions during any 12-month period, unless the person is represented by a licensed real estate broker or salesperson.

Sec. 14. Minnesota Statutes 2004, section 82.36, subdivision 4, is amended to read:

Subd. 4. [ESCROW ACCOUNT.] The loan broker shall deposit in an escrow account within 48 hours all fees received prior to the time a loan is actually funded. The escrow account shall be in a bank located within the state of Minnesota and shall be controlled by an unaffiliated accountant, lawyer, or bank ~~officer or employee~~.

Sec. 15. Minnesota Statutes 2004, section 82.41, subdivision 13, is amended to read:

Subd. 13. [FRAUDULENT, DECEPTIVE, AND DISHONEST PRACTICES.] (a) [PROHIBITIONS.] For the purposes of section ~~82.40~~ 82.35, subdivision 1, clause (b), the following acts and practices constitute fraudulent, deceptive, or dishonest practices:

(1) act on behalf of more than one party to a transaction without the knowledge and consent of all parties;

(2) act in the dual capacity of licensee and undisclosed principal in any transaction;

(3) receive funds while acting as principal which funds would constitute trust funds if received by a licensee acting as an agent, unless the funds are placed in a trust account. Funds need not be placed in a trust account if a written agreement signed by all parties to the transaction specifies a different disposition of the funds, in accordance with section 82.35, subdivision 1;

(4) violate any state or federal law concerning discrimination intended to protect the rights of purchasers or renters of real estate;

(5) make a material misstatement in an application for a license or in any information furnished to the commissioner;

(6) procure or attempt to procure a real estate license for himself or herself or any person by fraud, misrepresentation, or deceit;

(7) represent membership in any real estate-related organization in which the licensee is not a member;

(8) advertise in any manner that is misleading or inaccurate with respect to properties, terms, values, policies, or services conducted by the licensee;

(9) make any material misrepresentation or permit or allow another to make any material misrepresentation;

(10) make any false or misleading statements, or permit or allow another to make any false or misleading statements, of a character likely to influence, persuade, or induce the consummation of a transaction contemplated by this chapter;

(11) fail within a reasonable time to account for or remit any money coming into the licensee's possession which belongs to another;

(12) commingle with his or her own money or property trust funds or any other money or property of another held by the licensee;

(13) demand from a seller a commission to compensation which the licensee is not entitled, knowing that he or she is not entitled to the commission compensation;

(14) pay or give money or goods of value to an unlicensed person for any assistance or information relating to the procurement by a licensee of a listing of a property or of a prospective buyer of a property (this item does not apply to money or goods paid or given to the parties to the transaction);

(15) fail to maintain a trust account at all times, as provided by law;

(16) engage, with respect to the offer, sale, or rental of real estate, in an anticompetitive activity;

(17) represent on advertisements, cards, signs, circulars, letterheads, or in any other manner, that he or she is engaged in the business of financial planning unless he or she provides a disclosure document to the client. The document must be signed by the client and a copy must be left with the client. The disclosure document must contain the following:

(i) the basis of fees, commissions, or other compensation received by him or her in connection with rendering of financial planning services or financial counseling or advice in the following language:

"My compensation may be based on the following:

- (a) ... commissions generated from the products I sell you;
- (b) ... fees; or
- (c) ... a combination of (a) and (b). [Comments]";

(ii) the name and address of any company or firm that supplies the financial services or products offered or sold by him or her in the following language:

"I am authorized to offer or sell products and/or services issued by or through the following firm(s):

[List]

The products will be traded, distributed, or placed through the clearing/trading firm(s) of:

[List]";

(iii) the license(s) held by the person under this chapter or chapter 60A or 80A in the following language:

"I am licensed in Minnesota as a(n):

- (a) ... insurance agent;
- (b) ... securities agent or broker/dealer;
- (c) ... real estate broker or salesperson;
- (d) ... investment adviser"; and

(iv) the specific identity of any financial products or services, by category, for example mutual funds, stocks, or limited partnerships, the person is authorized to offer or sell in the following language:

"The license(s) entitles me to offer and sell the following products and/or services:

- (a) ... securities, specifically the following: [List];
- (b) ... real property;
- (c) ... insurance; and
- (d) ... other: [List]."

(b) [DETERMINING VIOLATION.] A licensee shall be deemed to have violated this section if the licensee has been found to have violated sections 325D.49 to 325D.66, by a final decision or order of a court of competent jurisdiction.

(c) [COMMISSIONER'S AUTHORITY.] Nothing in this section limits the authority of the commissioner to take actions against a licensee for fraudulent, deceptive, or dishonest practices not specifically described in this section.

Sec. 16. Minnesota Statutes 2004, section 325F.69, is amended by adding a subdivision to read:

Subd. 6. [DECEPTIVE USE OF FINANCIAL INSTITUTION NAME.] No person shall include the name, trade name, logo, or tagline of a financial institution as defined in section 49.01, subdivision 2, in a written solicitation for financial services directed to a customer who has

obtained a loan from the financial institution without written permission from the financial institution, unless the solicitation clearly and conspicuously states that the person is not sponsored by or affiliated with the financial institution, which shall be identified by name. This statement shall be made in close proximity to, and in the same or larger font size as, the first and most prominent use or uses of the name, trade name, logo, or tagline in the solicitation, including on an envelope or through an envelope window containing the solicitation. For purposes of this section, the term "financial institution" includes a financial institution's affiliates and subsidiaries. This subdivision shall not prohibit the use of a financial institution name, trade name, logo, or tagline of a financial institution if the use of that name is part of a fair and accurate comparison of like products or services."

Page 5, line 26, delete "4" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "regulating"

Page 1, delete line 3

Page 1, line 10, delete everything after the first semicolon and insert "47.75; 48.10; 48.15, subdivision 4; 48.512, by adding a subdivision; 52.062, subdivision 2; 55.10, subdivision 4; 58.16, subdivision 4; 60A.13,"

Page 1, line 11, after the second semicolon, insert "82.17, subdivisions 10, 18; 82.36, subdivision 4; 82.41, subdivision 13; 325F.69, by adding a subdivision;"

Page 1, line 14, delete "sections" and insert "section"

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

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 1253: A bill for an act relating to local government; authorizing the city of St. Paul to participate in the creation of, and to contract with, a nonprofit organization for management and operation of the RiverCentre complex.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2004, section 13.55, is amended by adding a subdivision to read:

Subd. 4. [CITY OF ST. PAUL DATA.] (a) For purposes of this subdivision, "nonprofit organization" means the nonprofit organization with which the city of St. Paul contracts to market and promote the city as a tourist or convention center.

(b) Data collected, received, created, or maintained by the nonprofit organization in the course of preparing or submitting any responses to requests for proposals or requests for bids relating to events hosted, conducted, or sponsored by the nonprofit organization is classified as nonpublic data under section 13.02, subdivision 9; or private data under section 13.02, subdivision 12, until the time provided in subdivision 2, paragraph (a) or (b), of this section. The nonprofit organization is a "civic center authority" for purposes of this section."

Page 2, line 33, delete "2" and insert "3"

Page 3, line 23, delete "2" and insert "3"

Page 3, line 27, delete everything after "city"

Page 3, line 28, delete everything before the colon

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert "; amending Minnesota Statutes 2004, section 13.55, by adding a subdivision"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1083: A bill for an act relating to local government; authorizing the state auditor to waive certain rules and laws applying to local government units; creating a grants board to fund cooperative efforts in public service delivery; proposing coding for new law in Minnesota Statutes, chapter 6.

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

Page 4, line 1, after the period, insert "For purposes of this section procedural law does not include a statutory notice requirement."

Page 4, line 2, delete "(d)" and insert "(c)"

Page 4, line 13, delete "(e)" and insert "(d)"

Page 4, line 32, delete "(f)" and insert "(e)"

Page 5, line 2, delete "has denied" and insert "under subdivision 3, paragraph (d), or the exclusive representative of the affected employees under subdivision 3, paragraph (e), has objected to"

Page 5, line 8, after "agency" insert "or the exclusive representative of the affected employees" and delete "the agency's" and insert "their"

Page 5, line 10, delete the first "either" and insert "the local government unit or either objecting"

Page 6, line 36, delete "DATE" and insert "DATA"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1530: A bill for an act relating to state employees; modifying grievance appeal procedures; eliminating a medical examination requirement; amending Minnesota Statutes 2004, sections 43A.33, subdivisions 3, 4; 43A.34, subdivision 3.

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

Page 2, line 14, reinstate the stricken "(c)"

Page 2, line 21, after the stricken period, insert "Within ten days of receipt of the employee's written notice of appeal, the commissioner of the Bureau of Mediation Services shall provide both parties with a list of potential arbitrators according to the rules of the Bureau of Mediation Services to hear the appeal. The process of selecting the arbitrator from the list shall be determined by the plan."

The hearing shall be conducted pursuant to the rules of the Bureau of Mediation Services. If the arbitrator finds, based on the hearing record, that the action appealed was not taken by the appointing authority for just cause, the employee shall be reinstated to the position, or an equal position in another division within the same agency, without loss of pay. If the arbitrator finds that there exists sufficient grounds for institution of the appointing authority's action but the hearing record establishes extenuating circumstances, the arbitrator may reinstate the employee, with full, partial, or no pay, or may modify the appointing authority's action. The appointing authority shall bear the costs of the arbitrator for hearings provided for in this section."

Pages 2 to 4, delete sections 2 and 3 and insert:

"Sec. 2. [REPEALER.]

Minnesota Statutes 2004, sections 43A.33, subdivision 4, and 43A.34, subdivision 3, are repealed."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing rulemaking;"

Page 1, delete lines 5 and 6 and insert "section 43A.33, subdivision 3; repealing Minnesota Statutes 2004, sections 43A.33, subdivision 4; 43A.34, subdivision 3."

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

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1098: A bill for an act relating to natural resources; modifying commercial fishing restrictions in infested waters; providing for a water recreation account; modifying expiration of certain committees; modifying disposition of certain revenue and unrefunded tax receipts; modifying terms of certain reports; eliminating commissioner approval of county expenditures of county timber receipts; amending Minnesota Statutes 2004, sections 84D.03, subdivision 4; 97A.055, subdivision 4b; 97A.4742, subdivision 4; 103G.615, subdivision 2; 282.08; 282.38, subdivision 1; 296A.18, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 86B.

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

Page 8, after line 35, insert:

"Sec. 9. Minnesota Statutes 2004, section 462.357, subdivision 1e, is amended to read:

Subd. 1e. [NONCONFORMITIES.] (a) Any nonconformity, including the lawful use or occupation of land or premises existing at the time of the adoption of an additional control under this chapter, may be continued, including through repair, replacement, restoration, maintenance, or improvement, but not including expansion, unless:

(1) the nonconformity or occupancy is discontinued for a period of more than one year; or

(2) any nonconforming use is destroyed by fire or other peril to the extent of greater than 50 percent of its market value, and no building permit has been applied for within 180 days of when the property is damaged. In this case, a municipality may impose reasonable conditions upon a building permit in order to mitigate any newly created impact on adjacent property.

(b) Any subsequent use or occupancy of the land or premises shall be a conforming use or occupancy. A municipality may, by ordinance, permit an expansion or impose upon nonconformities reasonable regulations to prevent and abate nuisances and to protect the public health, welfare, or safety. This subdivision does not prohibit a municipality from enforcing an ordinance that applies to adults-only bookstores, adults-only theaters, or similar adults-only businesses, as defined by ordinance.

(c) Notwithstanding paragraph (a), a municipality shall regulate the repair, replacement, maintenance, improvement, or expansion of nonconforming uses and structures in floodplain areas to the extent necessary to maintain eligibility in the National Flood Insurance Program and not increase flood damage potential or increase the degree of obstruction to flood flows in the floodway."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "modifying municipal zoning requirements for floodplain areas;"

Page 1, line 12, after the second semicolon, insert "462.357, subdivision 1e;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 895: A bill for an act relating to economic development; providing for an international economic development zone; providing tax incentives; requiring a report; appropriating money; amending Minnesota Statutes 2004, sections 272.02, by adding a subdivision; 290.01, subdivisions 19b, 29; 290.06, subdivision 2c, by adding a subdivision; 290.067, subdivision 1; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 2, 3; 297A.68, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 469.

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 2004, section 272.02, is amended by adding a subdivision to read:

Subd. 68. [INTERNATIONAL ECONOMIC DEVELOPMENT ZONE PROPERTY.] (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within an international economic development zone designated under section 469.322, are exempt from ad valorem taxes levied under chapter 275, if the occupant of the property is a qualified business, as defined in section 469.321.

(b) The exemption applies beginning for the first assessment year after designation of the international economic development zone. The exemption applies to each assessment year that begins during the duration of the international economic development zone and to property occupied by July 1 of the assessment year by a qualified business. This exemption does not apply to:

(1) the levy under section 475.61 or similar levy provisions under any other law to pay general obligation bonds; or

(2) a levy under section 126C.17, if the levy was approved by the voters before the designation of the zone.

[EFFECTIVE DATE.] This section is effective beginning for property taxes assessed in 2006, payable in 2007.

Sec. 2. Minnesota Statutes 2004, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the

United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in 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 the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes 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. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "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, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent included in federal taxable income, postservice benefits for youth community service under section 124D.42 for volunteer service under United States Code, title 42, sections 12601 to 12604;

(7) to the extent not deducted in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code over \$500;

(8) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(9) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(10) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero; and

(11) job opportunity building zone income as provided under section 469.316; and

(12) international economic development zone income as provided under section 469.325.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 3. Minnesota Statutes 2004, section 290.01, subdivision 29, is amended to read:

Subd. 29. [TAXABLE INCOME.] The term "taxable income" means:

- (1) for individuals, estates, and trusts, the same as taxable net income;
- (2) for corporations, the taxable net income less
 - (i) the net operating loss deduction under section 290.095;
 - (ii) the dividends received deduction under section 290.21, subdivision 4;
 - (iii) the exemption for operating in a job opportunity building zone under section 469.317; and
 - (iv) the exemption for operating in a biotechnology and health sciences industry zone under section 469.337; and
 - (v) the exemption for operating in an international economic development zone under section 469.326.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 4. Minnesota Statutes 2004, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$25,680, 5.35 percent;
- (2) On all over \$25,680, but not over \$102,030, 7.05 percent;
- (3) On all over \$102,030, 7.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$17,570, 5.35 percent;
- (2) On all over \$17,570, but not over \$57,710, 7.05 percent;
- (3) On all over \$57,710, 7.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$21,630, 5.35 percent;
- (2) On all over \$21,630, but not over \$86,910, 7.05 percent;
- (3) On all over \$86,910, 7.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), and (6), and reduced by the subtraction under section 290.01, subdivision 19b, ~~clause~~ clauses (11) and (12), and the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), and (6), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1) ~~and~~, (11), and (12).

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 5. Minnesota Statutes 2004, section 290.06, is amended by adding a subdivision to read:

Subd. 32. [INTERNATIONAL ECONOMIC DEVELOPMENT ZONE JOB CREDIT.] A taxpayer that is a qualified business, as defined in section 469.321, subdivision 6, is allowed a credit as determined under section 469.327 against the tax imposed by this chapter.

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

Sec. 6. Minnesota Statutes 2004, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code do not apply.

(b) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) the amount of the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter including earned income excluded pursuant to section 290.01, subdivision 19b, clause clauses (11) and (12), the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 7. Minnesota Statutes 2004, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] (a) An individual is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals 1.9125 percent of the first \$4,620 of earned income. The credit is reduced by 1.9125 percent of earned income or modified adjusted gross income, whichever is greater, in excess of \$5,770, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 8.5 percent of the first \$6,920 of earned income and 8.5 percent of earned income over \$12,080 but less than \$13,450. The credit is reduced by 5.73 percent of earned income or modified adjusted gross income, whichever is greater, in excess of \$15,080, but in no case is the credit less than zero.

(d) For individuals with two or more qualifying children, the credit equals ten percent of the first \$9,720 of earned income and 20 percent of earned income over \$14,860 but less than \$16,800. The credit is reduced by 10.3 percent of earned income or modified adjusted gross income, whichever is greater, in excess of \$17,890, but in no case is the credit less than zero.

(e) For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(f) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.01, subdivision 19b, clause

(11) or (12), the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income.

(g) For tax years beginning after December 31, 2001, and before December 31, 2004, the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$1,000 for married taxpayers filing joint returns.

(h) For tax years beginning after December 31, 2004, and before December 31, 2007, the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$2,000 for married taxpayers filing joint returns.

(i) For tax years beginning after December 31, 2007, and before December 31, 2010, the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$3,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2008, the \$3,000 is adjusted annually for inflation under subdivision 7.

(j) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 8. Minnesota Statutes 2004, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code to the extent that the deduction exceeds 1.0 percent of adjusted gross income, as defined in section 62 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

(6) the amount of addition required by section 290.01, subdivision 19a, clause (7);

less the sum of the amounts determined under the following:

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (10) and (11), and (12).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 9. Minnesota Statutes 2004, section 290.0921, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE MINIMUM TAXABLE INCOME.] "Alternative minimum taxable income" is Minnesota net income as defined in section 290.01, subdivision 19, and includes the adjustments and tax preference items in sections 56, 57, 58, and 59(d), (e), (f), and (h) of the Internal Revenue Code. If a corporation files a separate company Minnesota tax return, the minimum tax must be computed on a separate company basis. If a corporation is part of a tax group filing a unitary return, the minimum tax must be computed on a unitary basis. The following adjustments must be made.

(1) For purposes of the depreciation adjustments under section 56(a)(1) and 56(g)(4)(A) of the Internal Revenue Code, the basis for depreciable property placed in service in a taxable year beginning before January 1, 1990, is the adjusted basis for federal income tax purposes, including any modification made in a taxable year under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c).

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, or Minnesota Statutes 1986, section 290.09, subdivision 7, paragraph (c), not previously deducted is a depreciation allowance in the first taxable year after December 31, 2000.

(2) The portion of the depreciation deduction allowed for federal income tax purposes under section 168(k) of the Internal Revenue Code that is required as an addition under section 290.01, subdivision 19c, clause (16), is disallowed in determining alternative minimum taxable income.

(3) The subtraction for depreciation allowed under section 290.01, subdivision 19d, clause (19), is allowed as a depreciation deduction in determining alternative minimum taxable income.

(4) The alternative tax net operating loss deduction under sections 56(a)(4) and 56(d) of the Internal Revenue Code does not apply.

(5) The special rule for certain dividends under section 56(g)(4)(C)(ii) of the Internal Revenue Code does not apply.

(6) The special rule for dividends from section 936 companies under section 56(g)(4)(C)(iii) does not apply.

(7) The tax preference for depletion under section 57(a)(1) of the Internal Revenue Code does not apply.

(8) The tax preference for intangible drilling costs under section 57(a)(2) of the Internal Revenue Code must be calculated without regard to subparagraph (E) and the subtraction under section 290.01, subdivision 19d, clause (4).

(9) The tax preference for tax exempt interest under section 57(a)(5) of the Internal Revenue Code does not apply.

(10) The tax preference for charitable contributions of appreciated property under section 57(a)(6) of the Internal Revenue Code does not apply.

(11) For purposes of calculating the tax preference for accelerated depreciation or amortization on certain property placed in service before January 1, 1987, under section 57(a)(7) of the Internal Revenue Code, the deduction allowable for the taxable year is the deduction allowed under section 290.01, subdivision 19e.

For taxable years beginning after December 31, 2000, the amount of any remaining modification made under section 290.01, subdivision 19e, not previously deducted is a depreciation or amortization allowance in the first taxable year after December 31, 2004.

(12) For purposes of calculating the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code, the term "alternative minimum taxable income" as it is used in section 56(g) of the Internal Revenue Code, means alternative minimum taxable income as defined in this subdivision, determined without regard to the adjustment for adjusted current earnings in section 56(g) of the Internal Revenue Code.

(13) For purposes of determining the amount of adjusted current earnings under section 56(g)(3) of the Internal Revenue Code, no adjustment shall be made under section 56(g)(4) of the Internal Revenue Code with respect to (i) the amount of foreign dividend gross-up subtracted as provided in section 290.01, subdivision 19d, clause (1), (ii) the amount of refunds of income, excise, or franchise taxes subtracted as provided in section 290.01, subdivision 19d, clause (10), or (iii) the amount of royalties, fees or other like income subtracted as provided in section 290.01, subdivision 19d, clause (11).

(14) Alternative minimum taxable income excludes the income from operating in a job opportunity building zone as provided under section 469.317.

(15) Alternative minimum taxable income excludes the income from operating in a biotechnology and health sciences industry zone as provided under section 469.337.

(16) Alternative minimum taxable income excludes the income from operating in an international economic development zone as provided under section 469.326.

Items of tax preference must not be reduced below zero as a result of the modifications in this subdivision.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 10. Minnesota Statutes 2004, section 290.0922, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] The following entities are exempt from the tax imposed by this section:

- (1) corporations exempt from tax under section 290.05;
- (2) real estate investment trusts;
- (3) regulated investment companies or a fund thereof; and
- (4) entities having a valid election in effect under section 860D(b) of the Internal Revenue Code;
- (5) town and farmers' mutual insurance companies;
- (6) cooperatives organized under chapter 308A that provide housing exclusively to persons age 55 and over and are classified as homesteads under section 273.124, subdivision 3; ~~and~~
- (7) an entity, if for the taxable year all of its property is located in a job opportunity building zone designated under section 469.314 and all of its payroll is a job opportunity building zone payroll under section 469.310; and
- (8) an entity, if for the taxable year all of its property is located in an international economic development zone designated under section 469.322, and all of its payroll is an international economic development zone payroll under section 469.321.

Entities not specifically exempted by this subdivision are subject to tax under this section, notwithstanding section 290.05.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 11. Minnesota Statutes 2004, section 290.0922, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] (a) "Minnesota sales or receipts" means the total sales apportioned to Minnesota pursuant to section 290.191, subdivision 5, the total receipts attributed to Minnesota pursuant to section 290.191, subdivisions 6 to 8, and/or the total sales or receipts apportioned or attributed to Minnesota pursuant to any other apportionment formula applicable to the taxpayer.

(b) "Minnesota property" means total Minnesota tangible property as provided in section 290.191, subdivisions 9 to 11, any other tangible property located in Minnesota, but does not include property located in a job opportunity building zone designated under section 469.314, or property of a qualified business located in a biotechnology and health sciences industry zone designated under section 469.334, or property located in an international economic development zone designated under section 469.322. Intangible property shall not be included in Minnesota property for purposes of this section. Taxpayers who do not utilize tangible property to apportion income shall nevertheless include Minnesota property for purposes of this section. On a return for a short taxable year, the amount of Minnesota property owned, as determined under section 290.191, shall be included in Minnesota property based on a fraction in which the numerator is the number of days in the short taxable year and the denominator is 365.

(c) "Minnesota payrolls" means total Minnesota payrolls as provided in section 290.191, subdivision 12, but does not include job opportunity building zone payrolls under section 469.310, subdivision 8, or biotechnology and health sciences industry zone ~~payroll~~ payrolls under section 469.330, subdivision 8, or international economic development zone payrolls under section 469.321, subdivision 10. Taxpayers who do not utilize payrolls to apportion income shall nevertheless include Minnesota payrolls for purposes of this section.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 12. Minnesota Statutes 2004, section 297A.68, is amended by adding a subdivision to read:

Subd. 40. [INTERNATIONAL ECONOMIC DEVELOPMENT ZONES.] (a) Purchases of tangible personal property or taxable services by a qualified business, as defined in section 469.321, are exempt if the property or services are primarily used or consumed in an international economic development zone designated under section 469.322.

(b) Purchase and use of construction materials and supplies for construction of improvements to real property in an international economic development zone are exempt if the improvements after completion of construction are to be used in the conduct of a qualified business, as defined in section 469.321. This exemption applies regardless of whether the purchases are made by the business or a contractor.

(c) The exemptions under this subdivision apply to a local sales and use tax, regardless of whether the local tax is imposed on sales taxable under this chapter or in another law, ordinance, or charter provision.

(d) This subdivision applies to sales, if the purchase was made and delivery received during the duration of the zone.

[EFFECTIVE DATE.] This section is effective for sales made on or after the day following final enactment.

Sec. 13. [469.321] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 469.321 to 469.328, the following terms have the meanings given.

Subd. 2. [FOREIGN TRADE ZONE.] "Foreign trade zone" means a foreign trade zone designated pursuant to United States Code, title 19, section 81a, for the right to use the powers provided in United States Code, title 19, sections 81a to 81u, or a subzone authorized by the foreign trade zone.

Subd. 3. [FOREIGN TRADE ZONE AUTHORITY.] "Foreign trade zone authority" means the Greater Metropolitan Area Foreign Trade Zone Commission number 119, a joint powers authority created by the county of Hennepin, the cities of Minneapolis, Bloomington, Rosemount, and the Metropolitan Airports Commission, under the authority of section 469.059, 469.101, or 471.59, and which may, notwithstanding section 471.59, include as members any political subdivisions of public corporations that are or become members of the Greater Metropolitan Area Foreign Trade Zone Commission, regardless of whether the subdivisions or corporations have the power or authority individually to establish or operate a foreign trade zone.

Subd. 4. [INTERNATIONAL ECONOMIC DEVELOPMENT ZONE.] An "international economic development zone" or "zone" is a zone so designated under section 469.322.

Subd. 5. [PERSON.] "Person" includes an individual, corporation, partnership, limited liability company, association, or any other entity.

Subd. 6. [QUALIFIED BUSINESS.] (a) "Qualified business" means a person carrying on a trade or business at a place of business located within an international economic development zone that is:

(1) engaged in the furtherance of international export or import of goods; and

(2) certified by the foreign trade zone authority as a trade or business that furthers the purpose of developing international distribution capacity and capability.

(b) A person that relocates a trade or business from within Minnesota but outside an international economic development zone into an international economic development zone is not a qualified business, unless the business:

(1)(i) increases full-time employment in the first full year of operation within the international economic development zone by at least 20 percent measured relative to the operations that were relocated; or

(ii) makes a capital investment in the property located within a zone equal to at least ten percent of the gross revenues of the operations that were relocated in the immediately preceding taxable year; and

(2) enters a binding written agreement with the foreign trade zone authority that:

(i) pledges that the business will meet the requirements of clause (1);

(ii) provides for repayment of all tax benefits enumerated under section 469.324 to the business under the procedures in section 469.328, if the requirements of clause (1) are not met; and

(iii) contains any other terms the foreign trade zone authority determines appropriate.

Clause (1) of this paragraph does not apply to a freight forwarder.

(c) A qualified business must pay each employee total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty guidelines for a family of four.

(d) A qualified business must enter into an agreement with the authority that provides that, as a condition of qualifying for the tax incentives described in section 469.324, the business will, at the site of its operation within the zone, remain neutral to labor union organizing activity, provide union representatives access to employees during nonwork hours, and recognize a labor union as a bargaining agent under the National Labor Relations Act upon presentation of representation cards signed by a majority of the employees of the qualified business within the zone.

Subd. 7. [REGIONAL DISTRIBUTION CENTER.] A "regional distribution center" is a distribution center developed within a foreign trade zone. The regional distribution center must have as its primary purpose to facilitate gathering of freight for the purpose of centralizing the functions necessary for the shipment of freight in international commerce, including, but not limited to, security and customs functions.

Subd. 8. [RELOCATE.] (a) "Relocate" means that a trade or business:

(1) ceases one or more operations or functions at another location in an international economic development zone; or

(2) reduces employment at another location in Minnesota during a period starting one year before and ending one year after it begins operations in an international economic development zone and its employees in the international economic development zone are engaged in the same line of business as the employees at the location where it reduced employment.

(b) "Relocate" does not include an expansion by a business that establishes a new facility that does not replace or supplant an existing operation or employment, in whole or in part.

Subd. 9. [INTERNATIONAL ECONOMIC DEVELOPMENT ZONE PERCENTAGE OR ZONE PERCENTAGE.] "International economic development zone percentage" or "zone percentage" means the following fraction reduced to a percentage:

(1) the numerator of the fraction is:

(i) the ratio of the taxpayer's property factor under section 290.191 located in the zone for the taxable year over the property factor numerator determined under section 290.191, plus

(ii) the ratio of the taxpayer's international economic development zone payroll factor under subdivision 10 over the payroll factor numerator determined under section 290.191; and

(2) the denominator of the fraction is two.

When calculating the zone percentage for a business that is part of a unitary business as defined under section 290.17, subdivision 4, the denominator of the payroll and property factors is the Minnesota payroll and property of the unitary business as reported on the combined report under section 290.17, subdivision 4, paragraph (j).

Subd. 10. [INTERNATIONAL ECONOMIC DEVELOPMENT ZONE PAYROLL FACTOR.] "International economic development zone payroll factor" or "international economic development zone payroll" is that portion of the payroll factor under section 290.191 that represents:

(1) wages or salaries paid to an individual for services performed in an international economic development zone; or

(2) wages or salaries paid to individuals working from offices within an international economic development zone, if their employment requires them to work outside the zone and the work is incidental to the work performed by the individual within the zone.

Subd. 11. [FREIGHT FORWARDER.] "Freight forwarder" is a business that, for compensation, ensures that goods produced or sold by another business move from point of origin to point of destination.

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

Sec. 14. [469.322] [DESIGNATION OF INTERNATIONAL ECONOMIC DEVELOPMENT ZONE.]

(a) An area designated as a foreign trade zone may be designated by the foreign trade zone authority as an international economic development zone if within the zone a regional distribution center is being developed pursuant to section 469.323. The zone must be not less than 500 acres and not more than 1,000 acres in size.

(b) In making the designation, the foreign trade zone authority, in consultation with the Minnesota Department of Transportation and the Metropolitan Council, shall consider access to major transportation routes, consistency with current state transportation and air cargo planning, adequacy of the size of the site, access to airport facilities, present and future capacity at the designated airport, the capability to meet integrated present and future air cargo, security, and inspection services, and access to other infrastructure and financial incentives. The border of the international economic development zone must be no more than 60 miles distant or 90 minutes drive time from the border of the Minneapolis-St. Paul International Airport.

(c) Prior to a final site designation, the foreign trade zone authority, in consultation with the applicant, must conduct a transportation impact study based on the regional model and utilizing traffic forecasting and assignments. The results must be used to evaluate the effects of the proposed use on the transportation system and identify any needed improvements. If the site is in the metropolitan area the study must also evaluate the effect of the transportation impacts on the Metropolitan Transportation System plan as well as the comprehensive plans of the municipalities that would be affected. The cost of the study must be paid by the applicant.

(d) Final zone designation must be made by January 1, 2007.

(e) Duration of the zone is a 12-year period beginning on June 30, 2007.

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

Sec. 15. [469.323] [FOREIGN TRADE ZONE AUTHORITY POWERS.]

Subdivision 1. [DEVELOPMENT OF REGIONAL DISTRIBUTION CENTER.] The foreign trade zone authority shall be responsible for creating a development plan for the regional distribution center. The regional distribution center must be developed with the purpose of expanding, on a regional basis, international distribution capacity and capability. The foreign trade zone authority shall consult with municipalities that have indicated to the authority an interest in locating the international economic development zone within their boundaries and a willingness to establish a tax increment financing district coterminous with the boundaries of the zone, as well as interested businesses, potential financiers, and appropriate state and federal agencies.

Subd. 2. [BUSINESS PLAN.] Before designation of an international economic development

zone under section 469.322, the governing body of the foreign trade zone authority shall prepare a business plan. The plan must include an analysis of the economic feasibility of the regional distribution center once it becomes operational and of the operations of freight forwarders and other businesses that choose to locate within the boundaries of the zone. The analysis must provide profitability models that:

- (1) include the benefits of the incentives;
- (2) estimate the amount of time needed to achieve profitability; and
- (3) analyze the length of time incentives will be necessary to the economic viability of the regional distribution center.

If the governing body of the foreign trade authority determines that the models do not establish the economic feasibility of the project, the regional distribution center does not meet the development requirements of this section and section 469.322.

Subd. 3. [PORT AUTHORITY POWERS.] The governing body of the foreign trade zone authority may establish a port authority that has the same powers as a port authority established under section 469.049. If the foreign trade zone authority establishes a port authority, the governing body of the foreign trade zone authority shall exercise all powers granted to a city by sections 469.048 to 469.068 or other law.

Subd. 4. [BUSINESS SUBSIDY LAW.] Tax exemptions, job credits, and tax increment financing provided under this section are business subsidies for the purpose of sections 116J.993 to 116J.995.

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

Sec. 16. [469.324] [TAX INCENTIVES IN INTERNATIONAL ECONOMIC DEVELOPMENT ZONE.]

Subdivision 1. [AVAILABILITY.] Qualified businesses that operate in an international economic development zone, individuals who invest in a regional distribution center or qualified businesses that operate in an international economic development zone, and property located in an international economic development zone qualify for:

- (1) exemption from individual income taxes as provided under section 469.325;
- (2) exemption from corporate franchise taxes as provided under section 469.326;
- (3) exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in section 297A.68, subdivision 40;
- (4) exemption from the property tax as provided in section 272.02, subdivision 68;
- (5) the jobs credit allowed under section 469.327; and
- (6) tax increment financing as provided in this chapter.

Subd. 2. [DURATION.] (a) Except as provided in paragraph (b), the tax incentives described in subdivision 1, clauses (1), (2), and (5), are available for no more than 12 consecutive taxable years for any taxpayer that claims them. The tax incentives described in subdivision 1, clause (3), are available for each taxpayer that claims them for taxes otherwise payable on transactions during a period of 12 years from the date when the first exemption is claimed by that taxpayer under each exemption. The property tax exemption described under subdivision 1, clause (4), is available for any parcel of property for 12 consecutive taxes payable years. No exemptions described in subdivision 1, clauses (1) to (5), are available after December 31, 2021.

(b) For taxpayers that are freight forwarders, the durations provided under paragraph (a) are reduced to six years.

Sec. 17. [469.325] [INDIVIDUAL INCOME TAX EXEMPTION.]

Subdivision 1. [APPLICATION.] An individual operating a trade or business in an international economic development zone, and an individual making a qualifying investment in a qualified business operating in an international economic development zone qualifies for the exemptions from taxes imposed under chapter 290, as provided in this section. The exemptions provided under this section apply only to the extent that the income otherwise would be taxable under chapter 290. Subtractions under this section from federal taxable income, alternative minimum taxable income, or any other base subject to tax are limited to the amount that otherwise would be included in the tax base absent the exemption under this section. This section applies only to taxable years beginning during the duration of the zone.

Subd. 2. [RENTS.] An individual is exempt from the taxes imposed under chapter 290 on net rents derived from real or tangible personal property located in a zone for a taxable year in which the zone was designated an international economic development zone. If tangible personal property was used both within and outside of the zone, the exemption amount for the net rental income must be multiplied by a fraction, the numerator of which is the number of days the property was used in the zone and the denominator of which is the total days.

Subd. 3. [BUSINESS INCOME.] An individual is exempt from the taxes imposed under chapter 290 on net income from the operation of a qualified business in an international economic development zone. If the trade or business is carried on within and without the zone and the individual is not a resident of Minnesota, the exemption must be apportioned based on the zone percentage for the taxable year. If the trade or business is carried on within and without the zone and the individual is a resident of Minnesota, the exemption must be apportioned based on the zone percentage for the taxable year, except the ratios under section 469.321, subdivision 9, clause (1), items (i) and (ii), must use the denominators of the property and payroll factors determined under section 290.191. No subtraction is allowed under this section in excess of 20 percent of the sum of the international economic development zone payroll and the adjusted basis of the property at the time that the property is first used in the international economic development zone by the business.

Subd. 4. [CAPITAL GAINS.] (a) An individual is exempt from the taxes imposed under chapter 290 on:

(1) net gain derived on a sale or exchange of real property located in the international economic development zone and used by a qualified business. If the property was held by the individual during a period when the zone was not designated, the gain must be prorated based on the percentage of time, measured in calendar days, that the real property was held by the individual during the period the zone designation was in effect to the total period of time the real property was held by the individual;

(2) net gain derived on a sale or exchange of tangible personal property used by a qualified business in the international economic development zone. If the property was held by the individual during a period when the zone was not designated, the gain must be prorated based on the percentage of time, measured in calendar days, that the property was held by the individual during the period the zone designation was in effect to the total period of time the property was held by the individual. If the tangible personal property was used outside of the zone during the period of the zone's designation, the exemption must be multiplied by a fraction, the numerator of which is the number of days the property was used in the zone during the time of the designation and the denominator of which is the total days the property was held during the time of the designation; and

(3) net gain derived on a sale of an ownership interest in a qualified business operating in the international economic development zone, meeting the requirements of paragraph (b). The exemption on the gain must be multiplied by the zone percentage of the business for the taxable year prior to the sale.

(b) A qualified business meets the requirements of paragraph (a), clause (3), if it is a corporation, an S corporation, or a partnership, and for the taxable year its international economic

development zone percentage exceeds 25 percent. For purposes of paragraph (a), clause (3), the zone percentage must be calculated by modifying the ratios under section 469.321, subdivision 9, clause (1), items (i) and (ii), to use the denominators of the property and payroll factors determined under section 290.191. Upon the request of an individual holding an ownership interest in the entity, the entity must certify to the owner, in writing, the international economic development zone percentage needed to determine the exemption.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 18. [469.326] [CORPORATE FRANCHISE TAX EXEMPTION.]

(a) A qualified business is exempt from taxation under section 290.02, the alternative minimum tax under section 290.0921, and the minimum fee under section 290.0922, on the portion of its income attributable to operations within the international economic development zone. This exemption is determined as follows:

(1) for purposes of the tax imposed under section 290.02, by multiplying its taxable net income by its zone percentage and subtracting the result in determining taxable income;

(2) for purposes of the alternative minimum tax under section 290.0921, by multiplying its alternative minimum taxable income by its zone percentage and reducing alternative minimum taxable income by this amount; and

(3) for purposes of the minimum fee under section 290.0922, by excluding property and payroll in the zone from the computations of the fee or by exempting the entity under section 290.0922, subdivision 2, clause (8).

(b) No subtraction is allowed under this section in excess of 20 percent of the sum of the corporation's international economic development zone payroll and the adjusted basis of the property at the time that the property is first used in the international economic development zone by the corporation.

(c) This section applies only to taxable years beginning during the duration of the international economic development zone.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 19. [469.327] [JOBS CREDIT.]

Subdivision 1. [CREDIT ALLOWED.] A qualified business is allowed a credit against the taxes imposed under chapter 290. The credit equals seven percent of the:

(1) lesser of:

(i) zone payroll for the taxable year, less the zone payroll for the base year; or

(ii) total Minnesota payroll for the taxable year, less total Minnesota payroll for the base year; minus

(2) \$30,000 multiplied by the number of full-time equivalent employees that the qualified business employs in the international economic development zone for the taxable year, minus the number of full-time equivalent employees the business employed in the zone in the base year, but not less than zero.

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Base year" means the taxable year beginning during the calendar year prior to the calendar year in which the zone designation took effect.

(c) "Full-time equivalent employees" means the equivalent of annualized expected hours of work equal to 2,080 hours.

(d) "Minnesota payroll" means the wages or salaries attributed to Minnesota under section 290.191, subdivision 12, for the qualified business or the unitary business of which the qualified business is a part, whichever is greater.

(e) "Zone payroll" means wages or salaries used to determine the zone payroll factor for the qualified business, less the amount of compensation attributable to any employee that exceeds \$100,000.

Subd. 3. [INFLATION ADJUSTMENT.] For taxable years beginning after December 31, 2006, the dollar amounts in subdivision 1, clause (2), and subdivision 2, paragraph (e), are annually adjusted for inflation. The commissioner of revenue shall adjust the amounts by the percentage determined under section 290.06, subdivision 2d, for the taxable year.

Subd. 4. [REFUNDABLE.] If the amount of the credit exceeds the liability for tax under chapter 290, the commissioner of revenue shall refund the excess to the qualified business.

Subd. 5. [APPROPRIATION.] An amount sufficient to pay the refunds authorized by this section is appropriated to the commissioner of revenue from the general fund.

[EFFECTIVE DATE.] This section is effective for taxable years beginning after December 31, 2005.

Sec. 20. [469.328] [REPAYMENT OF TAX BENEFITS.]

Subdivision 1. [REPAYMENT OBLIGATION.] A person must repay the amount of the tax reduction received under section 469.324, subdivision 1, clauses (1) to (5), or refund received under section 469.327, during the two years immediately before it ceased to operate in the zone, if the person ceased to operate its facility located within the zone or otherwise ceases to be or is not a qualified business.

Subd. 2. [DISPOSITION OF REPAYMENT.] The repayment must be paid to the state to the extent it represents a state tax reduction and to the county to the extent it represents a property tax reduction. Any amount repaid to the state must be deposited in the general fund. Any amount repaid to the county for the property tax exemption must be distributed to the local governments with authority to levy taxes in the zone in the same manner provided for distribution of payment of delinquent property taxes. Any repayment of local sales or use taxes must be repaid to the jurisdiction imposing the local sales or use tax.

Subd. 3. [REPAYMENT PROCEDURES.] (a) For the repayment of taxes imposed under chapter 290 or 297A or local taxes collected pursuant to section 297A.99, a person must file an amended return with the commissioner of revenue and pay any taxes required to be repaid within 30 days after ceasing to be a qualified business. The amount required to be repaid is determined by calculating the tax for the period for which repayment is required without regard to the tax reductions allowed under section 469.324.

(b) For the repayment of property taxes, the county auditor shall prepare a tax statement for the person, applying the applicable tax extension rates for each payable year and provide a copy to the business. The person must pay the taxes to the county treasurer within 30 days after receipt of the tax statement. The taxpayer may appeal the valuation and determination of the property tax to the tax court within 30 days after receipt of the tax statement.

(c) The provisions of chapters 270 and 289A relating to the commissioner of revenue's authority to audit, assess, and collect the tax and to hear appeals are applicable to the repayment required under paragraph (a). The commissioner may impose civil penalties as provided in chapter 289A, and the additional tax and penalties are subject to interest at the rate provided in section 270.75, from 30 days after ceasing to do business in the zone until the date the tax is paid.

(d) If a property tax is not repaid under paragraph (b), the county treasurer shall add the amount

required to be repaid to the property taxes assessed against the property for payment in the year following the year in which the treasurer discovers that the person ceased to operate in the international economic development zone.

(e) For determining the tax required to be repaid, a tax reduction is deemed to have been received on the date that the tax would have been due if the person had not been entitled to the tax reduction.

(f) The commissioner of revenue may assess the repayment of taxes under paragraph (c) at any time within two years after the person ceases to be a qualified business, or within any period of limitations for the assessment of tax under section 289A.38, whichever is later.

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

Sec. 21. [DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT STUDY; INTERNATIONAL AIR FREIGHT.]

The commissioner of employment and economic development must study and analyze the issue of whether the state would benefit from more than one international economic development zone as defined in Minnesota Statutes, section 469.321. The commissioner shall solicit input on the issue from businesses, communities, and economic development organizations. The commissioner must report the results of the study and analysis to the committees of the legislature having jurisdiction over economic development issues by December 1, 2005, along with any legislative recommendations."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1861: A bill for an act relating to building plan review; providing an exemption from plan review for certain biotechnology manufacturing firms when plans meet designated specifications; directing the commissioner of labor and industry to study procedures for supervision of installation of biotechnology piping systems; requiring a report to the legislature.

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

Delete everything after the enacting clause and insert:

"Section 1. [EXEMPTION FROM PLAN REVIEW.]

Installation of high pressure steam, low pressure steam, gas, oil, refrigeration and process piping systems by biotechnology manufacturing firms shall be exempt from plan review by any city in Ramsey or Hennepin County if such system plans are drawn to the following American Society of Mechanical Engineers (ASME) requirements: ASME BPE - 2002 (bioprocessing equipment), ASME BPVC section II, part C, ASME BPVC section V, ASME BPVC section VIII, ASME BPVC section IX, ASME B31.3, and AWS D18.2. This section expires on January 1, 2008.

Sec. 2. [WORKING GROUP TO BE CONVENED.]

The commissioner of labor and industry will convene a working group to consist of one member from each of the Departments of Labor and Industry, Employment and Economic Development, and Administration; two members who are mechanical contractors; two members who are installers of piping systems; two members who are biotechnology manufacturers; and two representatives of cities who have process piping expertise, one of whom represents a city of the first class and one of whom represents a city other than a city of the first class. The working group will study procedures for supervision of installation of biotechnology piping systems through plan review and inspection. The commissioner of labor and industry will report the results of the study

to the chairs of the committees in the house and senate with relevant jurisdiction no later than February 1, 2006."

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

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

S.F. No. 1626: A bill for an act relating to natural resources; providing for establishment and disposition of certain issuing fees and an electronic licensing system commission; creating an account; modifying issuance of snowmobile state trail stickers by agents; appropriating money; amending Minnesota Statutes 2004, sections 84.027, subdivision 15; 84.791, subdivision 2; 84.8205, subdivisions 3, 4, 6; 84.86, subdivision 1; 84.925, subdivision 1; 85.055, subdivision 2; 85.43; 88.6435, subdivision 4; 97A.485, subdivision 7; 97B.015, subdivision 7; 97B.025.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1123: A bill for an act relating to the environment; providing specifications for review and waivers of 401 certification under the federal Clean Water Act; establishing fees; amending Minnesota Statutes 2004, section 115.03, subdivision 4a.

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 2004, section 115.03, subdivision 4a, is amended to read:

Subd. 4a. [SECTION 401 CERTIFICATIONS.] (a) The following definitions apply to this subdivision:

(1) "section 401 certification" means a water quality certification required under section 401 of the federal Clean Water Act, United States Code, title 33, section 1341; and

(2) "~~nationwide federal general permit~~" means a ~~nationwide~~ general permit issued by the United States Army Corps of Engineers and listed in Code of Federal Regulations, title 40, part 330, appendix A under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344; and

(3) "professional review" means review of federal permits or licenses that require section 401 certification before issuance by professional or technical agency staff experienced with 401 water quality certification.

(b) The ~~agency commissioner~~ is responsible for providing section 401 certifications for nationwide federal permits or licenses that require section 401 certification before issuance of the federal permit or license.

(c) Before making a final decision on a section 401 certification for regional conditions on a nationwide federal general permit, the agency commissioner shall hold at least one public meeting outside the seven-county metropolitan area.

(d) In addition to other notice required by law, the agency shall provide written notice of a meeting at which the agency will be considering a section 401 certification for regional conditions on a nationwide federal general permit at least 21 days before the date of the meeting to the members of the ~~senate and house of representatives environment and natural resources committees, the senate Agriculture and Rural Development Committee, and the house of~~

representatives Agriculture Committee policy committees with jurisdiction over environment and agriculture.

(e) Beginning July 1, 2005, the commissioner shall collect a fee on individual section 401 certifications in the amount of \$350 per certification and an additional \$200 for each acre of wetland or surface water that is subject to the section 401 certification. All fees collected by the commissioner under this section shall be deposited in the environmental fund and are appropriated to the agency for the purpose of providing professional review and notification.

(f) A decision by the commissioner to waive review of section 401 certification must include a written notice to project applicants that they remain responsible for complying with all water quality standards and other applicable statutes and rules and that the commissioner retains the authority to enforce violations of applicable standards, statutes, and rules, including assessment of penalties.

(g) The commissioner shall provide access to all public notices of applications for section 401 certification, their status, and the decision to certify, deny, or waive any application on the agency's Internet Web site, and may publish these documents in any other appropriate public medium. All public comments must be attached to the official public record waiver decision and be available for review upon request. All publications shall include the project's location, including county, township, range and section, street address or directions.

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

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1908: A bill for an act relating to natural resources; establishing the Shooting Range Protection Act; requiring expedited rulemaking; proposing coding for new law as Minnesota Statutes, chapter 87A.

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

Page 1, line 9, delete "87A.09" and insert "87A.08"

Page 2, line 12, delete "such a" and insert "the"

Page 4, lines 21 and 26, delete "such" and insert "the"

Page 5, lines 19 and 21, delete "87A.09" and insert "87A.08"

Page 5, line 28, delete "such a" and insert "the"

Page 5, line 36, delete "such" and insert "the" and delete "as" and insert "that is"

Page 6, lines 7 and 8, delete "such a" and insert "the"

Page 6, line 27, delete "such" and insert "the" and delete "as" and insert "that"

Page 6, line 33, delete "such a" and insert "the"

Page 7, delete section 9

Page 7, line 15, delete "9" and insert "8"

Re-number the sections in sequence

And when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1818: A bill for an act relating to human services; expanding children's therapeutic services and support; amending Minnesota Statutes 2004, section 256B.0943, subdivisions 1, 2.

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 2004, section 256B.0943, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them.

(a) "Care coordination" means activities that ensure:

(1) services are provided in the most appropriate manner to achieve maximum benefit to the client;

(2) nonduplication of services with county case managers;

(3) coordination of care with county social services, community corrections, and schools; and

(4) services are culturally competent, child-centered, and family-driven.

Care coordination may include activities that coordinate, for a particular client, any of the following:

(1) children's therapeutic services and supports covered service components, as provided in subdivision 2, paragraph (b), including psychotherapy, skills training, crisis assistance, mental health behavioral aide services, direction to a mental health behavioral aide, and family psychoeducation;

(2) other medical assistance reimbursable services that are not covered components of children's therapeutic services and supports, including, but not limited to, outpatient treatment and home and community-based waived services;

(3) other components of a therapeutic program not covered by medical assistance as part of children's therapeutic services and supports, including, but not limited to, a day treatment program, a preschool program, and other therapeutic activities included in the child's individual treatment plan;

(4) obtaining the client's history;

(5) diagnostic assessment, including functional assessment;

(6) development, review, and updating of the client's individual treatment plan;

(7) development, review, and updating of the client's individual behavioral plan;

(8) entry of a client's data into the performance measurement system;

(9) maintenance of clinical records;

(10) scheduling for the client;

(11) documentation required for billing;

(12) consultation with other providers;

(13) services that are the responsibility of a residential treatment provider, foster care provider, hospital, group home, regional treatment center, or other institutional group setting and the discharge planning from such settings; and

(14) adjunctive activities offered by a provider who does not provide children's therapeutic services and supports that are not covered by medical assistance, including, but not limited to, recreational services; social or educational services not expected to have a therapeutic outcome related to the client's emotional disturbance; consultation with other providers; and chemical dependency treatment.

(b) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(b) (c) "Clinical supervision" means the overall responsibility of the mental health professional for the control and direction of individualized treatment planning, service delivery, and treatment review for each client. A mental health professional who is an enrolled Minnesota health care program provider accepts full professional responsibility for a supervisee's actions and decisions, instructs the supervisee in the supervisee's work, and oversees or directs the supervisee's work.

(e) (d) "County board" means the county board of commissioners or board established under sections 402.01 to 402.10 or 471.59.

(d) (e) "Crisis assistance" has the meaning given in section 245.4871, subdivision 9a.

(e) (f) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) (g) "Day treatment program" for children means a site-based structured program consisting of group psychotherapy for more than three individuals and other intensive therapeutic services provided by a multidisciplinary team, under the clinical supervision of a mental health professional.

(g) (h) "Diagnostic assessment" has the meaning given in section 245.4871, subdivision 11.

(h) (i) "Direct service time" means the time that a mental health professional, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family. Direct service time includes time in which the provider obtains a client's history or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling, maintaining clinical records, consulting with others about the client's mental health status, preparing reports, receiving clinical supervision directly related to the client's psychotherapy session, and revising the client's individual treatment plan.

(i) (j) "Direction of mental health behavioral aide" means the activities of a mental health professional or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individualized treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (5).

(j) (k) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15. For persons at least age 18 but under age 21, mental illness has the meaning given in section 245.462, subdivision 20, paragraph (a).

(k) (l) "Family psychoeducation services" means education provided under the supervision of a mental health professional to a parent, family member, foster parent, or guardian about the child's mental health condition.

(m) "Individual behavioral plan" means a plan of intervention, treatment, and services for a child written by a mental health professional or mental health practitioner, under the clinical supervision of a mental health professional, to guide the work of the mental health behavioral aide.

(~~h~~) (n) "Individual treatment plan" has the meaning given in section 245.4871, subdivision 21.

(~~m~~) (o) "Mental health professional" means an individual as defined in section 245.4871, subdivision 27, clauses (1) to (5), or tribal vendor as defined in section 256B.02, subdivision 7, paragraph (b).

(~~n~~) (p) "Preschool program" means a day program licensed under Minnesota Rules, parts 9503.0005 to 9503.0175, and enrolled as a children's therapeutic services and supports provider to provide a structured treatment program to a child who is at least 33 months old but who has not yet attended the first day of kindergarten.

(~~o~~) (q) "Skills training" means individual, family, or group training designed to improve the basic functioning of the child with emotional disturbance and the child's family in the activities of daily living and community living, and to improve the social functioning of the child and the child's family in areas important to the child's maintaining or reestablishing residency in the community. Individual, family, and group skills training must:

(1) consist of activities designed to promote skill development of the child and the child's family in the use of age-appropriate daily living skills, interpersonal and family relationships, and leisure and recreational services;

(2) consist of activities that will assist the family's understanding of normal child development and to use parenting skills that will help the child with emotional disturbance achieve the goals outlined in the child's individual treatment plan; and

(3) promote family preservation and unification, promote the family's integration with the community, and reduce the use of unnecessary out-of-home placement or institutionalization of children with emotional disturbance.

Sec. 2. Minnesota Statutes 2004, section 256B.0943, subdivision 2, is amended to read:

Subd. 2. [COVERED SERVICE COMPONENTS OF CHILDREN'S THERAPEUTIC SERVICES AND SUPPORTS.] (a) Subject to federal approval, medical assistance covers medically necessary children's therapeutic services and supports as defined in this section that an eligible provider entity under subdivisions 4 and 5 provides to a client eligible under subdivision 3.

(b) The service components of children's therapeutic services and supports are:

(1) individual, family, and group psychotherapy;

(2) individual, family, or group skills training provided by a mental health professional or mental health practitioner;

(3) crisis assistance;

(4) mental health behavioral aide services; and

(5) direction of a mental health behavioral aide;

(6) care coordination services; and

(7) family psychoeducation services.

(c) Service components may be combined to constitute therapeutic programs, including day treatment programs and preschool programs. Although day treatment and preschool programs have specific client and provider eligibility requirements, medical assistance only pays for the service components listed in paragraph (b).

Sec. 3. [FEDERAL APPROVAL; EFFECTIVE DATE.]

If federal approval is required, the commissioner shall apply for federal approval, and sections

1 and 2 are effective upon federal approval. If federal approval is not necessary, sections 1 and 2 are effective July 1, 2006."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1291: A bill for an act relating to education; licensing teachers of interdisciplinary teaching and facilitating learning in innovative schools and programs; providing for rulemaking; amending Minnesota Statutes 2004, section 122A.09, subdivision 4.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1321: A bill for an act relating to the Metropolitan Airports Commission; providing for additional taxicabs at Minneapolis-St. Paul International Airport; providing a procedure to increase fees on taxicab services; permitting transfer of taxicab permits and assets; prohibiting the enactment of certain unsafe rules; providing for a report; amending Minnesota Statutes 2004, sections 221.091, subdivision 3; 473.606, by adding a subdivision; 473.621, by adding a subdivision.

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

Page 2, line 3, delete everything after the period

Page 2, delete lines 4 and 5

Page 2, line 6, delete everything before "The" and insert "After July 1, 2007, the Metropolitan Airports Commission may issue new permits for taxicabs in an amount exceeding 640, if after a public hearing it finds that more taxicabs are needed to serve the Minneapolis-St. Paul International Airport."

Page 2, line 14, before the period, insert "and not solely imposed on a per-trip basis"

Page 2, line 21, delete everything after "(d)"

Page 2, delete line 22

Page 2, line 23, delete everything before "The" and insert "If the Metropolitan Airports Commission allows for permit transfers,"

Pages 2 and 3, delete sections 2 and 3

Amend the title as follows:

Page 1, line 6, delete "prohibiting the"

Page 1, delete line 7

Page 1, line 8, delete "report;" and delete "sections" and insert "section"

Page 1, line 9, delete "; 473.606, by adding a" and insert a period

Page 1, delete line 10

And when so amended the bill be reported to the Senate without recommendation. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1578: A bill for an act relating to public safety; reviving and reenacting the board of firefighting training and education.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1980: A bill for an act relating to appropriations; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for general contingent accounts and tort claims; authorizing issuance of trunk highway bonds; modifying provision for handling state mail; modifying vehicle registration tax and fee provisions; increasing fees for motor vehicle transfers and driver and vehicle services; establishing and modifying accounts; abolishing statewide bicycle registration program; proposing an amendment to the Minnesota Constitution, article XIV; authorizing street utility fees and assessments; providing for road signs; establishing multimodal transportation fund; increasing and indexing tax on motor fuels and allocating proceeds of the increase; reapportioning highway state-aid money to counties; expanding authority for county wheelage tax; changing vehicle registration tax rates; allocating proceeds of sales tax on motor vehicles; authorizing local transportation sales and excise tax; requiring a report; making technical and clarifying revisions; amending Minnesota Statutes 2004, sections 16B.49; 115A.908, subdivision 1; 161.04, by adding a subdivision; 161.081, subdivision 3; 162.06, subdivision 2; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, by adding a subdivision; 168.013, subdivisions 1a, 8; 168.09, subdivision 7; 168.105, subdivisions 2, 3, 5; 168.12; 168.123; 168.1235; 168.124; 168.125; 168.1255; 168.127, subdivision 6; 168.128; 168.129; 168.1291; 168.1293; 168.1296; 168.1297; 168.27, subdivision 11; 168.33; 168.345, subdivisions 1, 2; 168.381; 168.54, subdivisions 4, 5; 168A.152, subdivision 2; 168A.29; 168A.31; 169.09, subdivision 13; 169A.60, subdivision 16; 171.06, subdivisions 2, 2a; 171.061, subdivision 4; 171.07, subdivision 11; 171.13, subdivision 6, by adding a subdivision; 171.20, subdivision 4; 171.26; 171.29, subdivision 2; 171.36; 296A.07, subdivision 3, by adding a subdivision; 296A.08, subdivision 2, by adding a subdivision; 297B.09, subdivision 1; 446A.085, subdivisions 3, 8, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16A; 160; 161; 168; 297A; 299A; repealing Minnesota Statutes 2004, sections 168.012, subdivision 12; 168.041, subdivision 11; 168.105, subdivision 6; 168.231; 168.345, subdivisions 3, 4; 168C.01; 168C.02; 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.10; 168C.11; 168C.12; 168C.13; 170.23; 171.12, subdivision 8; 171.185; Minnesota Rules, parts 7407.0100; 7407.0200; 7407.0300; 7407.0400; 7407.0500; 7407.0600; 7407.0700; 7407.0800; 7407.0900; 7407.1000; 7407.1100; 7407.1200; 7407.1300.

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

Pages 78 to 80, delete section 2

Pages 89 to 91, delete section 7

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, delete line 13

Page 1, line 18, delete everything before "changing"

Page 1, line 27, delete "163.051;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 900: A bill for an act relating to state government; providing a process for community ownership of the Minnesota Twins; proposing coding for new law as Minnesota Statutes, chapter 4B.

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

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

S.F. No. 1364: A bill for an act relating to drainage; allowing an outlet fee to be charged for use of an established drainage system in Red Lake County as an outlet for drainage originating in Pennington County.

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

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

S.F. No. 1252: A bill for an act relating to water; providing for the consumptive use of groundwater.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1045: A bill for an act relating to public safety; increasing 911 emergency telecommunications service fee; imposing certain restrictions on public subsidy to telephone companies for providing 911 emergency telephone service; increasing distribution to pay costs of public safety answering points; authorizing sale of Metropolitan Council bonds to implement phases two and three of the 800-MHz public safety radio system; providing for levy of property taxes to secure payment of system operating costs; appropriating money; amending Minnesota Statutes 2004, sections 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.27, subdivisions 1, 3; 403.30, subdivisions 1, 3; 403.31, subdivision 6.

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

Page 2, line 20, delete the new language and reinstate the stricken language

Page 4, line 9, delete the new language and reinstate the stricken language

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 1732: A bill for an act relating to commerce; regulating securities, mortgage originators and servicers, athlete agents, and the contractor's recovery fund; amending Minnesota Statutes 2004, sections 80A.19, by adding a subdivision; 116J.70, subdivision 2a; 326.975, subdivision 1.

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

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "securities,"

Page 1, line 5, delete everything after "sections"

Page 1, line 6, delete "subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1719: A bill for an act relating to human services; reinstating certain American Indian advisory councils; amending Minnesota Statutes 2004, sections 254A.035, subdivision 2; 254A.04; 260.835.

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

Page 2, after line 21, insert:

"Sec. 3. Minnesota Statutes 2004, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE TRAUMATIC BRAIN INJURY PROGRAM.] The commissioner of human services shall:

- (1) maintain a statewide traumatic brain injury program;
- (2) supervise and coordinate services and policies for persons with traumatic brain injuries;
- (3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;
- (4) maintain an advisory committee to provide recommendations in reports to the commissioner regarding program and service needs of persons with traumatic brain injuries;
- (5) investigate the need for the development of rules or statutes for the traumatic brain injury home and community-based services waiver;
- (6) investigate present and potential models of service coordination which can be delivered at the local level; and
- (7) the advisory committee required by clause (4) must consist of no fewer than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair. Notwithstanding section 15.059, subdivision 5, the advisory committee does not terminate until June 30, ~~2005~~ 2008."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "extending the termination date for the Traumatic Brain Injury Advisory Committee;"

Page 1, line 5, after the semicolon, insert "256B.093, subdivision 1;"

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

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1459: A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2004, sections 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 2, lines 7 and 14, delete "six" and insert "seven"

Page 2, line 9, after the semicolon, insert "and"

Page 2, line 10, delete "six" and insert "seven" and delete "representing eligible employers"

Page 2, line 11, delete "; and" and insert ", to represent the interest of eligible employers."

Page 2, delete lines 12 and 13

Page 2, line 16, delete "three" and insert "four"

Page 2, after line 28, insert:

"(e) The board must arrange for one or more methods of dispute resolution so as to minimize the possibility of deadlocks."

Page 2, line 29, delete "(e)" and insert "(f)"

Page 2, delete line 36

Page 3, delete lines 1 to 3

Page 3, line 4, delete "(c)" and insert "(b)"

Page 3, line 12, delete "(d)" and insert "(c)"

Page 3, line 16, delete "(e)" and insert "(d)"

Page 3, line 19, delete "(f)" and insert "(e)"

Page 3, line 26, delete "(g)" and insert "(f)"

Page 3, line 30, delete "(h)" and insert "(g)"

Page 4, delete lines 3 to 11

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1370: A bill for an act relating to telecommunications; providing for an alternative form of regulation for certain telephone companies; providing for reduced reporting requirements; clarifying the authority of the public utilities commission to issue remedial orders; establishing a single per number fee for certain telecommunications programs; regulating wireless telephone directories; providing for additional cable franchises; creating a task force on telecommunications; regulating cancellation of long distance service; authorizing the city of Alexandria to enter into certain telecommunication joint ventures; providing penalties; appropriating money; amending Minnesota Statutes 2004, sections 237.11; 237.295, subdivisions 1, 2; 237.462, by adding subdivisions; 237.69, subdivision 16, by adding a subdivision; 237.70, subdivisions 2, 5; 237.701, subdivision 1; 237.74, by adding a subdivision; 238.08, subdivision 1, by adding a subdivision; 403.06, subdivision 1a; 403.11, subdivision 1; 403.113, subdivision 1; 403.30, subdivision 1; Laws 1999, chapter 224, section 7, as amended; Laws 2002, chapter 329, section 5; proposing

coding for new law in Minnesota Statutes, chapters 237; 325E; 325F; repealing Minnesota Statutes 2004, section 237.69, subdivisions 5, 17; Laws 1999, chapter 125, section 4, as amended.

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

Pages 1 to 11, delete article 1

Page 21, line 17, delete "[DEFINITIONS" and insert "[DEFINITIONS.]"

Pages 23 to 25, delete article 4

Page 26, line 18, delete "two" and insert "five"

Renumber the articles in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 to 6

Page 1, lines 9 and 10, delete "providing for additional cable franchises;"

Page 1, line 15, delete "237.11;"

Page 1, line 16, delete "237.462, by adding"

Page 1, line 17, delete "subdivisions;"

Page 1, delete line 20

Page 1, line 22, delete "Laws"

Page 1, line 23, delete everything before "Laws"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1929: A bill for an act relating to Pope County; providing a process for making certain offices appointive in Pope County.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1468: A bill for an act relating to public employers; modifying public employer reimbursement for compensation paid to certain firefighters and peace officers; creating a panel to evaluate claims; amending Minnesota Statutes 2004, sections 214.04, subdivision 1; 299A.465, subdivision 4, by adding subdivisions.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 981: A bill for an act relating to airports; requiring supplemental chapter in state

aviation system plan; creating advisory council on aviation planning; amending Minnesota Statutes 2004, section 174.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 174.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1135: A bill for an act relating to Brown County; permitting the appointment of the county recorder.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1204: A bill for an act relating to health; recodifying statutes and rules relating to social work; authorizing rulemaking; providing penalties; modifying provisions relating to physical therapists; providing penalties; modifying the Psychology Practice Act; phasing out licensure as a licensed psychological practitioner; modifying dental licensure provisions; establishing fees; modifying provisions for licensed professional counselors; authorizing certain rulemaking; modifying physician review; modifying information contained on prescriptions; providing recognition for the practice of respiratory therapy in emergency situations; providing that audiologists need not obtain hearing instrument dispenser certification; providing penalties; transferring oversight authority for the Office of Mental Health Practice; requiring a report; establishing penalty fees for certain credentialed health occupations; providing criminal penalties; appropriating money; amending Minnesota Statutes 2004, sections 13.383, subdivision 10; 13.411, subdivision 5; 144.335, subdivision 1; 144A.46, subdivision 2; 147.09; 147A.18, subdivisions 1, 3; 147C.05; 148.512, subdivision 6, by adding subdivisions; 148.515, by adding a subdivision; 148.5194, by adding subdivisions; 148.5195, subdivision 3; 148.6445, by adding a subdivision; 148.65, by adding subdivisions; 148.706; 148.75; 148.89, subdivision 5; 148.90, subdivision 1; 148.907, by adding a subdivision; 148.908, subdivision 2, by adding a subdivision; 148.909; 148.916, subdivision 2; 148.925, subdivision 6; 148.941, subdivision 2; 148.96, subdivision 3; 148B.53, subdivisions 1, 3; 148B.54, subdivision 2; 148B.59; 148B.60; 148B.61; 148C.03, subdivision 1; 148C.04, subdivisions 3, 4, 6; 148C.091, subdivision 1; 148C.10, subdivision 2; 148C.11, subdivisions 1, 4, 5, 6; 148C.12, subdivision 3, by adding a subdivision; 150A.01, subdivision 6a; 150A.06, subdivision 1a; 150A.10, subdivision 1a; 153A.13, subdivision 5; 153A.14, subdivisions 2i, 4, 4c; 153A.15, subdivision 1; 153A.20, subdivision 1; 214.01, subdivision 2; 214.103, subdivision 1; 245.462, subdivision 18; 245.4871, subdivision 27; 256B.0625, subdivision 38; 256J.08, subdivision 73a; 319B.02, subdivision 19; 319B.40; Laws 2003, chapter 118, section 29, as amended; proposing coding for new law in Minnesota Statutes, chapters 148; 148B; 148C; 150A; 153A; providing coding for new law as Minnesota Statutes, chapter 148D; repealing Minnesota Statutes 2004, sections 148B.18; 148B.185; 148B.19; 148B.20; 148B.21; 148B.215; 148B.22; 148B.224; 148B.225; 148B.226; 148B.24; 148B.25; 148B.26; 148B.27; 148B.28; 148B.281; 148B.282; 148B.283; 148B.284; 148B.285; 148B.286; 148B.287; 148B.288; 148B.289; 148C.02; 148C.12, subdivision 4; 153A.14, subdivision 2a; Minnesota Rules, parts 4747.0030, subparts 11, 16; 4747.1200; 4747.1300; 5601.0100, subparts 3, 4; 8740.0100; 8740.0110; 8740.0120; 8740.0122; 8740.0130; 8740.0155; 8740.0185; 8740.0187; 8740.0200; 8740.0240; 8740.0260; 8740.0285; 8740.0300; 8740.0310; 8740.0315; 8740.0320; 8740.0325; 8740.0330; 8740.0335; 8740.0340; 8740.0345.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1552: A bill for an act relating to local government; authorizing city councils in cities of the first class to establish civil rights or human rights departments; providing enforcement powers for housing discrimination cases.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1794: A bill for an act relating to motor vehicles; requiring insurance companies to report information; creating vehicle insurance verification program and special revenue account; requiring preparation of database to identify uninsured motorists; requiring commissioner of public safety to discontinue insurance verification sampling program; declaring charges for violations of sampling program laws to be void; reinstating certain drivers' licenses; authorizing rulemaking; requiring report; imposing criminal penalty; appropriating money; amending Minnesota Statutes 2004, sections 168.013, by adding a subdivision; 169.09, subdivision 13; 169.795; 169.796, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B; 169; repealing Minnesota Statutes 2004, section 169.796, subdivision 3.

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

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

S.F. No. 1234: A bill for an act relating to the city of Minneapolis; creating a study panel on the governance and management structure of the city; providing membership of the study panel; appropriating money.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1872, 1025, 1636, 1253, 1530, 1291, 1321, 1578, 900, 1364, 1252, 1719, 1929, 1135, 1204, 1552, 1794 and 1234 were read the second time.

MOTIONS AND RESOLUTIONS

Senator Marty moved that the name of Senator Michel be added as a co-author to S.F. No. 384. The motion prevailed.

Senator Koering moved that his name be stricken as a co-author to S.F. No. 516. The motion prevailed.

Senator Sams moved that the name of Senator Skoe be added as a co-author to S.F. No. 516. The motion prevailed.

Senator Kelley moved that the name of Senator Wiger be added as a co-author to S.F. No. 919. The motion prevailed.

Senator Robling moved that the name of Senator Dibble be added as a co-author to S.F. No. 1506. The motion prevailed.

Senator Anderson moved that the name of Senator Kubly be added as a co-author to S.F. No. 1924. The motion prevailed.

Senator Kelley moved that the name of Senator Marty be added as a co-author to S.F. No. 1973. The motion prevailed.

Senator Dille moved that the name of Senator Ruud be added as a co-author to S.F. No. 2095. The motion prevailed.

Senator Sparks moved that the name of Senator Day be added as a co-author to S.F. No. 2102. The motion prevailed.

Pursuant to Rule 5.1, Senator Johnson, D.E., with the concurrence of the chief author, moved that S.F. No. 1623 be withdrawn from the Committee on State and Local Government Operations, given a second reading, and placed on General Orders. The motion prevailed.

S.F. No. 1623 was read the second time.

Senator Skoglund moved that S.F. No. 2067 be withdrawn from the Committee on Crime Prevention and Public Safety and re-referred to the Committee on Judiciary. The motion prevailed.

Senator Marty moved that S.F. No. 606 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes. The motion prevailed.

Senator Murphy moved that S.F. No. 1926 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes. The motion prevailed.

Senator Koering introduced--

Senate Resolution No. 73: A Senate resolution honoring Liz Verley on the occasion of her retirement.

Referred to the Committee on Rules and Administration.

Senators Metzen, Tomassoni and Sparks introduced--

Senate Resolution No. 74: A Senate resolution honoring the University of Minnesota Women's Hockey team on winning its second consecutive NCAA hockey title and celebrating the fact that, during the five years the NCAA has hosted a women's college hockey tournament, only Minnesota teams have won the title.

Referred to the Committee on Rules and Administration.

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 Foley introduced--

S.F. No. 2103: A bill for an act relating to education funding; increasing referendum equalization aid; increasing the referendum revenue cap; amending Minnesota Statutes 2004, section 126C.17, subdivisions 2, 5.

Referred to the Committee on Finance.

Senator Foley introduced--

S.F. No. 2104: A bill for an act relating to retirement; public employees police and fire retirement plan; providing an annuity for a former St. Paul firefighter to correct an error in coverage.

Referred to the Committee on State and Local Government Operations.

Senators Moua, Pappas, Rosen, Berglin and Anderson introduced--

S.F. No. 2105: A bill for an act relating to health; providing for licensing of naturopathic doctors; providing criminal penalties; amending Minnesota Statutes 2004, sections 62J.54, subdivision 2; 116J.70, subdivision 2a; 144.335, subdivision 1; 145.61, subdivision 2; 146.23, subdivision 7; 148B.60, subdivision 3; 151.01, subdivision 23; 214.23, subdivision 1; 604A.01, subdivision 2; 604A.015; proposing coding for new law as Minnesota Statutes, chapter 147E.

Referred to the Committee on Health and Family Security.

Senators Scheid, Betzold and Foley introduced--

S.F. No. 2106: A bill for an act relating to education finance; defining a locally controlled process for establishing hazardous traffic condition pupil transportation zones; authorizing a levy for certain hazardous pupil transportation services; amending Minnesota Statutes 2004, sections 123B.88, by adding a subdivision; 123B.92, by adding a subdivision.

Referred to the Committee on Finance.

Senator Marko introduced--

S.F. No. 2107: A bill for an act relating to education finance; clarifying the types of projects that are eligible for funding with the alternative facilities bonding and levying program; amending Minnesota Statutes 2004, section 123B.59, subdivision 2.

Referred to the Committee on Finance.

Senator Marko introduced--

S.F. No. 2108: A bill for an act relating to education finance; clarifying the types of projects that are eligible for funding with the alternative facilities bonding and levying program; amending Minnesota Statutes 2004, section 123B.59, subdivision 2.

Referred to the Committee on Finance.

Senator Hann introduced--

S.F. No. 2109: A bill for an act relating to taxation; establishing a state tax reform action commission; authorizing appointment to the commission; directing preparation of a report to the legislature; appropriating money.

Referred to the Committee on Taxes.

Senators Hann and Wergin introduced--

S.F. No. 2110: A bill for an act relating to education finance; increasing the referendum revenue allowance; amending Minnesota Statutes 2004, section 126C.17, subdivisions 2, 5, 7.

Referred to the Committee on Finance.

Senators Hann and Wergin introduced--

S.F. No. 2111: A bill for an act relating to education; establishing notice requirements for student surveys and similar instruments; proposing coding for new law in Minnesota Statutes, chapter 121A.

Referred to the Committee on Education.

Senator Murphy introduced--

S.F. No. 2112: A bill for an act relating to local government; providing for meetings of county boards at locations other than the county seat; amending Minnesota Statutes 2004, section 375.07.

Referred to the Committee on State and Local Government Operations.

Senator Gerlach introduced--

S.F. No. 2113: A bill for an act relating to taxation; tax increment financing; authorizing certain expenditures of increment by the city of Rosemount.

Referred to the Committee on Taxes.

Senator Senjem introduced--

S.F. No. 2114: A bill for an act relating to state government; providing that certain rules take effect only upon legislative approval; amending Minnesota Statutes 2004, section 14.19; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on State and Local Government Operations.

Senator Senjem introduced--

S.F. No. 2115: A bill for an act relating to education; allowing a school district to terminate the enrollment of a nonresident enrollment options student during the school year; amending Minnesota Statutes 2004, sections 124D.03, subdivision 12; 260C.143, subdivision 1.

Referred to the Committee on Education.

Senator Senjem introduced--

S.F. No. 2116: A bill for an act relating to taxation; sales and use; exempting sales to political subdivisions of a state; amending Minnesota Statutes 2004, section 297A.70, subdivisions 1, 2, 3.

Referred to the Committee on Taxes.

Senators Skoe, Hann, Langseth and Vickerman introduced--

S.F. No. 2117: A bill for an act relating to data practices; agricultural data; classifying certain information relating to feedlots and animal premises as nonpublic data; amending Minnesota Statutes 2004, section 13.643, by adding a subdivision.

Referred to the Committee on Agriculture, Veterans and Gaming.

Senator Gaither introduced--

S.F. No. 2118: A bill for an act relating to commerce; requiring businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized persons; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Senator Betzold introduced--

S.F. No. 2119: A bill for an act relating to retirement; Public Employees Retirement Association; requiring fees be paid in certain circumstances; amending Minnesota Statutes 2004, section 353.03, subdivision 3.

Referred to the Committee on State and Local Government Operations.

Senator Betzold introduced--

S.F. No. 2120: A bill for an act relating to health; permitting tobacco use in certain health care settings; amending Minnesota Statutes 2004, section 144.414, subdivision 3.

Referred to the Committee on Health and Family Security.

Senators Jungbauer, Nienow and Pariseau introduced--

S.F. No. 2121: A bill for an act relating to public safety; modifying motor vehicle, traffic regulation, and driver's license provisions relating to commercial motor vehicles; making technical and clarifying changes; modifying definitions of recreational vehicle, motor home, state, and tank vehicle; prohibiting issuance of identification card to holder of driving instruction permit; modifying driver's license classifications, restrictions, exceptions, and exemptions; modifying driver records provisions; incorporating federal regulations; amending Minnesota Statutes 2004, sections 168.011, subdivision 25; 169.01, subdivision 75; 169A.52, subdivision 3; 171.01, subdivisions 22, 47, by adding a subdivision; 171.02; 171.03; 171.04, subdivision 2; 171.09; 171.12, subdivision 3; 171.165, subdivisions 1, 2, 6; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2004, sections 169.99, subdivision 1b; 171.12, subdivision 6; 171.165, subdivisions 3, 4, 4a, 4b; Minnesota Rules, part 7503.2400.

Referred to the Committee on Transportation.

Senators Vickerman and Rosen introduced--

S.F. No. 2122: A bill for an act relating to counties; permitting counties to issue capital improvement bonds for rehabilitation or demolition of tax-forfeited commercial property; amending Minnesota Statutes 2004, section 373.40, subdivision 1, by adding a subdivision.

Referred to the Committee on Finance.

Senators Metzen, Tomassoni, Sparks and Anderson introduced--

S.F. No. 2123: A resolution memorializing the President, Congress, and the United States Postal Service to maintain current levels of service.

Referred to the Committee on Jobs, Energy and Community Development.

Senators Rosen, Hottinger and Chaudhary introduced--

S.F. No. 2124: A bill for an act relating to education; providing for compulsory instruction of children between five and 16 years of age; making special provisions for children under age 7; amending Minnesota Statutes 2004, section 120A.22, subdivisions 5, 6.

Referred to the Committee on Education.

Senators Belanger, Michel, Ranum, Higgins and Cohen introduced--

S.F. No. 2125: A bill for an act relating to the Metropolitan Airports Commission; including Bloomington in the definition of "city"; amending Minnesota Statutes 2004, section 473.601, subdivision 6.

Referred to the Committee on State and Local Government Operations.

Senator Lourey introduced--

S.F. No. 2126: A bill for an act relating to public safety; requiring the commissioner of health to study and make recommendations regarding use of an additive to anhydrous ammonia to prevent illicit use of amphetamine.

Referred to the Committee on Health and Family Security.

Senator Lourey introduced--

S.F. No. 2127: A bill for an act relating to public safety; requiring the commissioner of health to develop methamphetamine offender education materials; requiring sheriffs to provide inmates with methamphetamine education materials; proposing coding for new law in Minnesota Statutes, chapters 144; 387.

Referred to the Committee on Crime Prevention and Public Safety.

Senators Dibble, Higgins, Jungbauer, Sams and Frederickson introduced--

S.F. No. 2128: A bill for an act relating to property taxation; providing a valuation exclusion for new or refurbished individual sewage treatment systems; amending Minnesota Statutes 2004, section 273.11, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Skoe, Skoglund and Langseth introduced--

S.F. No. 2129: A bill for an act relating to local government; authorizing local governments to charge a fee to provide mosquito abatement; amending Minnesota Statutes 2004, section 18G.14, subdivisions 12, 16, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senators Senjem and Kiscaden introduced--

S.F. No. 2130: A bill for an act relating to higher education; establishing the Rochester University Development Committee; creating development account; appropriating money.

Referred to the Committee on Finance.

Senator Michel introduced--

S.F. No. 2131: A bill for an act relating to civil actions; reforming medical malpractice liability; proposing coding for new law in Minnesota Statutes, chapters 147; 604.

Referred to the Committee on Judiciary.

Senator Kelley introduced--

S.F. No. 2132: A bill for an act relating to state government; directing an assessment of public access to the Internet and Internet-based public information and applications.

Referred to the Committee on State and Local Government Operations.

Senators Rosen, Pariseau and Murphy introduced--

S.F. No. 2133: A bill for an act relating to game and fish; modifying certain issuing fees; amending Minnesota Statutes 2004, section 97A.485, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Senators Rosen, Skoe and Murphy introduced--

S.F. No. 2134: A bill for an act relating to education; changing the calculation of marginal cost

pupil units and equalized debt service levy; amending Minnesota Statutes 2004, sections 126C.05, subdivisions 5, 6; 123B.53, subdivision 5.

Referred to the Committee on Finance.

Senators Kelley, Tomassoni, Kierlin and Pappas introduced--

S.F. No. 2135: A bill for an act relating to education; providing funding for college in the schools; appropriating money; amending Minnesota Statutes 2004, section 136A.101, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 124D.

Referred to the Committee on Education.

Senators Marty, Anderson and Higgins introduced--

S.F. No. 2136: A bill for an act relating to the environment; requiring the commissioner of the Pollution Control Agency to seek funding for environmental justice mapping.

Referred to the Committee on Environment and Natural Resources.

Senators Reiter, Robling and Pariseau introduced--

S.F. No. 2137: A bill for an act relating to education; providing for an election to determine whether to detach land from an existing school district for a new independent school district; proposing coding for new law in Minnesota Statutes, chapter 123A.

Referred to the Committee on Education.

Senator Hottinger introduced--

S.F. No. 2138: A bill for an act relating to health; appropriating money for the suicide prevention program.

Referred to the Committee on Finance.

Senator Pogemiller introduced--

S.F. No. 2139: A bill for an act relating to retirement; correctional state employees retirement plan of the Minnesota State Retirement System; establishing a process within the Department of Corrections for the evaluation and recommendation of potential additional inclusions in plan coverage; amending Minnesota Statutes 2004, section 352.91, by adding a subdivision.

Referred to the Committee on State and Local Government Operations.

Senator Ruud introduced--

S.F. No. 2140: A bill for an act relating to education; permitting school districts to provide employees with electronic earning statements; amending Minnesota Statutes 2004, section 181.032.

Referred to the Committee on Education.

Senator Pogemiller introduced--

S.F. No. 2141: A bill for an act relating to retirement; authorizing purchase of service credit from the public employees police and fire fund.

Referred to the Committee on State and Local Government Operations.

Senator Skoglund introduced--

S.F. No. 2142: A bill for an act relating to public safety; expanding forfeiture of conveyance devices involved in drug crimes; amending Minnesota Statutes 2004, section 609.5311, subdivision 3.

Referred to the Committee on Crime Prevention and Public Safety.

Senators Hann and Belanger introduced--

S.F. No. 2143: A bill for an act relating to taxation; establishing a state tax reform action commission; authorizing appointment to the commission; directing preparation of a report to the legislature; appropriating money.

Referred to the Committee on Taxes.

Senators McGinn, Jungbauer and Koering introduced--

S.F. No. 2144: A bill for an act relating to consumer protection; regulating credit card offers and solicitations; requiring address corrections; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce.

Senators McGinn, Jungbauer and Koering introduced--

S.F. No. 2145: A bill for an act relating to consumer protection; providing a procedure to block the reporting of information in a consumer credit report in cases of identity theft; proposing coding for new law in Minnesota Statutes, chapter 13C.

Referred to the Committee on Commerce.

Senator Anderson introduced--

S.F. No. 2146: A bill for an act relating to utilities; repealing sunset provision for certain expedited proceedings and practices of Public Utilities Commission; repealing Laws 1999, chapter 125, section 4, as amended.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Anderson introduced--

S.F. No. 2147: A bill for an act relating to utilities; regulating electric transmission companies; making clarifying changes; amending Minnesota Statutes 2004, sections 216B.02, by adding a subdivision; 216B.2425, subdivisions 2, 7; 216B.50, subdivision 1; 216B.62, by adding a subdivision; 216B.79.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Anderson introduced--

S.F. No. 2148: A bill for an act relating to energy assistance; correcting statutory authority for energy assistance programs previously transferred between agencies; repealing obsolete energy assistance programs; removing obsolete oil overcharge language; amending Minnesota Statutes 2004, sections 13.681, by adding a subdivision; 119A.15, subdivision 5a; 216C.09; 216C.30, subdivision 4; 216C.31; 462A.05, subdivisions 21, 23; 504B.161, subdivision 1; repealing Minnesota Statutes 2004, sections 13.319, subdivision 4; 119A.42, subdivision 4; 216B.165, subdivision 2; 216C.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 216C.30, subdivision 5; Minnesota Rules,

parts 7635.0100; 7635.0110; 7635.0120; 7635.0130; 7635.0140; 7635.0150; 7635.0160; 7635.0170; 7635.0180; 7635.0200; 7635.0210; 7635.0220; 7635.0230; 7635.0240; 7635.0250; 7635.0260; 7635.0300; 7635.0310; 7635.0320; 7635.0330; 7635.0340; 7635.0400; 7635.0410; 7635.0420; 7635.0500; 7635.0510; 7635.0520; 7635.0530; 7635.0600; 7635.0610; 7635.0620; 7635.0630; 7635.0640; 7635.1000; 7635.1010; 7635.1020; 7635.1030; 7655.0100; 7655.0120; 7655.0200; 7655.0210; 7655.0220; 7655.0230; 7655.0240; 7655.0250; 7655.0260; 7655.0270; 7655.0280; 7655.0290; 7655.0300; 7655.0310; 7655.0320; 7655.0330; 7655.0400; 7655.0410; 7655.0420.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Murphy introduced--

S.F. No. 2149: A bill for an act relating to transportation; increasing motor fuel tax rates and providing for annual indexing; allocating revenue from motor vehicle sales tax; authorizing issuance of \$2,100,000,000 in state trunk highway bonds; appropriating money; amending Minnesota Statutes 2004, sections 296A.07, subdivision 3; 296A.08, subdivision 2; 297B.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 296A.

Referred to the Committee on Transportation.

Senators Lourey and Vickerman introduced--

S.F. No. 2150: A bill for an act relating to agriculture; extending the existence of the Organic Advisory Task Force; amending Minnesota Statutes 2004, section 31.94.

Referred to the Committee on State and Local Government Operations.

Senators Dibble, Chaudhary, Marty and Hottinger introduced--

S.F. No. 2151: A bill for an act relating to environment; imposing limits on mercury emissions for coal-fired electric generating facilities; creating a grant program to research mercury reduction technologies for taconite processing; amending Minnesota Statutes 2004, sections 116.915, subdivision 3; 116.925, subdivision 2; 216B.1692, subdivisions 1, 8; proposing coding for new law in Minnesota Statutes, chapters 116; 298.

Referred to the Committee on Jobs, Energy and Community Development.

Senators Dibble, Anderson, Frederickson, Hottinger and Marty introduced--

S.F. No. 2152: A bill for an act relating to environment; imposing limits on mercury emissions for coal-fired electric generating facilities; creating a grant program to research mercury reduction technologies for taconite processing; amending Minnesota Statutes 2004, sections 116.915, subdivision 3; 116.925, subdivision 2; 216B.1692, subdivisions 1, 8; proposing coding for new law in Minnesota Statutes, chapters 116; 298.

Referred to the Committee on Jobs, Energy and Community Development.

Senator Lourey introduced--

S.F. No. 2153: A bill for an act relating to health; modifying requirements for explanation of pharmacy benefits; amending Minnesota Statutes 2004, section 151.214, subdivision 1.

Referred to the Committee on Health and Family Security.

Senator Cohen introduced--

S.F. No. 2154: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; providing for equality of rights under the law for men and women.

Referred to the Committee on Judiciary.

Senator Michel introduced--

S.F. No. 2155: A bill for an act relating to education; allowing charter school students to participate in extracurricular activities in their resident school district; amending Minnesota Statutes 2004, sections 123B.36, subdivision 1; 123B.49, subdivision 4; 124D.10, subdivision 8.

Referred to the Committee on Education.

Senator Anderson introduced--

S.F. No. 2156: A bill for an act relating to telecommunications; removing sunset provision for anticompetitive telecommunications practices; amending Laws 1999, chapter 224, section 7, as amended.

Referred to the Committee on Jobs, Energy and Community Development.

Senators Berglin and Kelley introduced--

S.F. No. 2157: A bill for an act relating to health; creating an exception to the hospital construction moratorium; amending Minnesota Statutes 2004, section 144.551, subdivision 1.

Referred to the Committee on Finance.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 5:30 p.m. The motion prevailed.

The hour of 5:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

REPORTS OF COMMITTEES

Senator Johnson, D.E. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Senator Betzold from the Committee on Judiciary, to which was referred

S.F. No. 644: A bill for an act relating to family law; changing certain procedures for removal of a child's residence from Minnesota; amending Minnesota Statutes 2004, sections 518.1705, subdivision 7; 518.175, subdivision 3; 518.18.

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

Delete everything after the enacting clause and insert:

"Section 1. [244.057] [OFFENDERS RESIDING IN HOUSEHOLDS WITH CHILDREN; NOTICE TO CORRECTIONS AGENT.]

An offender required to register as a predatory offender under section 243.166 shall inform the offender's corrections agent if the offender is residing in a household where a child is residing. The offender shall inform the agent of the name, age, and relationship to the offender of all children residing in the household.

[EFFECTIVE DATE.] This section is effective August 1, 2005, and applies to persons under correctional supervision on or after that date.

Sec. 2. [257.026] [NOTIFICATION OF RESIDENCE WITH CERTAIN CONVICTED PERSONS.]

A person who is granted custody of a child under this chapter or chapter 518 must notify the child's noncustodial parent, if any, the local welfare agency, and the court that granted the custody if the person with custody knowingly marries or lives in the same residence with a person who has been convicted of a crime listed in section 518.179, subdivision 2.

Sec. 3. Minnesota Statutes 2004, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court. The presumption in this paragraph does not apply if the man has joined in a recognition of parentage recognizing another man as the biological father under section 257.75, subdivision 1a;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth record; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) ~~While the child is under the age of majority, he receives the child into his home~~ During the first two years of the child's life, he resided in the same household with the child for at least 12 months and openly holds held out the child as his biological child own;

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this paragraph to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

~~(f) Evidence of statistical probability of paternity based on blood or genetic testing establishes the likelihood that he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;~~

~~(g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision;~~

~~(h) (g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75; or~~

~~(i) (h) He and the child's biological mother executed a recognition of parentage in accordance with section 257.75 when either or both of the signatories were less than 18 years of age.~~

Sec. 4. Minnesota Statutes 2004, section 257.57, subdivision 2, is amended to read:

Subd. 2. [ACTIONS UNDER OTHER PARAGRAPHS OF SECTION 257.55, SUBDIVISION 1.] The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under ~~section~~ sections 257.55, subdivision 1, paragraph (d), (e), ~~(f)~~, (g), or (h), and 257.62, subdivision 5, ~~paragraph (b)~~, or the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within six months after the person bringing the action obtains the results of blood or genetic tests that indicate that the presumed father is not the father of the child;

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under ~~section 257.55, subdivision 1, paragraph (f)~~ 257.62, subdivision 5, paragraph (b), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood or genetic test results; or

(4) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.75, subdivision 9, only if the action is brought by the minor signatory within six months after the minor signatory reaches the age of 18. In the case of a recognition of parentage executed by two minor signatories, the action to declare the nonexistence of the father and child relationship must be brought within six months after the youngest signatory reaches the age of 18.

Sec. 5. Minnesota Statutes 2004, section 257.62, subdivision 5, is amended to read:

Subd. 5. [POSITIVE TEST RESULTS.] (a) If the results of blood or genetic tests completed in a laboratory accredited by the American Association of Blood Banks indicate that the likelihood of the alleged father's paternity, calculated with a prior probability of no more than 0.5 (50 percent), is 92 percent or greater, upon motion the court shall order the alleged father to pay temporary child support determined according to chapter 518. The alleged father shall pay the support money to the public authority if the public authority is a party and is providing services to the parties or, if not, into court pursuant to the Rules of Civil Procedure to await the results of the paternity proceedings.

(b) If the results of blood or genetic tests completed in a laboratory accredited by the American Association of Blood Banks indicate that likelihood of the alleged father's paternity, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater, there is an evidentiary presumption that the alleged father is ~~presumed to be the parent biological father and~~ the party opposing the establishment of the alleged father's paternity has the burden of proving by clear and convincing evidence that the alleged father is not the father of the child.

A determination under this subdivision that the alleged father is the biological father does not preclude the adjudication of another man as the legal father pursuant to section 257.55, subdivision 2, nor does it allow the donor of genetic material for assisted reproduction for the benefit of the recipient parent(s), whether sperm or ovum (egg), to claim to be the child's biological and/or legal parent.

Sec. 6. Minnesota Statutes 2004, section 257C.03, subdivision 7, is amended to read:

Subd. 7. [INTERESTED THIRD PARTY; BURDEN OF PROOF; FACTORS.] (a) To establish that an individual is an interested third party, the individual must:

(1) show by clear and convincing evidence that one of the following factors exist:

(i) the parent has abandoned, neglected, or otherwise exhibited disregard for the child's well-being to the extent that the child will be harmed by living with the parent;

(ii) placement of the child with the individual takes priority over preserving the day-to-day parent-child relationship because of the presence of physical or emotional danger to the child, or both; or

(iii) other extraordinary circumstances; ~~and~~

(2) prove by a preponderance of the evidence that it is in the best interests of the child to be in the custody of the interested third party; and

(3) show by clear and convincing evidence that granting the petition would not violate section 518.179, subdivision 1a.

(b) The following factors must be considered by the court in determining an interested third party's petition:

(1) the amount of involvement the interested third party had with the child during the parent's absence or during the child's lifetime;

(2) the amount of involvement the parent had with the child during the parent's absence;

(3) the presence or involvement of other interested third parties;

(4) the facts and circumstances of the parent's absence;

(5) the parent's refusal to comply with conditions for retaining custody set forth in previous court orders;

(6) whether the parent now seeking custody was previously prevented from doing so as a result of domestic violence;

(7) whether a sibling of the child is already in the care of the interested third party; and

(8) the existence of a standby custody designation under chapter 257B.

(c) In determining the best interests of the child, the court must apply the standards in section 257C.04.

Sec. 7. Minnesota Statutes 2004, section 259.58, is amended to read:

259.58 [COMMUNICATION OR CONTACT AGREEMENTS.]

Adoptive parents and a birth relative or foster parents may enter an agreement regarding communication with or contact between an adopted minor, adoptive parents, and a birth relative or foster parents under this section. An agreement may be entered between:

(1) adoptive parents and a birth parent;

(2) adoptive parents and any other birth relative or foster parent with whom the child resided before being adopted; or

(3) adoptive parents and any other birth relative if the child is adopted by a birth relative upon the death of both birth parents.

For purposes of this section, "birth relative" means a parent, stepparent, grandparent, brother, sister, uncle, or aunt of a minor adoptee. This relationship may be by blood, adoption, or marriage. For an Indian child, birth relative includes members of the extended family as defined by the law or custom of the Indian child's tribe or, in the absence of laws or custom, nieces, nephews, or first or second cousins, as provided in the Indian Child Welfare Act, United States Code, title 25, section 1903.

(a) An agreement regarding communication with or contact between minor adoptees, adoptive parents, and a birth relative is not legally enforceable unless the terms of the agreement are contained in a written court order entered in accordance with this section. An order may be sought at any time before a decree of adoption is granted. The order must be issued within 30 days of being submitted to the court or by the granting of the decree of adoption, whichever is earlier. The court shall not enter a proposed order unless the terms of the order have been approved in writing by the prospective adoptive parents, a birth relative or foster parent who desires to be a party to the agreement, and, if the child is in the custody of or under the guardianship of an agency, a representative of the agency. A birth parent must approve in writing of an agreement between adoptive parents and any other birth relative or foster parent, unless an action has been filed against the birth parent by a county under chapter 260. An agreement under this section need not disclose the identity of the parties to be legally enforceable. The court shall not enter a proposed order unless the court finds that the communication or contact between the minor adoptee, the adoptive parents, and a birth relative as agreed upon and contained in the proposed order would be in the minor adoptee's best interests. The court shall mail a certified copy of the order to the parties to the agreement or their representatives at the addresses provided by the petitioners.

(b) Failure to comply with the terms of an agreed order regarding communication or contact that has been entered by the court under this section is not grounds for:

(1) setting aside an adoption decree; or

(2) revocation of a written consent to an adoption after that consent has become irrevocable.

(c) An agreed order entered under this section may be enforced by filing a petition or motion with the family court that includes a certified copy of the order granting the communication, contact, or visitation, but only if the petition or motion is accompanied by an affidavit that the parties have mediated or attempted to mediate any dispute under the agreement or that the parties agree to a proposed modification. The prevailing party may be awarded reasonable attorney's fees and costs. The court shall not modify an agreed order under this section unless it finds that the modification is necessary to serve the best interests of the minor adoptee, and:

(1) the modification is agreed to by the parties to the agreement; or

(2) exceptional circumstances have arisen since the agreed order was entered that justify modification of the order.

(d) For children under state guardianship when there is a written communication or contact agreement between prospective adoptive parents and birth relatives other than birth parents it must be included in the final adoption decree. If, prior to entry of the adoption decree, the prospective adoptive parents do not honor the communication or contact agreement, the court shall determine the terms of the communication and contact agreement.

Sec. 8. Minnesota Statutes 2004, section 518.1705, subdivision 7, is amended to read:

Subd. 7. [MOVING THE CHILD TO ANOTHER STATE.] Parents may agree, ~~but the court must not require, that in a parenting plan the factors in section 518.17 or 257.025, as applicable, upon the legal standard that will govern a decision concerning removal of a child's residence from this state, provided that:~~

- (1) both parents were represented by counsel when the parenting plan was approved; or
- (2) the court found the parents were fully informed, the agreement was voluntary, and the parents were aware of its implications.

Sec. 9. Minnesota Statutes 2004, section 518.175, subdivision 3, is amended to read:

Subd. 3. [MOVE TO ANOTHER STATE.] The parent with whom the child resides shall not move the residence of the child to another state except upon order of the court or with the consent of the other parent, if the other parent has been given parenting time by the decree. If the purpose of the move is to interfere with parenting time given to the other parent by the decree, the court shall not permit the child's residence to be moved to another state.

The court shall apply a best interests standard when considering the request of the parent with whom the child resides to move the child's residence to another state. The factors the court must consider in determining the child's best interests include, but are not limited to, the following:

(1) the nature, quality, extent of involvement, and duration of the child's relationship with the person proposing to relocate and with the nonrelocating person, siblings, and other significant persons in the child's life;

(2) the age, developmental stage, needs of the child, and the likely impact the relocation will have on the child's physical, educational, and emotional development, taking into consideration any special needs of the child;

(3) the feasibility of preserving the relationship between the nonrelocating person and the child through suitable parenting time arrangements, considering the logistics and financial circumstances of the parties;

(4) the child's preference, taking into consideration the age and maturity of the child;

(5) whether there is an established pattern of conduct of the person seeking the relocation either to promote or thwart the relationship of the child and the nonrelocating person;

(6) whether the relocation of the child will enhance the general quality of the life for both the custodial parent seeking the relocation and the child including, but not limited to, financial or emotional benefit or educational opportunity;

(7) the reasons of each person for seeking or opposing the relocation; and

(8) the effect on the safety and welfare of the child, or of the parent requesting to move the child's residence, of domestic abuse, as defined in section 518B.01.

The burden of proof is upon the parent requesting to move the residence of the child to another state, except that if the court finds that the person requesting permission to move has been a victim of domestic abuse by the other parent, the burden of proof is upon the parent opposing the move. The court must consider all of the factors in this subdivision in determining the best interests of the child.

Sec. 10. Minnesota Statutes 2004, section 518.179, is amended by adding a subdivision to read:

Subd. 1a. [CUSTODY OF NONBIOLOGICAL CHILD.] A person convicted of a crime described in subdivision 2 may not be considered for custody of a child unless the child is the person's child by birth or adoption.

Sec. 11. Minnesota Statutes 2004, section 518.18, is amended to read:

518.18 [MODIFICATION OF ORDER.]

(a) Unless agreed to in writing by the parties, no motion to modify a custody order or parenting plan may be made earlier than one year after the date of the entry of a decree of dissolution or legal separation containing a provision dealing with custody, except in accordance with paragraph (c).

(b) If a motion for modification has been heard, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with paragraph (c).

(c) The time limitations prescribed in paragraphs (a) and (b) shall not prohibit a motion to modify a custody order or parenting plan if the court finds that there is persistent and willful denial or interference with parenting time, or has reason to believe that the child's present environment may endanger the child's physical or emotional health or impair the child's emotional development.

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order or a parenting plan provision which specifies the child's primary residence unless it finds, upon the basis of facts, including unwarranted denial of, or interference with, a duly established parenting time schedule, that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or the parties and that the modification is necessary to serve the best interests of the child. In applying these standards the court shall retain the custody arrangement or the parenting plan provision specifying the child's primary residence that was established by the prior order unless:

(i) the court finds that a change in the custody arrangement or primary residence is in the best interests of the child and the parties previously agreed, in a writing approved by a court, to apply the best interests standard in section 518.17 or 257.025, as applicable; and, with respect to agreements approved by a court on or after April 28, 2000, both parties were represented by counsel when the agreement was approved or the court found the parties were fully informed, the agreement was voluntary, and the parties were aware of its implications;

(ii) both parties agree to the modification;

(iii) the child has been integrated into the family of the petitioner with the consent of the other party; or

(iv) the child's present environment endangers the child's physical or emotional health or impairs the child's emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child; or

(v) the court has denied a request of the primary custodial parent to move the residence of the child to another state, and the primary custodial parent has relocated to another state despite the court's order.

In addition, a court may modify a custody order or parenting plan under section 631.52.

(e) In deciding whether to modify a prior joint custody order, the court shall apply the standards set forth in paragraph (d) unless: (1) the parties agree in writing to the application of a different standard, or (2) the party seeking the modification is asking the court for permission to move the residence of the child to another state.

(f) If a parent has been granted sole physical custody of a minor and the child subsequently lives with the other parent, and temporary sole physical custody has been approved by the court or by a court-appointed referee, the court may suspend the obligor's child support obligation pending the final custody determination. The court's order denying the suspension of child support must include a written explanation of the reasons why continuation of the child support obligation would be in the best interests of the child.

Sec. 12. Minnesota Statutes 2004, section 518.191, subdivision 2, is amended to read:

Subd. 2. [REQUIRED INFORMATION.] A summary real estate disposition judgment must contain the following information: (1) the full caption and file number of the case and the title "Summary Real Estate Disposition Judgment"; (2) the dates of the parties' marriage and of the entry of the judgment and decree of dissolution; (3) the names of the parties' attorneys or if either or both appeared pro se; (4) the name of the judge and referee, if any, who signed the order for

judgment and decree; (5) whether the judgment and decree resulted from a stipulation, a default, or a trial and the appearances at the default or trial; (6) if the judgment and decree resulted from a stipulation, whether disposition of the property was stipulated to by legal description; (7) if the judgment and decree resulted from a default, whether the petition contained the legal description of the property and disposition was made in accordance with the request for relief, and service of the summons and petition was made personally pursuant to the Rules of Civil Procedure, Rule 4.03(a), or Minnesota Statutes, section 543.19; (8) whether either party changed the party's name through the judgment and decree; ~~(7)~~ (9) the legal description of each parcel of real estate; ~~(8)~~ (10) the name or names of the persons awarded an interest in each parcel of real estate and a description of the interest awarded; ~~(9)~~ (11) liens, mortgages, encumbrances, or other interests in the real estate described in the judgment and decree; and ~~(10)~~ (12) triggering or contingent events set forth in the judgment and decree affecting the disposition of each parcel of real estate.

Sec. 13. Minnesota Statutes 2004, section 518.58, subdivision 4, is amended to read:

Subd. 4. [PENSION PLANS.] (a) The division of marital property that represents pension plan benefits or rights in the form of future pension plan payments:

(1) is payable only to the extent of the amount of the pension plan benefit payable under the terms of the plan;

(2) is not payable for a period that exceeds the time that pension plan benefits are payable to the pension plan benefit recipient;

(3) is not payable in a lump sum amount from defined benefit pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a pension plan;

(4) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee; and

(5) in the case of defined benefit public pension plan benefits or rights, may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable.

(b) The individual retirement account plans established under chapter 354B may provide in its plan document, if published and made generally available, for an alternative marital property division or distribution of individual retirement account plan assets. If an alternative division or distribution procedure is provided, it applies in place of paragraph (a), clause (5)."

Delete the title and insert:

"A bill for an act relating to family law; requiring notification of noncustodial parents, corrections agents, local welfare agencies, and the court, of residence of a custodial parent with certain convicted persons; changing certain presumptions relating to paternity; disallowing certain convicted persons from becoming custodians of unrelated children; changing certain procedures for removal of a child's residence from Minnesota; requiring certain information in summary real estate disposition judgments; identifying pension plans subject to marital property division; authorizing the Department of Human Services to collect spousal maintenance; changing certain provisions concerning adoption communication or contact agreements; amending Minnesota Statutes 2004, sections 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivision 5; 257C.03, subdivision 7; 259.58; 518.1705, subdivision 7; 518.175, subdivision 3; 518.179, by adding a subdivision; 518.18; 518.191, subdivision 2; 518.58, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 244; 257."

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

Senator Betzold from the Committee on Judiciary, to which was referred

S.F. No. 1211: A bill for an act relating to child protection; providing for a background check of an individual being considered as a custodian; modifying requirements for adoption consents and placement resources for children who are in the legal custody of a social services agency; amending Minnesota Statutes 2004, sections 259.24, subdivisions 1, 2a, 5, 6a; 260C.201, subdivision 11; 260C.212, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 260C.

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 2004, section 259.24, subdivision 1, is amended to read:

Subdivision 1. [EXCEPTIONS.] No child shall be adopted without the consent of the child's parents and the child's guardian, if there be one, except in the following instances:

(a) Consent shall not be required of a parent not entitled to notice of the proceedings.

(b) Consent shall not be required of a parent who has abandoned the child, or of a parent who has lost custody of the child through a divorce decree or a decree of dissolution, and upon whom notice has been served as required by section 259.49.

(c) Consent shall not be required of a parent whose parental rights to the child have been terminated by a juvenile court or who has lost custody of a child through a final commitment of the juvenile court or through a decree in a prior adoption proceeding.

(d) If there be no parent or guardian qualified to consent to the adoption, the consent ~~may~~ shall be given by the commissioner. After the court accepts a parent's consent to the adoption under section 260C.201, subdivision 11, consent by the commissioner or commissioner's delegate is also necessary. Agreement to the identified prospective adoptive parent by the responsible social services agency under section 260C.201, subdivision 11, does not constitute the required consent.

(e) The commissioner or agency having authority to place a child for adoption pursuant to section 259.25, subdivision 1, shall have the exclusive right to consent to the adoption of such child. The commissioner or agency shall make every effort to place siblings together for adoption. Notwithstanding any rule to the contrary, the commissioner may delegate the right to consent to the adoption or separation of siblings, if it is in the child's best interest, to a local social services agency.

Sec. 2. Minnesota Statutes 2004, section 259.24, subdivision 2a, is amended to read:

Subd. 2a. [TIME OF CONSENT; NOTICE OF INTENT TO CONSENT TO ADOPTION.] (a) Not sooner than 72 hours after the birth of a child and not later than 60 days after the child's placement in a prospective adoptive home, a person whose consent is required under this section shall execute a consent.

(b) Unless all birth parents from whom consent is required under this section are involved in making the adoptive placement and intend to consent to the adoption, a birth parent who intends to execute a consent to an adoption must give notice to the child's other birth parent of the intent to consent to the adoption prior to or within 72 hours following the placement of the child, if the other birth parent's consent to the adoption is required under subdivision 1. The birth parent who receives notice shall have 60 days after the placement of the child to either consent or refuse to consent to the adoption. If the birth parent who receives notice fails to take either of these actions, that parent shall be deemed to have irrevocably consented to the child's adoption. The notice provisions of chapter 260C and the rules of juvenile protection procedure shall apply to both parents when the consent to adopt is executed under section 260C.201, subdivision 11.

(c) When notice is required under this subdivision, it shall be provided to the other birth parent according to the Rules of Civil Procedure for service of a summons and complaint.

Sec. 3. Minnesota Statutes 2004, section 259.24, subdivision 5, is amended to read:

Subd. 5. [EXECUTION.] All consents to an adoption shall be in writing, executed before two competent witnesses, and acknowledged by the consenting party. In addition, all consents to an adoption, except those by the commissioner, the commissioner's agent, a licensed child-placing agency, an adult adoptee, or the child's parent in a petition for adoption by a stepparent, shall be executed before a representative of the commissioner, the commissioner's agent, or a licensed child-placing agency. All consents by a parent:

(1) shall contain notice to the parent of the substance of subdivision 6a, providing for the right to withdraw consent unless the parent will not have the right to withdraw consent because consent was executed under section 260C.201, subdivision 11, following proper notice that consent given under that provision is irrevocable upon acceptance by the court as provided in section 259.24, subdivision 6a; and

(2) shall contain the following written notice in all capital letters at least one-eighth inch high:

"This agency will submit your consent to adoption to the court. The consent itself does not terminate your parental rights. Parental rights to a child may be terminated only by an adoption decree or by a court order terminating parental rights. Unless the child is adopted or your parental rights are terminated, you may be asked to support the child."

Consents shall be filed in the adoption proceedings at any time before the matter is heard provided, however, that a consent executed and acknowledged outside of this state, either in accordance with the law of this state or in accordance with the law of the place where executed, is valid.

Sec. 4. Minnesota Statutes 2004, section 259.24, subdivision 6a, is amended to read:

Subd. 6a. [WITHDRAWAL OF CONSENT.] Except for consents executed under section 260C.201, subdivision 11, a parent's consent to adoption may be withdrawn for any reason within ten working days after the consent is executed and acknowledged. Written notification of withdrawal of consent must be received by the agency to which the child was surrendered no later than the tenth working day after the consent is executed and acknowledged. On the day following the tenth working day after execution and acknowledgment, the consent shall become irrevocable, except upon order of a court of competent jurisdiction after written findings that consent was obtained by fraud. A consent to adopt executed under section 260C.201, subdivision 11, is irrevocable upon proper notice to both parents of the effect of a consent to adopt and acceptance by the court, except upon order of the same court after written findings that the consent was obtained by fraud. In proceedings to determine the existence of fraud, the adoptive parents and the child shall be made parties. The proceedings shall be conducted to preserve the confidentiality of the adoption process. There shall be no presumption in the proceedings favoring the birth parents over the adoptive parents.

Sec. 5. Minnesota Statutes 2004, section 260C.201, subdivision 11, is amended to read:

Subd. 11. [REVIEW OF COURT-ORDERED PLACEMENTS; PERMANENT PLACEMENT DETERMINATION.] (a) This subdivision and subdivision 11a do not apply in cases where the child is in placement due solely to the child's developmental disability or emotional disturbance, where legal custody has not been transferred to the responsible social services agency, and where the court finds compelling reasons under section 260C.007, subdivision 8, to continue the child in foster care past the time periods specified in this subdivision. Foster care placements of children due solely to their disability are governed by section 260C.141, subdivision 2b. In all other cases where the child is in foster care or in the care of a noncustodial parent under subdivision 1, the court shall conduct a hearing to determine the permanent status of a child not later than 12 months after the child is placed in foster care or in the care of a noncustodial parent.

For purposes of this subdivision, the date of the child's placement in foster care is the earlier of the first court-ordered placement or 60 days after the date on which the child has been voluntarily placed in foster care by the child's parent or guardian. For purposes of this subdivision, time spent by a child under the protective supervision of the responsible social services agency in the home of a noncustodial parent pursuant to an order under subdivision 1 counts towards the requirement of a permanency hearing under this subdivision or subdivision 11a.

For purposes of this subdivision, 12 months is calculated as follows:

(1) during the pendency of a petition alleging that a child is in need of protection or services, all time periods when a child is placed in foster care or in the home of a noncustodial parent are cumulated;

(2) if a child has been placed in foster care within the previous five years under one or more previous petitions, the lengths of all prior time periods when the child was placed in foster care within the previous five years are cumulated. If a child under this clause has been in foster care for 12 months or more, the court, if it is in the best interests of the child and for compelling reasons, may extend the total time the child may continue out of the home under the current petition up to an additional six months before making a permanency determination.

(b) Unless the responsible social services agency recommends return of the child to the custodial parent or parents, not later than 30 days prior to this hearing, the responsible social services agency shall file pleadings in juvenile court to establish the basis for the juvenile court to order permanent placement of the child according to paragraph (d). Notice of the hearing and copies of the pleadings must be provided pursuant to section 260C.152. If a termination of parental rights petition is filed before the date required for the permanency planning determination and there is a trial under section 260C.163 scheduled on that petition within 90 days of the filing of the petition, no hearing need be conducted under this subdivision.

(c) At the conclusion of the hearing, the court shall order the child returned to the care of the parent or guardian from whom the child was removed or order a permanent placement in the child's best interests. The "best interests of the child" means all relevant factors to be considered and evaluated. Transfer of permanent legal and physical custody, termination of parental rights, or guardianship and legal custody to the commissioner through a consent to adopt are preferred permanency options for a child who cannot return home.

(d) If the child is not returned to the home, the court must order one of the following dispositions:

(1) permanent legal and physical custody to a relative in the best interests of the child according to the following conditions:

(i) an order for transfer of permanent legal and physical custody to a relative shall only be made after the court has reviewed the suitability of the prospective legal and physical custodian;

(ii) in transferring permanent legal and physical custody to a relative, the juvenile court shall follow the standards applicable under this chapter and chapter 260, and the procedures set out in the juvenile court rules;

(iii) an order establishing permanent legal and physical custody under this subdivision must be filed with the family court;

(iv) a transfer of legal and physical custody includes responsibility for the protection, education, care, and control of the child and decision making on behalf of the child;

(v) the social services agency may bring a petition or motion naming a fit and willing relative as a proposed permanent legal and physical custodian. The commissioner of human services shall annually prepare for counties information that must be given to proposed custodians about their legal rights and obligations as custodians together with information on financial and medical benefits for which the child is eligible; and

(vi) the juvenile court may maintain jurisdiction over the responsible social services agency, the parents or guardian of the child, the child, and the permanent legal and physical custodian for purposes of ensuring appropriate services are delivered to the child and permanent legal custodian or for the purpose of ensuring conditions ordered by the court related to the care and custody of the child are met;

(2) termination of parental rights according to the following conditions:

(i) unless the social services agency has already filed a petition for termination of parental rights under section 260C.307, the court may order such a petition filed and all the requirements of sections 260C.301 to 260C.328 remain applicable; and

(ii) an adoption completed subsequent to a determination under this subdivision may include an agreement for communication or contact under section 259.58;

(3) long-term foster care according to the following conditions:

(i) the court may order a child into long-term foster care only if it finds compelling reasons that neither an award of permanent legal and physical custody to a relative, nor termination of parental rights is in the child's best interests; and

(ii) further, the court may only order long-term foster care for the child under this section if it finds the following:

(A) the child has reached age 12 and reasonable efforts by the responsible social services agency have failed to locate an adoptive family for the child; or

(B) the child is a sibling of a child described in subitem (A) and the siblings have a significant positive relationship and are ordered into the same long-term foster care home;

(4) foster care for a specified period of time according to the following conditions:

(i) foster care for a specified period of time may be ordered only if:

(A) the sole basis for an adjudication that the child is in need of protection or services is the child's behavior;

(B) the court finds that foster care for a specified period of time is in the best interests of the child; and

(C) the court finds compelling reasons that neither an award of permanent legal and physical custody to a relative, nor termination of parental rights is in the child's best interests;

(ii) the order does not specify that the child continue in foster care for any period exceeding one year; or

(5) guardianship and legal custody to the commissioner of human services under the following procedures and conditions:

(i) there is an identified prospective adoptive home that has agreed to adopt the child, agreed to by the responsible social services agency having legal custody of the child pursuant to court order under this section, and the court accepts the parent's voluntary consent to adopt under section 259.24;

(ii) if the court accepts a consent to adopt in lieu of ordering one of the other enumerated permanency dispositions, the court must review the matter at least every 90 days. The review will address the reasonable efforts of the agency to achieve a finalized adoption;

(iii) a consent to adopt under this clause vests all legal authority regarding the child, including guardianship and legal custody of the child, with the commissioner of human services as if the child were a state ward after termination of parental rights;

(iv) the court must forward a copy of the consent to adopt, together with a certified copy of the order transferring guardianship and legal custody to the commissioner, to the commissioner; ~~and~~

(v) if an adoption is not finalized by the identified prospective adoptive parent within 12 months of the execution of the consent to adopt under this clause, the commissioner of human services or the commissioner's delegate shall pursue adoptive placement in another home unless the commissioner certifies that the failure to finalize is not due to either an action or a failure to act by the prospective adoptive parent; and

(vi) notwithstanding item (v), the commissioner of human services or the commissioner's designee must pursue adoptive placement in another home as soon as the commissioner or commissioner's designee determines that finalization of the adoption with the identified prospective adoptive parent is not possible, that the identified prospective adoptive parent is not willing to adopt the child, that the identified prospective adoptive parent is not cooperative in completing the steps necessary to finalize the adoption, or upon the commissioner's determination to withhold consent to the adoption.

(e) In ordering a permanent placement of a child, the court must be governed by the best interests of the child, including a review of the relationship between the child and relatives and the child and other important persons with whom the child has resided or had significant contact.

(f) Once a permanent placement determination has been made and permanent placement has been established, further court reviews are necessary if:

- (1) the placement is long-term foster care or foster care for a specified period of time;
- (2) the court orders further hearings because it has retained jurisdiction of a transfer of permanent legal and physical custody matter;
- (3) an adoption has not yet been finalized; or
- (4) there is a disruption of the permanent or long-term placement.

(g) Court reviews of an order for long-term foster care, whether under this section or section 260C.317, subdivision 3, paragraph (d), or foster care for a specified period of time must be conducted at least yearly and must review the child's out-of-home placement plan and the reasonable efforts of the agency to:

- (1) identify a specific long-term foster home for the child or a specific foster home for the time the child is specified to be out of the care of the parent, if one has not already been identified;
- (2) support continued placement of the child in the identified home, if one has been identified;
- (3) ensure appropriate services are provided to the child during the period of long-term foster care or foster care for a specified period of time;
- (4) plan for the child's independence upon the child's leaving long-term foster care living as required under section 260C.212, subdivision 1; and
- (5) where placement is for a specified period of time, a plan for the safe return of the child to the care of the parent.

(h) An order under this subdivision must include the following detailed findings:

- (1) how the child's best interests are served by the order;
- (2) the nature and extent of the responsible social service agency's reasonable efforts, or, in the case of an Indian child, active efforts to reunify the child with the parent or parents;
- (3) the parent's or parents' efforts and ability to use services to correct the conditions which led to the out-of-home placement; and
- (4) whether the conditions which led to the out-of-home placement have been corrected so that the child can return home.

(i) An order for permanent legal and physical custody of a child may be modified under sections 518.18 and 518.185. The social services agency is a party to the proceeding and must receive notice. A parent may only seek modification of an order for long-term foster care upon motion and a showing by the parent of a substantial change in the parent's circumstances such that the parent could provide appropriate care for the child and that removal of the child from the child's permanent placement and the return to the parent's care would be in the best interest of the child.

(j) The court shall issue an order required under this section within 15 days of the close of the proceedings. The court may extend issuing the order an additional 15 days when necessary in the interests of justice and the best interests of the child.

Sec. 6. [260C.209] [BACKGROUND CHECKS.]

Subdivision 1. [SUBJECTS.] (a) The responsible social services agency must conduct a background check under this section of the following:

(1) a noncustodial parent or nonadjudicated parent who is being assessed for purposes of providing day-to-day care of a child temporarily or permanently under section 260C.212, subdivision 4, and any member of the parent's household who is over the age of 13 when there is reasonable cause to believe that the parent or household member over age 13 has a criminal history or a history of maltreatment of a child or vulnerable adult which would endanger the child's health, safety, or welfare;

(2) an individual whose suitability for relative placement under section 260C.212, subdivision 5, is being determined, and any member of the relative's household who is over the age of 13 when:

(i) the relative must be licensed for foster care; or

(ii) the agency must conduct a background study under section 259.53, subdivision 2; or

(iii) the agency has reasonable cause to believe the relative or household member over the age of 13 has a criminal history which would not make transfer of permanent legal and physical custody to the relative under section 260C.201, subdivision 11, in the child's best interest; and

(3) a parent, following an out-of-home placement:

(i) when the responsible social service agency has reasonable cause to believe that the parent has been convicted of a crime directly related to the parent's capacity to maintain the child's health, safety, or welfare; or

(ii) the parent is the subject of an open investigation of, or has been the subject of a substantiated allegation of, child or vulnerable-adult maltreatment within the past ten years.

(b) "Reasonable cause" means that the agency has received information or a report from the subject or a third person that creates an articulable suspicion that the individual has a history that may pose a risk to the health, safety, or welfare of the child. The information or report must be specific to the potential subject of the background check and shall not be based on the race, religion, ethnic background, age, class, or lifestyle of the potential subject.

Subd. 2. [GENERAL PROCEDURES.] (a) When conducting a background check under subdivision 1, the agency may require the individual being assessed to provide sufficient information to ensure an accurate assessment under this section, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;

(2) home address, zip code, city, county, and state of residence for the past ten years;

(3) sex;

(4) date of birth; and

(5) driver's license number or state identification number.

(b) When notified by the responsible social services agency that it is conducting an assessment under this section, the Bureau of Criminal Apprehension, commissioners of health and human services, law enforcement, and county agencies must provide the responsible social services agency or county attorney with the following information on the individual being assessed:

criminal history data, reports about the maltreatment of adults substantiated under section 626.557, and reports of maltreatment of minors substantiated under section 626.556.

Subd. 3. [MULTISTATE INFORMATION.] (a) For any assessment completed under this section, if the responsible social services agency has reasonable cause to believe that the individual is a multistate offender, the individual must provide the responsible social services agency or the county attorney with a set of classifiable fingerprints obtained from an authorized law enforcement agency. The responsible social services agency or county attorney may obtain criminal history data from the National Criminal Records Repository by submitting the fingerprints to the Bureau of Criminal Apprehension.

(b) For purposes of this subdivision, the responsible social services agency has reasonable cause when, but not limited to:

(1) information from the Bureau of Criminal Apprehension indicates that the individual is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined;

(3) the social services agency has received a report from the individual or a third party indicating that the individual has a criminal history in a jurisdiction other than Minnesota; or

(4) the individual is or has been a resident of a state other than Minnesota at any time during the prior ten years.

Subd. 4. [NOTICE UPON RECEIPT.] The responsible social services agency must provide the subject of the background study with the results of the study under this section within 15 business days of receipt or at least 15 days prior to hearing at which the results will be presented, whichever comes first. The subject may provide written information to the agency that the results are incorrect and may provide additional or clarifying information to the agency and to the court through a party to the proceeding. This provision does not apply to any background study conducted under chapters 245A and 245C.

Sec. 7. Minnesota Statutes 2004, section 260C.212, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBLE SOCIAL SERVICE AGENCY'S DUTIES FOR CHILDREN IN PLACEMENT.] (a) When a child is in placement, the responsible social services agency shall make diligent efforts to identify, locate, and, where appropriate, offer services to both parents of the child.

(1) If The responsible social services agency shall assess whether a noncustodial or nonadjudicated parent is willing and capable of providing for the day-to-day care of the child temporarily or permanently. An assessment under this clause may include, but is not limited to, obtaining information under section 260C.209. If after assessment, the responsible social services agency determines that a noncustodial or nonadjudicated parent is willing and capable of providing day-to-day care of the child, the responsible social services agency may seek authority from the custodial parent or the court to have that parent assume day-to-day care of the child. If a parent is not an adjudicated parent, the responsible social services agency shall require the nonadjudicated parent to cooperate with paternity establishment procedures as part of the case plan.

(2) If, after assessment, the responsible social services agency determines that the child cannot be in the day-to-day care of either parent;

(i) the agency shall prepare an out-of-home placement plan addressing the conditions that each parent must meet before the child can be in that parent's day-to-day care;

(ii) provide a parent who is the subject of a background study under section 260C.209, 15 days' notice that it intends to use the study to recommend against putting the child with that parent, as well as the notice provided in section 260C.209, subdivision 4, and the court shall afford the parent an opportunity to be heard concerning the study; and

(iii) the results of a background study of a noncustodial parent shall not be used by the agency to determine that the parent is incapable of providing day-to-day care of the child unless the agency reasonably believes that placement of the child into the home of that parent would endanger the child's health, safety, or welfare.

(3) If, after the provision of services following an out-of-home placement plan under this section, the child cannot return to the care of the parent from whom the child was removed or who had legal custody at the time the child was placed in foster care, the agency may petition on behalf of a noncustodial parent to establish legal custody with that parent under section 260C.201, subdivision 11. If paternity has not already been established, it may be established in the same proceeding in the manner provided for under chapter 257.

(4) The responsible social services agency may be relieved of the requirement to locate and offer services to both parents by the juvenile court upon a finding of good cause after the filing of a petition under section 260C.141.

(b) The responsible social services agency shall give notice to the parent or parents or guardian of each child in a residential facility, other than a child in placement due solely to that child's developmental disability or emotional disturbance, of the following information:

(1) that residential care of the child may result in termination of parental rights or an order permanently placing the child out of the custody of the parent, but only after notice and a hearing as required under chapter 260C and the juvenile court rules;

(2) time limits on the length of placement and of reunification services, including the date on which the child is expected to be returned to and safely maintained in the home of the parent or parents or placed for adoption or otherwise permanently removed from the care of the parent by court order;

(3) the nature of the services available to the parent;

(4) the consequences to the parent and the child if the parent fails or is unable to use services to correct the circumstances that led to the child's placement;

(5) the first consideration for placement with relatives;

(6) the benefit to the child in getting the child out of residential care as soon as possible, preferably by returning the child home, but if that is not possible, through a permanent legal placement of the child away from the parent;

(7) when safe for the child, the benefits to the child and the parent of maintaining visitation with the child as soon as possible in the course of the case and, in any event, according to the visitation plan under this section; and

(8) the financial responsibilities and obligations, if any, of the parent or parents for the support of the child during the period the child is in the residential facility.

(c) The responsible social services agency shall inform a parent considering voluntary placement of a child who is not developmentally disabled or emotionally disturbed of the following information:

(1) the parent and the child each has a right to separate legal counsel before signing a voluntary placement agreement, but not to counsel appointed at public expense;

(2) the parent is not required to agree to the voluntary placement, and a parent who enters a voluntary placement agreement may at any time request that the agency return the child. If the parent so requests, the child must be returned within 24 hours of the receipt of the request;

(3) evidence gathered during the time the child is voluntarily placed may be used at a later time as the basis for a petition alleging that the child is in need of protection or services or as the basis for a petition seeking termination of parental rights or other permanent placement of the child away from the parent;

(4) if the responsible social services agency files a petition alleging that the child is in need of protection or services or a petition seeking the termination of parental rights or other permanent placement of the child away from the parent, the parent would have the right to appointment of separate legal counsel and the child would have a right to the appointment of counsel and a guardian ad litem as provided by law, and that counsel will be appointed at public expense if they are unable to afford counsel; and

(5) the timelines and procedures for review of voluntary placements under subdivision 3, and the effect the time spent in voluntary placement on the scheduling of a permanent placement determination hearing under section 260C.201, subdivision 11.

(d) When an agency accepts a child for placement, the agency shall determine whether the child has had a physical examination by or under the direction of a licensed physician within the 12 months immediately preceding the date when the child came into the agency's care. If there is documentation that the child has had an examination within the last 12 months, the agency is responsible for seeing that the child has another physical examination within one year of the documented examination and annually in subsequent years. If the agency determines that the child has not had a physical examination within the 12 months immediately preceding placement, the agency shall ensure that the child has an examination within 30 days of coming into the agency's care and once a year in subsequent years."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1869: A bill for an act relating to local government; modifying a shared hospital or ambulance service purchasing provision; amending Minnesota Statutes 2004, section 471.345, subdivision 10.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1598: A bill for an act relating to state government; regulating compensation plans of the State Board of Investment; amending Minnesota Statutes 2004, sections 11A.04; 11A.07, subdivision 4; 15A.0815, subdivision 2; 43A.18, by adding a subdivision.

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

Senator Higgins from the Committee on State and Local Government Operations, to which was re-referred

S.F. No. 1841: A bill for an act relating to natural resources; eliminating the Project Riverbend Board; amending Minnesota Statutes 2004, sections 103F.387; 103F.389, subdivision 2; 103F.391; repealing Minnesota Statutes 2004, sections 103F.383, subdivisions 1, 2; 103F.385; 103F.389, subdivisions 3, 4; 103F.393.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Scheid from the Committee on Commerce, to which was re-referred

S.F. No. 1355: A bill for an act relating to professions; extending the application period for power limited technicians; amending Minnesota Statutes 2004, section 326.242, subdivision 3d.

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

Page 2, lines 15 to 19, delete the new language and reinstate the stricken language

Page 2, after line 26, insert:

"(g) A person who has submitted an application by September 30, 2005, to take the power limited technician examination administered by the board is not required to meet the qualifications set forth in paragraph (b)."

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

Senator Higgins from the Committee on State and Local Government Operations, to which was referred

S.F. No. 1768: A bill for an act relating to state government; authorizing Minnesota Computers for School to acquire surplus property for the state; amending Minnesota Statutes 2004, section 16C.23, subdivision 1.

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 2004, section 16C.23, is amended by adding a subdivision to read:

Subd. 6a. [COMPUTERS FOR SCHOOLS.] The commissioner may transfer state surplus computers to Minnesota Computers for Schools for refurbishing and distribution to any school, school system, college, or university in Minnesota."

Delete the title and insert:

"A bill for an act relating to state government; authorizing the commissioner of administration to transfer state surplus computers to Minnesota Computers for Schools; amending Minnesota Statutes 2004, section 16C.23, by adding a subdivision."

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was re-referred

S.F. No. 588: A bill for an act relating to employment; prohibiting employers from misrepresenting the nature of employment relationships; providing a civil remedy; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 2, line 5, delete "any"

Page 2, line 6, delete "person guilty of violating" and insert "that a violation of" and after "section" insert "has occurred"

Page 2, lines 7 and 9, delete "of guilt"

Page 2, line 14, delete "A person" and insert "An individual not a contractor"

Page 2, line 16, delete everything after the period

Page 2, delete lines 17 and 18

Page 2, line 19, delete everything before "The"

Page 2, line 21, delete "person" and insert "individual"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1777: A bill for an act relating to housing; providing for the licensure of manufactured and industrialized/modular home sales; authorizing rules; amending Minnesota Statutes 2004, sections 327B.01, by adding a subdivision; 327B.04, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 327B.

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1984: A bill for an act relating to employment; increasing the penalty for failure to pay a discharged employee within 24 hours; modifying the penalty for failure to pay benefits or wage supplements; increasing the penalty for violation of migrant worker payment requirements; amending Minnesota Statutes 2004, sections 181.11; 181.74, subdivision 1; 181.89, subdivision 2.

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

Page 1, line 23, after "two" insert "business"

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was re-referred

S.F. No. 1179: A bill for an act relating to education; appropriating money for the geothermal system for a cooperative joint community learning center and health and wellness center in Onamia.

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

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$300,000, or as much of this amount as is required, is appropriated in fiscal year 2006 from the energy and conservation account in the general fund under Minnesota Statutes, section 216B.241, subdivision 2a, to the commissioner of commerce for a grant to Independent School District No. 480, Onamia, for partial repayment of a loan to the city of Onamia for a geothermal heating and ventilation system, including acquisition of the well field site, for a cooperative joint community learning center and health and wellness center. The city and school district shall offer the design and the facilities as a demonstration site for energy conservation and efficiency."

Delete the title and insert:

"A bill for an act relating to appropriations; appropriating money for the geothermal system for a cooperative joint community learning center and health and wellness center in Onamia."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1780: A bill for an act relating to employment; permitting employers of professional athletes to request or require random drug testing for the presence of anabolic steroids; amending Minnesota Statutes, section 181.951, subdivision 4.

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

Page 1, line 14, delete everything after "athletes" and insert "if the professional athlete is subject to a collective bargaining agreement permitting random testing but only to the extent consistent with the collective bargaining agreement"

Page 1, line 15, delete everything before the period

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 402: A bill for an act relating to labor; regulating apprentice fees; amending Minnesota Statutes 2004, section 178.12.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1225: A bill for an act relating to communications; creating a broadband revolving loan fund; proposing coding for new law in Minnesota Statutes, chapter 446A.

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

Page 3, after line 26, insert:

"Sec. 2. [BOND AUTHORIZATION.]

To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$..... in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 3. [APPROPRIATION; BROADBAND REVOLVING LOAN FUND.]

\$..... is appropriated from the bond proceeds fund to the public facilities authority for deposit in the broadband revolving loan fund created by Minnesota Statutes, section 446A.086, for the purposes of the fund."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing bonds; appropriating money;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was re-referred

S.F. No. 1603: A bill for an act relating to railroads; prohibiting railroad company from obstructing treatment of railroad worker injured on the job or from disciplining or threatening to discipline injured railroad employee for requesting treatment or first aid; proposing coding for new law in Minnesota Statutes, chapter 219.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1371: A bill for an act relating to local government; increasing compensation of watershed district managers; clarifying who can enter onto land; amending Minnesota Statutes 2004, sections 103D.315, subdivision 8; 103D.335, subdivision 14.

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

Page 1, line 17, after the first comma, insert "watershed"

Page 1, line 18, after "authorization" insert "to enter lands on their person"

Page 1, line 19, delete "district" and insert "managers"

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

Senator Scheid from the Committee on Commerce, to which was referred

S.F. No. 1810: A bill for an act relating to insurance; directing the commissioner of commerce to communicate to federal authorities this state's desire for federal law changes to facilitate the use of long-term care insurance in conjunction with a long-term care partnership program.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to read:

Subd. 7. [EDUCATIONAL PROGRAMS AND SERVICES.] The board of directors of each SC shall submit annually a plan to the members. The plan shall identify the programs and services which are suggested for implementation by the SC during the following year and shall contain components of long-range planning determined by the SC. These programs and services may include, but are not limited to, the following areas:

- (1) administrative services;
- (2) curriculum development;
- (3) data processing;
- (4) distance learning and other telecommunication services;
- (5) evaluation and research;
- (6) staff development;
- (7) media and technology centers;
- (8) publication and dissemination of materials;
- (9) pupil personnel services;
- (10) planning;
- (11) secondary, postsecondary, community, adult, and adult vocational education;
- (12) teaching and learning services, including services for students with special talents and special needs;

- (13) employee personnel services;
- (14) vocational rehabilitation;
- (15) health, diagnostic, and child development services and centers;
- (16) leadership or direction in early childhood and family education;
- (17) community services;
- (18) shared time programs;
- (19) fiscal services and risk management programs;
- (20) technology planning, training, and support services;
- (21) health and safety services;
- (22) student academic challenges; and
- (23) cooperative purchasing services, including purchase of long-term care insurance for employees and dependents of SC members.

Sec. 2. Minnesota Statutes 2004, section 471.61, is amended by adding a subdivision to read:

Subd. 5. [PROVISION OF LONG-TERM CARE INSURANCE.] Any political subdivision, or any two or more political subdivisions acting jointly, may contract with an insurance company licensed to do business in this state for the voluntary purchase of long-term care insurance by the employees and their dependents of the political subdivision or subdivisions. The coverage may be through a group policy or through individual coverage."

Page 1, line 22, delete "Section 1 is" and insert "Sections 1 to 3 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert "; permitting arrangements in which political subdivisions may jointly arrange for the voluntary purchase of long-term care insurance by their employees; amending Minnesota Statutes 2004, sections 123A.21, subdivision 7; 471.61, by adding a subdivision"

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1344: A bill for an act relating to human services; repealing the Minnesota family investment program family cap; repealing Minnesota Statutes 2004, section 256J.24, subdivision 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was re-referred

S.F. No. 776: A bill for an act relating to commerce; imposing certain customer sales or service call center requirements; prescribing a criminal penalty; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 2, line 6, after the semicolon, insert "and"

Page 2, delete lines 7 and 8

Page 2, line 9, delete "(3)" and insert "(2)"

Page 2, line 10, delete "; and" and insert a period

Page 2, delete lines 11 to 17 and insert:

"(b) A person who receives a telephone call from, or places a telephone call to, a customer sales call center or a customer service call center located in a foreign country, which requests the person's financial, credit, or identifying information, shall have the right to request the call be rerouted to a customer sales and service center located in the United States before the information is given."

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1385: A bill for an act relating to agriculturally derived fuels; authorizing a study by the reliability administrator in the Department of Commerce to determine technical and economic aspects of using biodiesel fuel as a home heating fuel; requiring a report to the legislature.

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

Page 1, line 17, after "home" insert ", industrial, and commercial"

Amend the title as follows:

Page 1, line 5, after "home" insert ", industrial, and commercial"

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1064: A bill for an act relating to telecommunications; establishing an accessible electronic information service for blind and disabled persons; appropriating money; amending Minnesota Statutes 2004, section 237.52, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapter 248.

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 2004, section 237.52, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT.] The commissioner of commerce, the commissioner of employment and economic development, and the commissioner of human services shall annually recommend to the commission an adequate and appropriate surcharge and budget to implement sections 237.50 to 237.56, 248.062, and 256C.30, respectively. The maximum annual budget for section 248.062 must not exceed \$100,000 and for section 256C.30 must not exceed \$300,000. The Public Utilities Commission shall review the budget budgets for reasonableness and may modify the budget to the extent it is unreasonable. The commission shall annually determine the funding mechanism to be used within 60 days of receipt of the recommendation of the department departments and shall order the imposition of surcharges effective on the earliest practicable date. The commission shall establish a monthly charge no greater than 20 cents for each customer access line, including trunk equivalents as designated by the commission pursuant to section 403.11, subdivision 1.

Sec. 2. Minnesota Statutes 2004, section 237.52, subdivision 4, is amended to read:

Subd. 4. [APPROPRIATION.] Money in the fund is appropriated to the commissioner of commerce to implement sections 237.51 to 237.56, to the commissioner of employment and economic development to implement section 248.062, and to the commissioner of human services to implement section 256C.30.

Sec. 3. [248.061] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 248.061 and 248.062.

Subd. 2. [ACCESSIBLE ELECTRONIC INFORMATION SERVICE.] "Accessible electronic information service" means news and other timely information, including newspapers, provided to eligible individuals from a service center, using high-speed computers and telecommunications technology for acquisition of content and rapid distribution in a form appropriate for use by those individuals.

Subd. 3. [ELIGIBLE INDIVIDUAL.] "Eligible individual" means an individual who is eligible for library loan services through the Library of Congress and the State Library for the Blind and Physically Handicapped under Code of Federal Regulations, title 36, section 701.10, subsection (b).

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of employment and economic development.

Subd. 5. [QUALIFIED ENTITY.] "Qualified entity" means an agency, instrumentality, or political subdivision of the state or a nonprofit organization that:

(1) provides access for an eligible individual to read daily newspapers through producing audio or Braille editions by computer; or

(2) provides a means of program administration and reader registration on the Internet.

Sec. 4. [248.062] [DUTIES OF COMMISSIONER.]

The commissioner must enter into agreements with qualified entities to provide an accessible electronic information service for eligible individuals. This service must be planned for continuation from year to year.

Sec. 5. [256C.30] [DUTIES OF HUMAN SERVICES COMMISSIONER.]

(a) As described in this section, the commissioner of human services must enter into grant agreements with television stations to make live local news programming accessible to deaf, hard-of-hearing, and deaf-blind persons as defined in section 256C.23.

(b) The grant agreements must provide for:

(1) real-time captioning services for broadcasting that is not emergency broadcasting subject to Code of Federal Regulations, title 47, section 79.2;

(2) real-time captioning services for commercial broadcasters in areas of Minnesota where commercial broadcasters are not subject to the live programming closed-captioning requirements of Code of Federal Regulations, title 47, section 71.1(e)(3); and

(3) real-time captioning for large-market noncommercial broadcasters who produce live news programming.

(c) For the purposes of this section, "real-time captioning" means a method of captioning in which captions are simultaneously prepared and transmitted at the time of origination by specially trained real-time captioners.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 as they relate to duties and powers related to Minnesota Statutes, section 248.062, are effective the day following final enactment and apply to the budget for Minnesota Statutes, section 248.062, for services provided after April 15, 2005."

Delete the title and insert:

"A bill for an act relating to telecommunications; establishing an accessible electronic information service for blind and disabled persons; providing closed-captioning for certain local news programming; appropriating money; amending Minnesota Statutes 2004, section 237.52, subdivisions 2, 4; proposing coding for new law in Minnesota Statutes, chapters 248; 256C."

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

Senator Anderson from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 1687: A bill for an act relating to energy; requiring utilities to meet certain renewable energy standards; amending Minnesota Statutes 2004, section 216B.1691.

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

Page 3, line 14, delete "may" and insert "must"

Page 3, line 16, delete everything after "standard" and insert "is not in the public interest because compliance will either produce undesirable impacts on the reliability of the utility's system or on the utility's ratepayers or if it finds that compliance is not technically feasible"

Page 3, delete line 17

Page 3, line 18, delete everything before the period

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

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 927: A bill for an act relating to commerce; regulating false and deceptive commercial electronic mail messages; prescribing criminal penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 1, line 9, delete "325F.6991" and insert "325F.699"

Pages 8 and 9, delete section 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "providing remedies;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 1438: A bill for an act relating to public safety; expanding the protection against employer retaliation for crime victims; amending Minnesota Statutes 2004, sections 518B.01, by adding a subdivision; 609.748, by adding a subdivision; 611A.036.

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

Page 1, line 17, delete "his or her" and insert "the employee's"

Page 2, line 22, delete "his or her" and insert "the employee's"

Page 3, line 25, delete "his or her" and insert "the victim's"

And when so amended the bill do pass and be re-referred to the Committee on Judiciary. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 1260: A bill for an act relating to health; regulating certain sales and deliveries of tobacco products; imposing criminal and civil penalties; providing remedies; amending Minnesota Statutes 2004, section 297F.21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 227: A bill for an act relating to health; establishing a cancer drug repository program; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 7, line 21, after "omission" insert "relating to the quality of a cancer drug or supply"

Page 7, line 27, before the period, insert "or professional or medical malpractice"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Betzold from the Committee on Judiciary, to which was re-referred

S.F. No. 1689: A bill for an act relating to public safety; criminalizing certain acts related to the unlawful trafficking in persons; providing for the forfeiture of certain property of the offender in these cases; specifically including conduct involving trafficking in the promoting of prostitution crime; modifying the distribution formula for prostitution and sex trafficking-related forfeiture proceeds; amending Minnesota Statutes 2004, sections 609.321, subdivisions 1, 7, by adding subdivisions; 609.325, by adding a subdivision; 609.531, subdivision 1; 609.5315, subdivision 1, by adding a subdivision; 628.26; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Page 2, line 32, after the period, insert "In a prosecution under this section the consent or age of the victim is not a defense."

Page 3, line 14, after the period, insert "In a prosecution under this section the consent or age of the victim is not a defense."

Page 3, line 18, delete "In a prosecution under section 609.282 or 609.283," and insert "In an action under this section"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 1143: A bill for an act relating to domestic abuse; expanding the applicability of the domestic abuse no contact order; amending Minnesota Statutes 2004, section 518B.01, subdivision 22.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 317: A bill for an act relating to crime prevention and public safety; gambling; legalizing the game of Texas hold'em under certain conditions; amending Minnesota Statutes 2004, section 609.761, subdivision 3.

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

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 2087: A bill for an act relating to public safety; providing an exception for bullet-resistant vest reimbursements for vests made from zylon-based materials; amending Minnesota Statutes 2004, section 299A.38, subdivision 3.

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

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 2000: A bill for an act relating to public safety; modifying the membership of the Criminal Justice and Juvenile Information Policy Group; requiring an annual report; providing grant requirements; amending Minnesota Statutes 2004, section 299C.65, subdivisions 1, 2, 5, by adding a subdivision; repealing Minnesota Statutes 2004, section 299C.65, subdivisions 3, 4, 6, 7, 8, 8a, 9.

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

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 69: A bill for an act relating to health; establishing state policy for stem cell research; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapters 137; 145.

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

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was referred

S.F. No. 1804: A bill for an act relating to crimes; defining "public place" for purposes of the prostitution law; amending Minnesota Statutes 2004, section 609.321, subdivision 12.

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

Page 1, line 17, delete "August 1, 2005," and insert "the day following final enactment"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 1904: A bill for an act relating to motor vehicles; authorizing Knights of Columbus special license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 1354: A bill for an act relating to motor vehicles; abolishing provisions regulating motor bicycle rental businesses; repealing Minnesota Statutes 2004, sections 168.831, 168.832, 168.833, 168.834, 168.835, 168.836, and 168.837.

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

Senator Murphy from the Committee on Transportation, to which was re-referred

S.F. No. 1379: A bill for an act relating to motor vehicles; excluding cost of air bag repair or replacement and related repair costs from motor vehicle damage calculations for salvage title and consumer disclosure purposes; amending Minnesota Statutes 2004, sections 168A.04, subdivision 4; 168A.151, subdivision 1; 325F.6641, subdivisions 1, 2.

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 1386: A bill for an act relating to traffic regulations; clarifying that drivers are prohibited from driving vehicles onto shoulder to pass on the right; making other clarifying changes; amending Minnesota Statutes 2004, section 169.18, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 1604: A resolution memorializing the President and Congress to support Amtrak funding.

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

Senator Murphy from the Committee on Transportation, to which was referred

S.F. No. 1760: A bill for an act relating to motor vehicles; modifying provisions relating to motor vehicle registration; amending Minnesota Statutes 2004, sections 168.011, subdivision 3, by adding subdivisions; 168.091, subdivision 1.

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

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1162: A bill for an act relating to health; requiring disclosures of certain payments; requiring disclosure of and limiting certain charges to the uninsured; limiting provider recourse; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Page 1, line 8, delete "PROVIDER PAYMENT DISCLOSURE;"

Page 2, line 5, delete "62J.03" and insert "144.50"

Page 2, line 6, delete "8" and insert "2"

Page 2, delete subdivision 2

Page 2, line 36, delete "3" and insert "2"

Page 3, lines 9 and 23, delete "4" and insert "3"

Page 3, line 17, after the semicolon, insert "and"

Page 3, delete lines 18 to 20

Page 3, line 21, delete "(3)" and insert "(2)"

Pages 3 and 4, delete subdivision 4 and insert:

"Subd. 3. [PROVIDER CHARGES TO THE UNINSURED.] In billing or charging an uninsured individual or the individual's representative for medically necessary health care services, a provider must bill by CPT code, or other billing identifier as may be routinely used for billing that health care service. A provider shall not bill or charge an uninsured individual or the individual's representative more than 120 percent of the amount the provider is paid for that service by a nongovernmental third-party payer plus any applicable cost-sharing payments payable by a patient during the previous calendar year. After a bill or charge is issued under this subdivision, a provider may not increase the bill or charge."

Page 4, line 2, delete "5" and insert "4"

Page 4, line 4, delete "4" and insert "3"

Page 4, line 10, delete "6" and insert "5"

Page 4, line 28, delete "7" and insert "6"

Page 4, line 33, delete "8" and insert "7"

Page 5, line 1, delete "9" and insert "8"

Page 5, after line 5, insert:

"Subd. 9. [INCOME AND ASSET LIMITATIONS.] The provisions of this section shall not apply to uninsured individuals with an annual family income above \$125,000."

Sec. 2. [62J.83] [HOSPITAL COST DISCLOSURE.]

Subdivision 1. [IDENTIFICATION OF HOSPITAL PROCEDURES.] Based on state or national data, the commissioner of health shall select the following:

(1) the 25 most frequently performed hospital inpatient procedures;

(2) the 25 most frequently performed hospital outpatient procedures; and

(3) the 50 most frequently administered drugs in a hospital inpatient setting.

Subd. 2. [REPORT.] Not later than 45 days after the end of each calendar quarter, a hospital shall report to the commissioner of health the average and the median allowable charge by the hospital or outpatient surgical center for the procedures and drugs identified in subdivision 1.

Subd. 3. [COMPUTATION.] For purposes of subdivision 2, the computation of an average and

median price for a procedure or a drug shall be in accordance with a methodology prescribed by the commissioner of health.

Subd. 4. [DISCLOSURE.] This information shall be available to the public on a comparative basis."

Amend the title as follows:

Page 1, lines 2 and 3, delete "requiring disclosures of certain payments;"

Page 1, line 5, after the semicolon, insert "requiring disclosure of certain hospital charges;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Senator Lourey from the Committee on Health and Family Security, to which was referred

S.F. No. 1198: A bill for an act relating to professional firms; including marriage and family therapy in the definition of professional services; allowing marriage and family therapists to practice professional services in combination; amending Minnesota Statutes 2004, sections 319B.02, subdivision 19; 319B.40.

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

Senator Foley from the Committee on Crime Prevention and Public Safety, to which was re-referred

S.F. No. 1771: A bill for an act relating to agriculture; changing certain penalties; amending Minnesota Statutes 2004, sections 31.032, subdivision 1; 31A.10.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 644, 1869, 1598, 1841, 1355, 1768, 1777, 1984, 1780, 1371, 1810, 776, 1385, 1064, 1687, 317, 2087, 2000, 69, 1804, 1354, 1379, 1386, 1604, 1760, 1198 and 1771 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Kleis moved that S.F. No. 233 be withdrawn from the Committee on State and Local Government Operations and re-referred to the Committee on Finance. The motion prevailed.

Senator Reiter moved that S.F. No. 1400 be withdrawn from the Committee on Finance and re-referred to the Committee on Crime Prevention and Public Safety. The motion prevailed.

Senator Pappas moved that S.F. No. 1689 be withdrawn from the Committee on Finance and re-referred to the Committee on State and Local Government Operations. The motion prevailed.

Senator Higgins moved that S.F. No. 1706 be withdrawn from the Committee on Education and re-referred to the Committee on Finance. The motion prevailed.

Senator Johnson, D.E., for Senator Dibble, moved that S.F. No. 1806 be withdrawn from the Committee on Finance and re-referred to the Committee on Education. The motion prevailed.

Senator Berglin moved that S.F. No. 2054 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes. The motion prevailed.

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 8:00 p.m. The motion prevailed.

The hour of 8:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Senator Johnson, D.E. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 3, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 3 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 6, 2005

CONFERENCE COMMITTEE REPORT ON H.F. NO. 3

A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; making adjustments to previous bond authorizations; establishing new programs and modifying existing programs; authorizing sale of state bonds; appropriating money; amending Minnesota Statutes 2004, sections 16A.671, subdivision 3; 85.019, subdivision 2; 116.182, subdivision 2; 116J.571; 116J.572, subdivision 2; 116J.573, subdivisions 1, 2, 5; 116J.575, subdivision 1; 134.45; 136F.60, by adding a subdivision; 174.52, by adding a subdivision; Laws 1998, chapter 404, section 23, subdivision 17, as amended; Laws 2003, First Special Session chapter 20, article 1, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 446A.

April 5, 2005

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H.F. No. 3, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 3 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS AND RELATED LANGUAGE

Section 1. [CAPITAL IMPROVEMENT APPROPRIATIONS.]

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

UNIVERSITY OF MINNESOTA	\$108,383,000
MINNESOTA STATE COLLEGES AND UNIVERSITIES	213,598,000
PERPICH CENTER FOR ARTS EDUCATION	1,083,000
EDUCATION	20,583,000
MINNESOTA STATE ACADEMIES	4,255,000
NATURAL RESOURCES	72,145,000
POLLUTION CONTROL AGENCY	10,000,000
OFFICE OF ENVIRONMENTAL ASSISTANCE	4,000,000
BOARD OF WATER AND SOIL RESOURCES	27,862,000
AGRICULTURE	3,919,000
ZOOLOGICAL GARDEN	22,640,000
ADMINISTRATION	7,279,000
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	2,370,000
MILITARY AFFAIRS	4,000,000
VETERANS AFFAIRS	670,000
PUBLIC SAFETY	642,000
TRANSPORTATION	94,000,000
METROPOLITAN COUNCIL	30,914,000
HUMAN SERVICES	26,073,000
VETERANS HOMES BOARD	5,437,000
CORRECTIONS	98,694,000
EMPLOYMENT AND ECONOMIC DEVELOPMENT	167,199,000
HOUSING FINANCE AGENCY	12,350,000
MINNESOTA HISTORICAL SOCIETY	6,000,000
BOND SALE EXPENSES	884,000
TOTAL	\$944,980,000
Bond Proceeds Fund (General Fund Debt Service)	817,892,000

Bond Proceeds Fund (User Financed Debt Service)	59,088,000
Maximum Effort School Loan Fund	18,000,000
State Transportation Fund	50,000,000

APPROPRIATIONS
\$

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. To the Board of Regents of the University of Minnesota for the purposes specified in this section 108,383,000

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR) 40,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. Duluth Campus

(a) Life Science Building 10,100,000

To design, renovate, furnish, and equip the Life Science Building for the pharmacy program and other academic programs on the Duluth campus. The renovation may include, but is not limited to, improvements to correct air quality problems, life safety and accessibility code deficiencies, asbestos, and fireproofing of the facility.

(b) Recreational Sports Addition 8,700,000

To construct, furnish, and equip the recreational sports facility, an addition to the existing sports and health center. The facility will include fitness and conditioning space, multipurpose recreational space, and office space.

Subd. 4. Morris Campus

(a) District Heating 4,000,000

To design, construct, and equip an addition to the heating plant to provide the capability to burn biomass fuel to produce steam.

This appropriation is not available until the commissioner of finance has determined that the chancellor of the University of Minnesota, Morris and the station head of the West Central Research and Outreach Center have a written operations plan that provides the West Central Research and Outreach Center adequate access to the facility for research purposes.

(b) Football Stadium 1,800,000

To construct a football stadium to be shared with the Morris School District.

This appropriation is not available until the commissioner of finance has determined that the necessary additional financing to complete the project has been committed from nonstate sources and that the Board of Regents and the Morris School Board have entered into an agreement governing the use and operation of the stadium by both entities.

Subd. 5. Twin Cities Campus

(a) Kolthoff Hall 17,400,000

To design, renovate, furnish, and equip Kolthoff Hall and to correct air quality problems in the facility that may include, but are not limited to, repair or replacement of the mechanical, electrical, and HVAC systems.

(b) Education Sciences 14,500,000

To design, renovate, furnish, and equip the Education Sciences Building.

(c) Academic Health Center 11,600,000

To design, renovate, furnish, and equip classrooms, laboratories, and the veterinary medicine teaching center on the St. Paul campus.

Subd. 6. North Central Research and Outreach Center - Grand Rapids 283,000

To design, construct, furnish, and equip a building to accommodate the farm machinery repair, maintenance, and carpentry shops.

Subd. 7. University Share

Except for higher education asset preservation and replacement and the Morris football stadium, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 8. Unspent Appropriations

Upon substantial completion or abandonment of a project authorized in this section and after written notice to the commissioner of finance, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee on how the remaining money has been allocated or spent.

Sec. 3. MINNESOTA STATE COLLEGES AND
UNIVERSITIES

Subdivision 1. To the Board of Trustees
of the Minnesota State Colleges and
Universities for the purposes specified in
this section

213,598,000

Subd. 2. Higher Education Asset
Preservation and Replacement

41,500,000

This appropriation is for the purposes specified
in Minnesota Statutes, section 135A.046.

Subd. 3. Anoka Ramsey Community College -
Cambridge

10,483,000

To design, construct, furnish, and equip an
addition to the main campus building, and to
renovate the main campus building for a science
laboratory and academic support center.

Subd. 4. Bemidji State University -
Northwest Technical College

10,863,000

To renovate, furnish, and equip Bridgeman Hall
at Bemidji State University and construct,
furnish, and equip an addition at Northwest
Technical College as part of phase 2 of the
Emerging Technology Addition project.

Subd. 5. Central Lakes College

5,953,000

To design, construct, furnish, and equip heavy
equipment shop space at the Staples West
Campus and to renovate vacated space at the
Staples main campus, and to design, construct,
furnish, and equip a music classroom and a
rehearsal addition and to renovate, furnish, and
equip vacated space at the Brainerd Campus.

Subd. 6. Century Community and
Technical College

(a) Technology Center

4,888,000

To renovate, furnish, and equip recently
purchased space into a technology center,
offices, and smart classrooms.

(b) Science Center and
Learning Resources Center

1,000,000

To design a new building for science laboratories
and classrooms and a new library and learning
resource center.

Subd. 7. Dakota Technical College

7,387,000

To renovate, furnish, and equip an information
technology and telecommunications center of
excellence, as well as improve and expand the
library and academic support center.

This appropriation is not available until the commissioner of finance has determined that at least \$200,000 has been committed from nonstate sources.

Subd. 8. Fond du Lac Tribal and Community College 635,000

To design an addition to the library and to design phase 1 of the Lester Jack Briggs Cultural Center to provide multicultural spaces and physical education facilities.

Subd. 9. Inver Hills Community College 6,045,000

To renovate the College Center Building and to construct, furnish, and equip a one-stop student services addition to it; enlarge and colocate central services, the bookstore, and loading dock; and remove a pedestrian safety hazard.

Subd. 10. Lake Superior College 11,243,000

To construct an addition to house all student services, high-tech classrooms, open computer labs, space for workforce development, and faculty and administrative offices. The project also includes space for student life programs and instruction.

Subd. 11. Minneapolis Community and Technical College 900,000

To design, through construction documents, a Health Sciences Center and renovation of existing outdated science labs.

Subd. 12. Minnesota State College - Southeast Technical College 3,802,000

To renovate, furnish, and equip a one-stop student services center, a bookstore, technology-enhanced classrooms, a library and learning resource center, a nursing department, and construct a collegiate entry and information center.

Subd. 13. Minnesota State Community and Technical College - Fergus Falls 7,604,000

To design, construct, furnish, and equip an addition for fine arts, technology, and student services, and to design, renovate, furnish, and equip general and interactive television classrooms.

Subd. 14. Minnesota State Community and Technical College - Moorhead 7,061,000

To construct, furnish, and equip an addition for allied health and construction trades and renovate space for student services. The project

will also expand and replace the campus boiler, upgrade campus storage and mechanical and electrical needs, correct life safety and building code violations, demolish temporary buildings, and construct 40 additional parking spaces.

Subd. 15. Minnesota State University -
Mankato

2,560,000

To design an addition to and renovation of Trafton Science Center.

Subd. 16. Minnesota State University -
Moorhead

(a) Hagen Hall

10,477,000

To renovate, furnish, and equip Hagen Hall for classrooms, science laboratories, and related offices.

(b) MacLean Hall

500,000

To design a comprehensive renovation of MacLean Hall.

Subd. 17. Northland Community
College

2,156,000

To construct, furnish, and equip an addition for the Workforce Center; renovate, furnish, and equip space vacated by the Workforce Center to expand nursing programs, and renovate instructional and office space.

Subd. 18. Riverland Community
College

5,540,000

To design, renovate, furnish, and equip science labs on the Austin and Albert Lea campuses and general classrooms on the Austin campus.

Subd. 19. Rochester Community and
Technical College

12,759,000

To design, construct, furnish, and equip the renovation of the vacant Rockenbach gymnasium and adjacent site improvements, selected areas of the Heintz Center, and portions of the University Center Rochester main campus buildings all for use as a health sciences center for Rochester Community and Technical College.

Subd. 20. St. Cloud State University

(a) Centennial Hall, Phase 2

3,150,000

To renovate, furnish, and equip Centennial Hall to convert it from a library to classroom and office space. This appropriation is in addition to the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 3, subdivision 16.

(b) Brown Hall/Math and Science Hall	900,000
To design the renovation of, and an addition to, Brown Hall and Math and Science Hall. The renovation and addition must address life safety, fire, and air quality to provide space for nursing programs and necessary laboratory and classroom space.	
Subd. 21. St. Cloud Technical College	15,056,000
To design, construct, furnish, and equip a multistory addition and to renovate classroom space into science space, including two science laboratories and a faculty office and the colocation of a workforce center.	
Subd. 22. St. Paul College	10,993,000
To design, renovate, furnish, and equip construction trades and technology labs and design and construct a new entryway to link all floors of the original building with the tower to include offices, conference rooms, and student study areas.	
Subd. 23. South Central Technical College	5,157,000
To renovate, furnish, and equip teaching laboratories at the North Mankato campus and for asset preservation at the Faribault campus.	
Subd. 24. Winona State University	11,118,000
To design, renovate, furnish, and equip Pasteur Hall for classrooms, science laboratories, and related offices.	
Subd. 25. Systemwide	
(a) Science Lab Renovations	6,668,000
To design, renovate, furnish, and equip science laboratories. This appropriation may be used at the following campuses: Alexandria Technical College, Anoka-Ramsey Community College, Central Lakes College, Staples, Century College, Minnesota West Community and Technical College, Granite Falls and Pipestone, Pine Technical College, Ridgewater Community and Technical College, Willmar and Hutchinson, South Central Technical College, Mankato, Southwest State University, St. Cloud Technical College, St. Paul College, and Vermillion Community College.	
(b) Workforce Training Classrooms	3,083,000
To design, renovate, furnish, and equip classroom space into space designed to address emerging workforce training needs. This	

appropriation may be used at the following campuses: Anoka-Hennepin Technical College, Century College, North Hennepin Community College, Rochester Community and Technical College, South Central Technical College, Faribault, Minnesota West Community and Technical College, Granite Falls, Minnesota State University Moorhead, Northwest Technical College, Bemidji, East Grand Forks, and Moorhead.

(c) Technology Updated Classrooms

1,019,000

To design, renovate, and equip learning technology classrooms. This appropriation may be used at the following campuses: Minnesota State College, Southeast Technical College, Minnesota West Community and Technical College, Granite Falls, Normandale Community College, North Hennepin Community College, Northland Community and Technical College, Pine Technical College, Riverland College, Albert Lea and Austin, South Central Technical College, Faribault, Southwest State University, St. Cloud State University, and St. Paul College.

(d) Demolition Initiative

1,625,000

To demolish obsolete buildings on ten campuses.

(e) Program Consolidation

1,173,000

To design, renovate, furnish, and equip spaces to allow for program consolidation from one campus to another.

(f) Land Acquisition

300,000

To acquire real property near the state college and university campuses.

Subd. 26. Debt Service

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement, except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of

principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Sec. 4. PERPICH CENTER FOR ARTS EDUCATION

Subdivision 1. To the commissioner of administration for the purposes specified in this section

1,083,000

Subd. 2. Campus Asset Preservation

558,000

To be spent in accordance with Minnesota Statutes, section 16A.632. \$90,000 is to replace lighting in the theater and to reconstruct the stage to allow its use for both teaching and performances.

Subd. 3. Beta Building Demolition

525,000

To demolish the Beta Building on the Perpich Center Campus, dispose of any hazardous materials, and fill the site.

Sec. 5. EDUCATION

Subdivision 1. To the commissioner of education or other named agency for the purposes specified in this section

20,583,000

Subd. 2. Independent School District No. 38 - Red Lake

18,000,000

This appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, renovate, furnish, and equip a new middle school and the existing high school. The commissioner and Independent School District No. 38, Red Lake, shall report to the legislature by January 10, 2006, on the progress of the capital loan.

Subd. 3. East Metro Magnet School - Crosswinds Middle School

1,083,000

For a grant to Joint Powers District No. 6067, East Metro Integration District, to repay a loan from Independent School District No. 625, St. Paul, that was used to complete acquiring land for the site of Crosswinds Arts and Science Middle School. This appropriation is added to the appropriations in Laws 1998, chapter 404, section 5, subdivision 5; Laws 1999, chapter 240, article 1, section 3; Laws 2000, chapter 492, article 1, section 5, subdivision 2; and Laws 2001, First Special Session chapter 12, section 2, subdivision 2, for the same project.

Subd. 4. Library

Improvement Grants

1,000,000

For library improvement grants under new Minnesota Statutes, section 134.45, subdivision 5b.

Subd. 5. Early Childhood Learning
and Child Protection Facilities

500,000

To the commissioner of human services for grants to rehabilitate facilities for programs under Minnesota Statutes, section 119A.45, except that a grant may not exceed \$75,000 per program and \$200,000 per facility.

Sec. 6. MINNESOTA STATE ACADEMIES

4,255,000

To the commissioner of administration for asset preservation capital improvements on both campuses of the Minnesota State Academies, to be spent in accordance with Minnesota Statutes, section 16A.632.

Sec. 7. NATURAL RESOURCES

Subdivision 1. To the
commissioner of natural resources
for the purposes specified
in this section

72,145,000

Subd. 2. Flood Hazard Mitigation
Grants

27,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate based on need.

This appropriation includes money for the following projects: Ada, Austin, Breckenridge, Canisteo Mine, Cannon Falls, Crookston, Dawson, East Grand Forks, Grand Marais Creek, Granite Falls, Green Meadow Dam, Inver Grove Heights, Little McDonald Lake, Malung,

Manston Slough, Minneapolis, Montevideo, Oakport, Palmville, Roseau River, St. Louis Park, Two River Ross Impoundment, Warren, and Whiskey Creek.

\$2,000,000 is for Austin for identified capital improvement projects, and any other authorized federal or state flood mitigation projects in the area designated under Presidential Declaration of Major Disaster, DR-1569, whether included in the original declaration or added later by federal government action. The area currently included in DR-1569 includes territory within the counties of Dodge, Faribault, Freeborn, Martin, Mower, Olmsted, and Steele.

\$175,000 is for the state share of a grant to the city of Cannon Falls for predesign and design of capital improvements to alleviate flooding caused by runoff from the bluffs and the flooding of the Little Cannon River and the Cannon River.

For any project listed in this subdivision that is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Austin, Breckenridge, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

There is no local share required for the Canisteo Mine project.

For grants for Roseau River wildlife management area, Palmville, and Malung, the state share must be \$3 for each \$1 of nonstate contribution.

Notwithstanding the grant expiration date of June 30, 2002, the commissioner of natural resources shall extend until June 30, 2007, the expiration date of a grant made to the city of Stillwater under Minnesota Statutes, section 103F.161, used to match certain federal appropriations for flood hazard mitigation.

Subd. 3. Dam Renovation and
Removal

2,000,000

To renovate or remove publicly owned dams.

The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects: removal of the dam on Rush Creek in Chisago County; repair of the bridge deck at Rapidan dam in Blue Earth County; repair of the Vermilion River dam in St. Louis County; and replacement of the dam on the Shellrock River. The grant to Blue Earth County for the Rapidan dam project is exempt from the local match requirement under Minnesota Statutes, section 103G.511.

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

Subd. 4. RIM - Critical Habitat Match

2,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943, for the acquisition or improvements of a capital nature for critical fish, wildlife, and native plant habitats.

Subd. 5. RIM - Wildlife Area Land Acquisition

10,000,000

To acquire land for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8.

A portion of this appropriation may be used to acquire land in coordination with the Central Minnesota Prairie to Pines Partnership to provide a state commitment under the federal Army Compatible Use Buffer Zone program to protect a buffer zone around Camp Ripley.

Subd. 6. Fisheries Acquisition and Improvement

1,050,000

To acquire land and interests in land for aquatic management areas and to make public improvements and betterments of a capital nature to aquatic management areas established under Minnesota Statutes, section 86A.05, subdivision 14.

Subd. 7. Water Access Acquisition, Betterment, and Fishing Piers

2,000,000

For public water access acquisition, construction,

and renovation to capital projects on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

Subd. 8. Canoe and Boating Routes 300,000

To develop canoe and boating routes under Minnesota Statutes, section 85.32.

This appropriation is to develop the Red River of the North Canoe and Boating Route.

Subd. 9. Stream Protection and Restoration 500,000

For the design and construction of trout stream restoration projects on Trout Brook and Dark River.

Subd. 10. Reforestation 2,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and purchasing tree seeds and seedlings.

Subd. 11. Metro Greenways and Natural Areas 500,000

To provide grants to local units of government for acquisition or betterment of greenways and natural areas in the metro region and to acquire greenways and natural areas in the metro region through the purchase of conservation easements or fee titles. The commissioner shall determine the project priorities and shall consult with representatives of local units of government, nonprofit organizations, and other interested parties.

Subd. 12. Native Prairie Bank Easements and Development 1,000,000

For acquisition of native prairie bank easements under Minnesota Statutes, section 84.96, and to develop and restore certain tracts of prairie bank lands for which the easement is permanent.

Subd. 13. Scientific and Natural Area Acquisition and Development 300,000

To acquire land for scientific and natural areas and for development and improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

Subd. 14. State Trail Development 7,910,000

To acquire land for and to develop and rehabilitate state trails as specified in Minnesota Statutes, section 85.015.

\$1,500,000 is for the Blazing Star Trail.

\$435,000 is for a segment of the Blufflands Trail, from Preston to Forestville.

\$200,000 is for a segment of the Blufflands Trail, from Chester Woods County Park to the city limits of Rochester in Olmsted County, primarily for nonmotorized riding and hiking.

\$400,000 is for the Douglas Trail.

\$400,000 is for the Gateway Trail.

\$725,000 is for the Gitchi Gami Trail.

\$500,000 is for the Glacial Lakes Trail.

\$200,000 is for the Goodhue Pioneer Trail.

\$300,000 is for the Heartland Trail.

\$300,000 is for the Mill Towns Trail.

\$100,000 is for the Minnesota River Trail.

\$2,400,000 is for the Paul Bunyan Trail: \$1,500,000 is for an extension across Excelsior Road in the city of Baxter to connect with the Oberstar Tunnel; \$900,000 is to acquire right-of-way in the city of Bemidji and to rehabilitate the trail.

\$450,000 is for the Shooting Star Trail.

Subd. 15. Trail Connections

885,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$365,000 is to Stearns County for land acquisition, engineering, and construction of trail connections on the Lake Koronis Trail.

\$220,000 is for a grant to Stearns County to link the Lake Wobegon Trail to the Central Lakes State Trail.

\$300,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority to complete constructing, furnishing, and equipping Mesabi Station along the 132-mile recreational trail known as Mesabi Trail and located on Lake Mesabi at the intersection of U.S. 53 and U.S. 169 and marked Trunk Highway 135. This appropriation is dependent upon a matching contribution of \$800,000 from other sources, public or private.

Subd. 16. County Forest Land Reforestation

1,000,000

To provide matching grants to counties for reforestation of county-administered lands. The commissioner shall determine project priorities based on need and level of county matching funds. The state matching grants are available to counties for site preparation, tree planting, tree seeding, and are to supplement, not supplant, county funding for timber development described under Minnesota Statutes, section 282.08, clause (5), item (i).

These grants are not available until the commissioner has determined that at least an equal amount has been committed from the recipient county.

Subd. 17. Fish Hatchery Improvements 1,700,000

For improvements of a capital nature to renovate fish culture facilities at hatcheries owned by the state and operated by the commissioner of natural resources.

Subd. 18. RIM - Wildlife Management Area Development 600,000

For improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8.

Subd. 19. State Forest and Forest Legacy Land Acquisition 1,500,000

To acquire private lands and interests in lands from willing sellers within established boundaries of state forests established under Minnesota Statutes, section 89.021, and within Forest Legacy Areas established under United States Code, title 16, section 2103c.

Subd. 20. Forest Road and Bridge Projects 300,000

For reconstruction, resurfacing, replacement, and construction of state forest roads and bridges throughout the state under Minnesota Statutes, section 89.002.

Subd. 21. State Park and Recreation Area Acquisition 2,500,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

\$500,000 is to purchase land within the boundaries of Greenleaf Lake state park in Meeker county.

Subd. 22. State Park and Recreation Area
Building Development and Rehabilitation and
Infrastructure Improvements

1,800,000

For construction, rehabilitation, and infrastructure improvements within Minnesota state parks and state recreation areas according to the management plan required in Minnesota Statutes, chapter 86A.

\$300,000 is to predesign and design a visitor's center and a maintenance shop at Grand Portage State Park.

Subd. 23. Local Initiative Grants

1,000,000

For grants for local parks and outdoor recreation areas under Minnesota Statutes, section 85.019, subdivision 2; grants for natural and scenic areas under Minnesota Statutes, section 85.019, subdivision 4a; and grants for regional parks outside the metropolitan area defined in Minnesota Statutes, section 473.121, subdivision 2, which may be for up to 60 percent of the nonfederal share of the project cost. Projects related to replacement of urban forests are eligible for funding under this subdivision.

Subd. 24. Lake Superior Safe Harbor

2,000,000

To design and construct capital improvements to public accesses and small craft harbors on Lake Superior in cooperation with the United States Army Corps of Engineers, and to purchase buildings, piers, and capital equipment from Lake County.

Subd. 25. Statewide Asset Preservation

2,000,000

To the commissioner of natural resources to be spent for the purposes set forth in Minnesota Statutes, section 16A.632.

Subd. 26. Field Office Renovation and
Improvement

300,000

To design, acquire, renovate, construct, furnish, and equip field offices.

Sec. 8. POLLUTION CONTROL AGENCY

10,000,000

To the Pollution Control Agency to design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, section 115B.39.

Sec. 9. OFFICE OF ENVIRONMENTAL ASSISTANCE

4,000,000

To the Office of Environmental Assistance for the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54.

\$2,000,000 is for a grant to the city of Red Wing.

\$2,000,000 is for a grant to Olmsted County.

Sec. 10. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. To the Board
of Water and Soil Resources for the
purposes specified in this section 27,862,000

Subd. 2. RIM and CREP Conservation
Easements 23,000,000

This appropriation is to acquire conservation easements from landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.515.

\$3,000,000 is to implement the program.

Subd. 3. Wetland Replacement
Due to Public Road Projects 4,362,000

To acquire land for wetlands or restore wetlands to be used to replace wetlands drained or filled as a result of the repair, maintenance, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (k) and (l).

The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

Subd. 4. Area II Minnesota
River Basin Grant-in-Aid Program 500,000

For grants to assist local governments in Area II of the Minnesota River Basin to acquire, design, and construct floodwater retention systems.

The grants are not available until the board determines that \$1 has been committed to the project from nonstate sources for every \$3 of state grant.

Sec. 11. AGRICULTURE

Subdivision 1. To the Board of Regents
of the University of Minnesota for
the purposes specified in this section 3,919,000

Subd. 2. Agriculture Water Management
Research Partnership 619,000

To establish or expand agricultural water management projects at the Crookston, Morris, Lamberton, and Waseca Research and Outreach Centers in partnership with the Department of Agriculture.

Subd. 3. Joint Plant Pathology
Research Facility

3,300,000

To design, construct, furnish, and equip a level 3 plant pathogen containment research facility on the University of Minnesota St. Paul Campus. This appropriation is not available until the commissioner of finance determines that at least \$1,600,000 in matching nonstate contributions have been committed to the project.

\$100,000 is to complete the level 2 containment facility.

Sec. 12. MINNESOTA ZOOLOGICAL
GARDEN

Subdivision 1. To the Minnesota
Zoological Garden for the purposes
specified in this section

22,640,000

Subd. 2. Phase 1 of Master Plan

20,640,000

To design, construct, furnish, and equip zoo facilities consistent with the current Master Plan for the Gateway to the North exhibit.

Subd. 3. Asset Preservation

2,000,000

For capital asset preservation improvements and betterments, to be spent in accordance with Minnesota Statutes, section 16A.632.

Sec. 13. ADMINISTRATION

Subdivision 1. To the commissioner
of administration for the purposes
specified in this section

7,279,000

Subd. 2. Capital Asset Preservation and
Replacement Account (CAPRA)

3,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. Asset Preservation

2,500,000

For asset preservation projects in properties managed by the Department of Administration, to be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 4. Parking

1,779,000

For renovation of the Central Park Parking Ramp, located east and adjacent to the Centennial Office Building in St. Paul, to

accommodate additional parking stalls and for capital costs to expand Capitol Parking Lot Q, located at Cedar Street and Sherburne Avenue in St. Paul, to accommodate additional parking stalls.

The bond debt will be user financed from parking fees collected and deposited into the state parking account under Minnesota Statutes, section 16A.643.

Sec. 14. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section

2,370,000

Subd. 2. Capitol Interior Renovation

1,200,000

To complete schematic design for the phased renovation and restoration of the Capitol's interior, including all floors, ceremonial and public spaces, office suites, and spaces currently serving as hearing rooms. The design may not include any building outside the Capitol.

The appropriation in this subdivision may not be spent on any project that affects space under the control of the senate without the approval of the secretary of the senate nor on any project that affects space under the control of the house of representatives without the approval of the chief clerk of the house.

Subd. 3. Capitol Third Floor

1,170,000

To repair and restore the public corridors, walls, and ceilings of the third floor of the Capitol Building in St. Paul. Restoration of the dome will be addressed by private fundraising efforts.

Sec. 15. MILITARY AFFAIRS

4,000,000

To the adjutant general to be spent for the purposes set forth in Minnesota Statutes, section 16A.632.

Sec. 16. VETERANS AFFAIRS

670,000

To the commissioner of administration to complete construction of the World War II veterans' memorial on the Capitol mall. This is the final state appropriation for the project and is contingent on sufficient nonstate funds being received and deposited into a segregated account for perpetual maintenance of the memorial.

Sec. 17. PUBLIC SAFETY

642,000

To the commissioner of public safety for a grant to the city of Blue Earth to acquire land for and

to predesign, design, construct, furnish, and equip a fire and police station. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed to the project from nonstate sources.

Sec. 18. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section

94,000,000

Subd. 2. Local Bridge Replacement and Rehabilitation

40,000,000

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal money and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

- (1) matching federal-aid grants to construct or reconstruct key bridges;
- (2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;
- (3) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made; and
- (4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost efficient than the replacement of the existing bridge.

Subd. 3. Local Road Improvement Program

10,000,000

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50.

\$5,000,000 is for construction, reconstruction, or reconditioning of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4.

\$5,000,000 is for grants to counties to assist in paying the costs of capital improvement projects on county state-aid highways that are intended

primarily to reduce traffic crashes, deaths, injuries, and property damage, under new Minnesota Statutes, section 174.52, subdivision 4a.

Subd. 4. Port Development Assistance 2,000,000

For grants under Minnesota Statutes, sections 457A.01 to 457A.06. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 5. Northstar Commuter Rail 37,500,000

For final design and project management of a commuter rail line serving Big Lake to downtown Minneapolis; to acquire land for stations, maintenance facilities, and park and ride lots; and for final design and project management of an extension of the Hiawatha Light Rail Transit Line from its terminus in downtown Minneapolis to a new terminus near Fifth Avenue North adjacent to the proposed downtown Minneapolis commuter rail station.

This appropriation is not available until \$37,500,000 has been committed by local governments and approval to proceed to final design has been authorized by the Federal Transit Administration.

Up to \$10,000,000 of this appropriation may be used for final design and project management.

The final design must include an examination of the feasibility of using bio-diesel fuel in commuter rail locomotives.

After a full-funding grant agreement has been executed with the Federal Transit Administration for the Northstar Commuter Rail Project, the remaining balance of this appropriation not committed for final design and project management or committed to acquire land shall be available, after notice to the commissioner of finance, to construct, furnish, and equip the Northstar Commuter Rail Line and to construct, furnish, and equip the extension of the light rail transit line.

If the Northstar commuter rail line is extended from Big Lake to the St. Cloud area, regional rail authority members of the Northstar Corridor Development Authority who did not fund a portion of the share of capital costs from Minneapolis to Big Lake shall contribute an amount for the extension equal to the amount they would have contributed for their proportional share of the entire line from Minneapolis to the St. Cloud area.

Subd. 6. Rail Service Improvement

2,500,000

For transfer to the rail service improvement account under Minnesota Statutes, section 222.49.

\$1,000,000 is for a grant to the city of New Brighton to construct a railroad wye.

Subd. 7. Duluth Aerial Lift Bridge

1,000,000

For a grant to the city of Duluth for capital restoration of the aerial lift bridge. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

Subd. 8. St. Paul - Holman Field Flood Protection

1,000,000

For a grant to the Metropolitan Airports Commission to construct a permanent flood control perimeter dike along the east and south edges of the St. Paul Downtown Airport/Holman Field.

Sec. 19. METROPOLITAN COUNCIL

Subdivision 1. To the Metropolitan Council for the purposes specified in this section

30,914,000

Subd. 2. Cedar Avenue Bus Rapid Transit (BRT)

10,000,000

For environmental studies, preliminary engineering, bus lane improvements, and transit station construction and improvements for Cedar Avenue bus rapid transit between the Mall of America in Bloomington and the cities of Eagan, Apple Valley, and Lakeville.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Subd. 3. Central Corridor Transit Way

5,250,000

For design, final environmental impact statement, and preliminary engineering of the Central Corridor Transit Way between St. Paul and Minneapolis.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Subd. 4. Red Rock Corridor Transit Way

500,000

For preliminary engineering and environmental review of the Red Rock corridor transit way from Hastings through St. Paul to Minneapolis.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Subd. 5. Rush Line
Corridor Bus Way

500,000

To match federal money for right-of-way acquisition and engineering for the Rush Line Corridor Bus Way between St. Paul and Hinckley and for related construction of park-and-pool and park-and-ride facilities for the bus way.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Subd. 6. Metropolitan Regional
Parks Capital Improvements

14,664,000

This appropriation must be used to pay the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority should be given to park rehabilitation and land acquisition projects.

For purposes of Minnesota Statutes, section 473.351, Columbia Parkway, Ridgeway Parkway, and Stinson Boulevard are considered to be part of the metropolitan regional recreation open space system.

\$100,000 is for a grant to Ramsey and Washington Counties, or either of them as jointly agreed, to prepare engineering design documents for the development of a trail adjacent to marked Trunk Highway 120 from its intersection with Joy Road to its intersection with 20th Street in the city of North St. Paul, adjacent to marked Trunk Highway 96 from its intersection with marked Trunk Highway 61 to its intersection with marked Trunk Highway 244, and adjacent to marked Trunk Highway 244 from its intersection with marked Trunk Highway 96 to and including its intersection with Washington County Road 12. The design must be consistent with the recommendations of the Lake Links Trail Network Master Plan prepared for Ramsey and Washington Counties.

\$388,000 is for a grant to the city of St. Paul for park and trail improvements in the Desnoyer Park area, above the Meeker Island lock historic site.

\$4,676,000 is for a grant to the city of St. Paul to design and construct river's edge improvements at Raspberry Island and Upper Landing and develop a public park on Raspberry Island. Of this amount, \$676,000 is the local match for an Upper Landing federal TEA-21 grant.

\$2,500,000 is for a grant to the city of South St. Paul for the closure, capping, and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill in South St. Paul, as the fourth phase of converting the land into parkland, and to restore approximately 80 acres of riverfront land along the Mississippi River.

Sec. 20. HUMAN SERVICES

Subdivision 1. To the commissioner of administration or another named agency for the purposes specified in this section

26,073,000

Subd. 2. State-Operated Services
Forensics Programs

3,259,000

To design new facilities to be constructed on the campus of the St. Peter Regional Treatment Center for individuals committed as sexual psychopathic personalities, sexually dangerous persons, mentally ill, or mentally ill and dangerous.

Subd. 3. Systemwide Redevelopment, Reuse, or Demolition

17,600,000

To demolish or improve surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses statewide.

(a) Up to \$8,600,000 may be used to predesign, design, construct, furnish, and equip renovation of existing space or construction of new space for skilled nursing home capacity for forensic treatment programs operated by state-operated services on the campus of St. Peter Regional Treatment Center.

(b) \$4,000,000 may be used to prepare and develop a site, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah-Gwah-Ching Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

(c) \$1,000,000 may be used to renovate one or more buildings for chemical dependency treatment specializing in methamphetamine addiction, and demolish buildings, on the Willmar Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

(d) Up to \$2,210,000 may be spent by the commissioner of finance to retire municipal bonds issued by the city of Fergus Falls and to retire interfund loans incurred by the city of Fergus Falls in connection with the waste incinerator and steam heating facility at the Fergus Falls Regional Treatment Center.

(e) Up to \$400,000 may be used for a grant to the city of Fergus Falls to demolish the city's waste-to-energy incineration plant located on the grounds of the Fergus Falls Regional Treatment Center.

(f) The provisions, terms, and conditions of any grant made by the director of the Office of Environmental Assistance under Minnesota Statutes, chapter 115A, to the city of Fergus Falls for the waste incinerator steam heating facility that supports the Fergus Falls Regional Treatment Center and that may come into effect as a result of the incinerator and facility being closed, are hereby waived.

Subd. 4. Willmar Regional Treatment Center Retrofit

900,000

To demolish buildings, predesign, design, renovate, construct, furnish, and equip buildings at the Willmar Regional Treatment Center for reuse, and renovate campus support buildings and campus infrastructure, including tunnels. These projects are to develop the Willmar Regional Treatment Center campus for health care, mental health care, chemical dependency treatment, housing, and other public purposes and must be implemented consistent with the recommendations in the final Willmar Regional Treatment Center Master Plan and Reuse Study prepared and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2, unless expressly provided otherwise. If the Willmar Regional Treatment Center property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of

government that acquires the campus for the purposes stated in this subdivision.

Subd. 5. Systemwide Roof
Renovation and Replacement

1,014,000

For renovation and replacement of roofs at Department of Human Services facilities statewide.

Subd. 6. Systemwide Asset
Preservation

3,000,000

For asset preservation improvements and betterments of a capital nature at state regional treatment centers, to be spent in accordance with Minnesota Statutes, section 16A.632.

A portion of this appropriation may be used to acquire a residential property located adjacent to the St. Peter Regional Treatment Center.

Subd. 7. Grave Markers at
Regional Treatment Centers

300,000

To purchase and place grave markers or memorial monuments that include the available names of individuals at cemeteries located at regional treatment centers operated or formerly operated by the commissioner of human services. Individual monuments must not be placed if the family of the deceased resident objects to the placement of the monument.

Sec. 21. VETERANS HOMES BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section

5,437,000

Subd. 2. Asset Preservation

4,000,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide to be spent in accordance with Minnesota Statutes, section 16A.632.

Up to \$2,200,000 of federal money received by the Minnesota Veterans Homes Board of Directors as reimbursement for state capital expenditures at the veterans homes must be credited to the general fund and is appropriated to the commissioner of administration for asset preservation at the homes in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. Luverne
Veterans Home

306,000

For the state's portion of the cost to design, construct, furnish, and equip an addition to the nursing care facility, to be used as an Alzheimer's/dementia wander area.

Subd. 4. Minneapolis
Veterans Home 1,031,000

For the state's portion of the cost to remodel Building 4 to provide adult day care services in the surrounding communities.

Subd. 5. Willmar
Veterans Home Predesign 100,000

To predesign a veterans nursing home on the Willmar Regional Treatment Center campus, including a 60-bed skilled nursing facility in the medical treatment center annex building (building 24) and possibly new construction for a veterans geriatric behavioral program.

Sec. 22. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes specified in this section 98,694,000

Subd. 2. Minnesota Correctional Facility - Faribault, Phase 1 84,844,000

To design, construct, furnish, and equip an expansion at the Minnesota Correctional Facility - Faribault, to include, but not be limited to, three new 416-bed, double-bunked wet cell lockable living units, a new kitchen and dining area, an expanded health services area, additional programming space, an upgrade to the existing heating plant, and demolition of several buildings and a utility tunnel.

Subd. 3. Minnesota Correctional Facility - Stillwater, Phase 1 3,500,000

To demolish the former health services building, renovate, and equip the discipline and psychology/psychiatry units, and design through construction documents a new 150-bed segregation unit.

Subd. 4. Minnesota Correctional Facility - Willow River

(a) Activities Building 2,000,000

To demolish the Willow River Activities Building and design, construct, furnish, and equip a replacement for it.

(b) Space for Additional Beds 350,000

To purchase or to construct, furnish, equip, and prepare foundation and utilities for a new prefabricated or conventionally built building to accommodate up to 100 additional beds. The commissioner may use this appropriation and any other state or federal money that may be available for this expansion.

Subd. 5. Asset Preservation

8,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16A.632.

Sec. 23. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of employment and economic development or other named agency for the purposes specified in this section

167,199,000

Subd. 2. State Match for Federal Grants

14,380,000

(a) To the Public Facilities Authority:

(1) to match federal grants to the water pollution control revolving fund under Minnesota Statutes, section 446A.07; and

(2) to match federal grants to the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) The expenditure and allocation of state matching money between funds described in paragraph (a), clauses (1) and (2), must be based on the amount of federal money appropriated to the funds.

(c) This appropriation must be used for qualified capital projects.

Subd. 3. Wastewater Infrastructure Funding Program

29,900,000

(a) To the Public Facilities Authority for the purposes specified in this subdivision. \$29,300,000 of this appropriation is for grants and loans to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority must use the appropriation for projects on the 2005 project priority list in priority order to qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development before December 1, 2006.

\$600,000 of this appropriation is to implement the wastewater infrastructure program.

(b) The grants listed in this paragraph are not subject to the 2005 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

\$1,500,000 is for a grant to the city of Aurora to reconstruct its wastewater treatment plant, damaged in an explosion May 5, 2004.

\$1,700,000 is for a grant to the Central Iron Range Sanitary Sewer District Authority to predesign and design the necessary facilities to collect, treat, and dispose of sewage in the district, including a pump-storage facility and a wind-energy facility.

Up to \$5,000,000 may be used as grants to the cities of Dunnell, Dumont, Henriette, Lewisville, McGrath, and Ostrander to undertake corrective action on systems built since 2001 with federal money from USDA Rural Economic and Community Development. A grant must not exceed the amount of federal money used in the construction of systems that incorporated sand filter treatment, fixed activated sludge treatment, or mechanical package plant treatment technologies.

\$4,950,000 is for a grant to the city of Duluth for design and construction of sanitary sewer overflow storage facilities at selected locations in the city of Duluth. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

\$1,700,000 is for a grant to the city of Eagle Bend to predesign, design, construct, furnish, and equip a wastewater collection and treatment system.

\$1,500,000 is for a grant to the city of Two Harbors to retire loans, whether interfund or otherwise, incurred to acquire land for, design, construct, furnish, and equip a 2,500,000 gallon equalization basin and a chlorine-contact tank of at least 100,000 gallon capacity, adjacent to the city's wastewater treatment plant. The equalization basin is required under the city's National Pollution Discharge Elimination System permit. This appropriation is not available until the commissioner of finance determines that \$325,000 has been committed to the project from nonstate sources.

\$1,550,000 for a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River.

\$2,000,000 is to the commissioner of employment and economic development for a grant to the city of New Brighton to relocate a sanitary sewer interceptor in the Northwest Quadrant to allow for redevelopment of that area.

Subd. 4. Total Maximum
Daily Load Grants

2,000,000

To the Public Facilities Authority for total maximum daily load grants under new Minnesota Statutes, section 446A.073.

Subd. 5. Austin Flood Relief

2,000,000

For grants to local units of government to assist with the cost of rehabilitation and replacement of publicly owned infrastructure, including storm sewers, wastewater and municipal utility service, drinking water systems, and other infrastructure damaged by flooding in the area designated under Presidential Declaration of Major Disaster, DR-1569, whether included in the original declaration or added later by federal government action.

This appropriation may also be used to acquire real property substantially damaged by flooding in the area included in DR-1569.

For the purposes of this appropriation, criteria, limitations, and repayment requirements in Minnesota Statutes, sections 446A.07, 446A.072, and 446A.081, are waived.

Of this amount, \$800,000 is for a grant to the city of Austin for public improvements in or near the city, \$600,000 is for a grant to the city of Albert Lea for public improvements in or near the city, \$400,000 is for a grant to Freeborn County for public improvements in the Turtle Creek Watershed, and \$200,000 is for a grant to the city of Blooming Prairie.

Subd. 6. Burnsville -
Water Treatment Facility

3,000,000

To the Public Facilities Authority for a grant to the city of Burnsville to design, construct, furnish, and equip a water treatment facility that will provide an additional potable water source for the city of Burnsville using water from the Burnsville quarry. This appropriation is not available until the commissioner of finance has determined that at least \$6,000,000 is available in matching money from nonstate sources. The first \$6,000,000 from nonstate sources must be split equally between the city of Burnsville and

the owner of the quarry. Amounts spent since January 1, 2002, to plan, design, and construct this project may be counted as part of the nonstate match.

Subd. 7. Crookston and Red Lake Falls - Riverbank Protection

2,500,000

\$1,900,000 is for the Public Facilities Authority to make a grant to the city of Crookston to acquire property for and to predesign, design, and construct emergency riverbank protection and erosion control measures along the Red Lake River in the vicinity of U.S. 2. For the purposes of this appropriation, the criteria, limitations, and repayment requirements in Minnesota Statutes, sections 446A.07, 446A.072, and 446A.081, are waived.

\$600,000 is for the Public Facilities Authority to make a grant to the city of Red Lake Falls to acquire property for and to predesign, design, and construct emergency riverbank protection and erosion control measures along the Red Lake River. For the purposes of this appropriation, the criteria, limitations, and repayment requirements in Minnesota Statutes, sections 446A.07, 446A.072, and 446A.081, are waived.

Subd. 8. Lewis and Clark Rural Water System, Inc.

2,000,000

To the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln-Pipestone rural water system, and Rock County rural water system to acquire land, predesign, design, construct, furnish, and equip one or more water transmission and storage facilities to accommodate the connection with the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

The grants must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. for each \$1 of state money to be used to reimburse costs incurred on eligible projects.

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Subd. 9. Roseau Infrastructure Repair and Municipal Complex Relocation

13,220,000

(a)(1) \$4,941,000 to the public facilities authority for a grant to the city of Roseau to assist with the cost of rehabilitation and replacement of publicly owned infrastructure, including storm sewers, wastewater and municipal utility service, drinking water systems, and other infrastructure damaged by flooding in the area included in DR-1419. For the purposes of this appropriation, criteria, limitations, and repayment requirements in Minnesota Statutes, sections 446A.07, 446A.072, and 446A.081, are waived.

(2) \$8,279,000 is for a grant to the city of Roseau to design, construct, furnish, and equip a new city hall, auditorium, library, museum, and police department located out of the Roseau River floodway.

(b) Capital costs for the projects in paragraph (a) incurred after the effective date of this act are eligible for reimbursement from the grants authorized in paragraph (a), provided that the city of Roseau has given the commissioner of finance the information that the commissioner requests to meet federal tax law requirements.

Subd. 10. Greater Minnesota Business
Development Infrastructure Grant Program

10,000,000

For grants under Minnesota Statutes, section 116J.431.

Subd. 11. Redevelopment
Account

15,000,000

For purposes of the redevelopment account created in Minnesota Statutes, section 116J.571.

\$5,000,000 is for a grant to the city of Mounds View for public improvements for a commercial and industrial redevelopment project. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$1,000,000 is for a grant to the city of Willmar to pay part of the cost of acquiring land for the city airport and to construct, furnish, and equip hangars and a precision lighting system at the airport.

\$600,000 is for a grant to the city of Rushford to acquire real property for, and to design, construct, and renovate, furnish, and equip a facility for the Institute of Nanotechnology.

Subd. 12. Bioscience Development

18,500,000

For grants to political subdivisions to predesign, design, construct, furnish, and equip publicly

owned infrastructure required to support bioscience development in this state.

\$2,500,000 is for a grant to the city of Worthington.

Subd. 13. Buffalo Lake -
Maintenance Garage and Street Repair 690,000

For a grant to the city of Buffalo Lake to design, construct, furnish, and equip a municipal maintenance garage and reconstruct city streets damaged by a tornado.

Subd. 14. Detroit Lakes -
Regional Historical Pavilion and Band Shell 283,000

For a grant to the city of Detroit Lakes to renovate the Detroit Lakes Historical Regional Pavilion and Band Shell. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 15. Laurentian Energy Authority -
Wood Yard 2,000,000

For a grant to the Laurentian Energy Authority, established under a joint powers agreement between the cities of Hibbing and Virginia, to construct a wood yard for processing and prepping agricultural biomass and forest-derived biomass wood waste for biomass energy facilities.

Subd. 16. Minneapolis
(a) Minnesota Planetarium 22,000,000

For a grant to the city of Minneapolis to complete design and to construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library.

(b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

(c) Minnesota Shubert Center 1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

Subd. 17. Moorhead -
Heritage Hjemkomst Center 1,000,000

For a grant to the city of Moorhead for asset preservation at the Heritage Hjemkomst Center. The appropriation must be used to predesign, design, and construct replacement of the fabric roof, replacement of the structural support system for the hull of the Viking ship Hjemkomst, and to install security measures at the replica Stave Kirke. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

Subd. 18. Orono - Big Island

2,000,000

For a grant to the city of Orono to acquire the Big Island Veterans Camp in Lake Minnetonka. Minnesota Statutes, section 197.133, applies to this appropriation.

The appropriation is not available until the commissioner of finance determines that an amount sufficient to complete the purchase has been committed to the project from nonstate sources. The purchase may be completed without waiting for other interested governmental agencies to come forward.

Subd. 19. Rochester -
University of Minnesota/
Mayo Clinic Biotechnology Research Facility

21,726,000

To the Board of Regents of the University of Minnesota to purchase floors in the Stabile Building on the Mayo Clinic Campus in Rochester. The floors are to be used to accommodate both basic science and clinical researchers, along with research infrastructure, that will be used to support collaborative research efforts between the University of Minnesota and the Mayo Clinic. The floors will be owned by the University of Minnesota and operated by the Mayo Clinic through a use agreement approved by the commissioner of finance, subject to Minnesota Statutes, section 16A.695.

Subd. 20. St. Paul - Phalen Corridor

4,000,000

For a grant to the city of St. Paul to acquire land for right-of-way and to complete contamination remediation and construct Phalen Boulevard between Interstate Highway I-35E and Johnson Parkway.

Sec. 24. HOUSING FINANCE AGENCY

Subdivision 1. To the commissioner of the Housing Finance Agency for the purposes specified in this section

12,350,000

Subd. 2. Housing the Homeless

12,000,000

To the commissioner of the Housing Finance Agency for loans and grants for publicly owned permanent rental housing under Minnesota Statutes, section 462A.202, subdivision 3a, for persons who have been without a permanent residence for at least 12 months or on at least four occasions in the last three years or are at significant risk of lacking a permanent residence for at least 12 months or on at least four occasions in the last three years. The housing must provide or coordinate with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment. Notwithstanding Minnesota Statutes, section 462A.202, subdivision 3a, the commissioner shall give equal consideration to proposals for projects serving individuals and those serving families with children. Preference among comparable proposals shall be given to proposals for the acquisition and rehabilitation of property.

Subd. 3. Supportive Housing

350,000

For a grant to the Hennepin County Housing and Redevelopment Authority to design 64 units of affordable, stable, and supportive housing, including some units targeted at those experiencing long-term homelessness. The units must be owned by the grantee and may be located above a nonprofit social service provider's site, and may be operated by the social service provider, subject to Minnesota Statutes, section 16A.695.

Sec. 25. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. To the Minnesota Historical Society for the purposes specified in this section

6,000,000

Subd. 2. Historic Sites Asset Preservation

4,000,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent for the purposes set forth in Minnesota Statutes, section 16A.632. The society shall determine project priorities as appropriate based on need.

Subd. 3. County and Local Preservation Grants

1,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature. Grant recipients must

be public entities and must match state funds on at least an equal basis. The facilities must be publicly owned.

Subd. 4. Fort Snelling Historic Site

1,000,000

To design, construct, furnish, and equip the most urgent preservation projects needed for historic Fort Snelling.

Sec. 26. BOND SALE EXPENSES

884,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 27. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2007, no more than \$780,536,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 28. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$876,980,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$18,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. [TRANSPORTATION FUND BOND PROCEEDS ACCOUNT.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$50,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued

interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 29. [16A.502] [NONSTATE COMMITMENTS TO CAPITAL PROJECTS.]

If a state appropriation or grant for a capital project or project phase is not sufficient, by itself, to complete the project or project phase, and thus requires a commitment from other sources:

(1) the commitment, including any required match, must be in an amount that, when added to the appropriation or grant, is sufficient to complete the project or project phase; and

(2) the appropriation or grant is not available until the commissioner has determined that the commitment is sufficient.

In making the determination, the commissioner must apply generally accepted governmental accounting standards and principles, including those that are particularly applicable to capital projects.

Sec. 30. Minnesota Statutes 2004, section 16A.671, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] As used in this section, the terms defined in this subdivision have the meanings given them:

(a) "General fund" means all cash and investments from time to time received and held in the treasury, except proceeds of state bonds and amounts received and held in special or dedicated funds created by the Constitution, or by or pursuant to federal laws or regulations, or by bond or trust instruments, pension contracts, or other agreements of the state or its agencies with private persons, entered into under state law.

(b) "Maximum current cash flow requirement" means the commissioner's written estimate of the largest of the amounts by which, on a particular designated date in each month of the term for which certificates are to be issued, the sum of (1) the warrants then outstanding against the general fund plus (2) ~~those that must be drawn on the fund before the same date in the following month, in payment of claims due for expenditure under all appropriations and allotments, will exceed the amount of cash or cash equivalent assets held in the general fund on the first of these dates an~~ amount equal to five percent of the actual working capital expenditures from the general fund in the preceding fiscal year, will exceed the amount of cash or cash equivalent assets held in the general fund, excluding the proceeds of the certificates to be issued.

Sec. 31. Minnesota Statutes 2004, section 85.019, subdivision 2, is amended to read:

Subd. 2. [PARKS AND OUTDOOR RECREATION AREAS.] The commissioner shall administer a program to provide grants to units of government for up to 50 percent of the costs of acquisition and betterment of public land and improvements needed for parks and other outdoor recreation areas and facilities, including costs to create veterans memorial gardens and parks.

Sec. 32. Minnesota Statutes 2004, section 116.182, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section governs the commissioner's certification of projects seeking financial assistance under section 103F.725, subdivision 1a; ~~446A.07; or~~ 446A.072; or 446A.073.

Sec. 33. Minnesota Statutes 2004, section 116J.575, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER DISCRETION.] The commissioner may make a grant for up to 50 percent of the eligible costs of a project. The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section and sections 116J.571 to 116J.574 and available unencumbered money in the greater Minnesota redevelopment account. Notwithstanding section 116J.573, if the commissioner determines that the applications for grants for projects in greater Minnesota are less than the amount of grant funds available, the commissioner may make grants for projects anywhere in Minnesota. The commissioner's

decisions and application of the priorities under this section are not subject to judicial review, except for abuse of discretion.

Sec. 34. Minnesota Statutes 2004, section 134.45, is amended to read:

134.45 [LIBRARY ACCESSIBILITY AND IMPROVEMENT GRANTS.]

Subdivision 1. [APPLICATION; DEFINITION.] Public library jurisdictions may apply to the commissioner of education for grants ~~to improve~~ for improvements and accessibility to their library facilities. For the purposes of this section, "public library jurisdictions" means regional public library systems, regional library districts, cities, and counties operating libraries under chapter 134.

Subd. 2. [APPROVAL BY COMMISSIONER.] The commissioner of education, in consultation with the state Council on Disability, may approve or disapprove applications under this section. The grant money must be used ~~only~~ to remove architectural barriers from a building or site, to renovate or expand an existing building for use as a library, or to construct a new library building.

Subd. 3. [APPLICATION FORMS.] The commissioner of education shall prepare application forms and establish application dates.

Subd. 4. [MATCH.] A public library jurisdiction applying for a grant under this section must match the grant with local funds.

Subd. 5. [QUALIFICATION; ACCESSIBILITY GRANTS.] A public library jurisdiction may apply for a grant in an amount up to ~~\$150,000~~ \$200,000 or 50 percent of the approved costs of removing architectural barriers from a building or site, whichever is less. Grants may be made only for projects in existing buildings used as a library, or to prepare another existing building for use as a library. Renovation of an existing building may include an addition to the building if the additional space is necessary to provide accessibility or if relocating public spaces to the ground level provides improved overall accessibility. Grants must not be used to pay part of the cost of meeting accessibility requirements in a new building.

Subd. 5a. [PROHIBITION ON PORNOGRAPHIC USE OF INTERNET.] A public library jurisdiction is not eligible for a grant under this section unless it has adopted a policy to prohibit library users from using the library's Internet access to view, print, or distribute material that is obscene within the meaning of section 617.241.

Subd. 5b. [QUALIFICATION; IMPROVEMENT GRANTS.] A public library jurisdiction may apply for a grant in an amount up to \$1,000,000 or 50 percent, whichever is less, of the approved costs of renovating or expanding an existing library building, or to construct a new library building.

Subd. 6. [AWARD OF GRANTS.] The commissioner, in consultation with the state Council on Disability, shall examine and consider all applications for grants. If a public library jurisdiction is found not qualified, the commissioner shall promptly notify it. The commissioner shall prioritize grants on the following bases: the degree of collaboration with other public or private agencies, the public library jurisdiction's tax burden, the long-term feasibility of the project, the suitability of the project, and the need for the project. If the total amount of the applications exceeds the amount that is or can be made available, the commissioner shall award grants according to the commissioner's judgment and discretion and based upon a ranking of the projects according to the factors listed in this subdivision. The commissioner shall promptly certify to each public library jurisdiction the amount, if any, of the grant awarded to it.

Subd. 7. [PROJECT BUDGET.] A public library jurisdiction that receives a grant must provide the commissioner with the project budget and any other information the commissioner requests.

Sec. 35. Minnesota Statutes 2004, section 136F.60, is amended by adding a subdivision to read:

Subd. 5. [DISPOSITION OF SURPLUS PROPERTY.] (a) The board may declare state lands

under its control that are no longer needed by the Minnesota State Colleges and Universities system to be surplus and may offer them for public sale in a manner consistent with the procedures set forth in sections 16B.282 to 16B.286 for disposition of state lands by the commissioner of administration. The parcels must not be exchanged or transferred for no or nominal consideration.

(b) Proceeds from the sale or disposition of land under this subdivision, after paying all expenses incurred in selling or disposing of the land and then paying any amounts due under section 16A.695, are appropriated to the board for use for capital projects at the institution that was responsible for management of the land.

Sec. 36. Minnesota Statutes 2004, section 174.52, is amended by adding a subdivision to read:

Subd. 4a. [RURAL ROAD SAFETY ACCOUNT; APPROPRIATION.] (a) A rural road safety account is established in the local road improvement fund. Money in the account is annually appropriated to the commissioner of transportation for expenditure as specified in this subdivision. Money in the account must be used as grants to counties to assist in paying the costs of capital improvement projects on county state-aid highways that are intended primarily to reduce traffic crashes, deaths, injuries, and property damage.

(b) The commissioner shall establish procedures for counties to apply for grants from the rural road safety account and criteria to be used to select projects for funding. The commissioner shall establish these procedures and criteria in consultation with representatives appointed by the Association of Minnesota Counties. Eligibility for project selection must be based on the ability of each proposed project to reduce the frequency and severity of crashes.

(c) Money in the account must be allocated in each fiscal year as follows:

(1) one-third of money in the account must be used for projects in the counties of Anoka, Chisago, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington; and

(2) the remainder must be used for projects elsewhere in the state.

Sec. 37. Minnesota Statutes 2004, section 245.036, is amended to read:

245.036 [LEASES FOR STATE-OPERATED, COMMUNITY-BASED PROGRAMS.]

(a) Notwithstanding section 16B.24, subdivision 6, paragraph (a), or any other law to the contrary, the commissioner of administration may lease land or other premises to provide state-operated, community-based programs authorized by sections 252.50, 253.018, and 253.28 for a term of 20 years or less, with a ten-year or less option to renew, subject to cancellation upon 30 days' notice by the state for any reason, except rental of other land or premises for the same use.

(b) The commissioner of administration may also lease land or premises from political subdivisions of the state to provide state-operated, community-based programs authorized by sections 252.50, 253.018, and 253.28 for ~~no more than 30~~ a term of 20 years or less, with a ten-year or less option to renew. A lease under this paragraph may be canceled only due to the lack of a legislative appropriation for the program.

Sec. 38. Minnesota Statutes 2004, section 446A.04, subdivision 5, is amended to read:

Subd. 5. [FEES.] (a) The authority may set and collect fees for costs incurred by the authority for audits, arbitrage accounting, and payment of fees charged by the State Board of Investment. The authority may also set and collect fees for costs incurred by the commissioner, the Department of Health, the Pollution Control Agency, and the Department of Transportation, including costs for personnel and administrative services, for financings and the establishment and maintenance of reserve funds. Fees charged directly to borrowers or grantees upon executing a loan or grant agreement must not exceed one-half of one percent of the loan or grant amount. Servicing fees assessed to loan repayments must not exceed two percent of the loan repayment. The disposition of fees collected for costs incurred by the authority is governed by section 446A.11, subdivision 13. The authority shall enter into interagency agreements to transfer funds

into appropriate administrative accounts established for fees collected under this subdivision for costs incurred by the commissioner, the Department of Health, or the Pollution Control Agency. Fees collected under this subdivision for costs incurred by the commissioner of transportation must be credited to the fund or account which is the source of the loan to which the fees are related.

(b) The authority shall annually report to the chairs of the finance and appropriations committees of the legislature on:

- (1) the amount of fees collected under this subdivision for costs incurred by the authority;
- (2) the purposes for which the fee proceeds have been spent; and
- (3) the amount of any remaining balance of fee proceeds.

Sec. 39. [446A.073] [TOTAL MAXIMUM DAILY LOAD GRANTS.]

Subdivision 1. [PROGRAM ESTABLISHED.] The authority must make grants to municipalities to cover up to one-half the cost of wastewater treatment projects made necessary by wasteload reductions under total maximum daily load plans required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d).

Subd. 2. [GRANT APPLICATION.] Application for a grant must be made to the authority on forms prescribed by the authority for the total maximum daily load grant program, with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency shall:

- (1) calculate the essential project component percentage, which must be multiplied by the total project cost to determine the eligible project cost; and
- (2) review and certify approved projects to the authority.

Subd. 3. [PROJECT PRIORITIES.] When money is appropriated for grants under this program, the authority shall reserve money for projects in the order that their total maximum daily load plan was approved by the United States Environmental Protection Agency and in an amount based on their most recent cost estimates submitted to the authority or the as-bid costs, whichever is less.

Subd. 4. [GRANT APPROVAL.] The authority must make a grant to a municipality, as defined in section 116.182, subdivision 1, only after:

- (1) the commissioner of the Minnesota Pollution Control Agency has certified to the United States Environmental Protection Agency a total maximum daily load plan for identified waters of this state that includes a point source wasteload allocation;
- (2) the Environmental Protection Agency has approved the plan;
- (3) a municipality affected by the plan has estimated the cost to it of wastewater treatment projects necessary to comply with the point source wasteload allocation;
- (4) the Pollution Control Agency has approved the cost estimate; and
- (5) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Subd. 5. [GRANT DISBURSEMENT.] Disbursement of a grant must be made for eligible project costs as incurred by the municipality and in accordance with a project financing agreement and applicable state and federal laws and rules governing the payments.

Sec. 40. Laws 1998, chapter 404, section 15, subdivision 2, is amended to read:

Subd. 2. National Sports Center

4,800,000

\$1,700,000 is to purchase and develop land adjacent to the National Sports Center in Blaine for use as athletic fields.

\$3,100,000 is to develop the National Children's Golf Course. The primary purpose of the National Children's Golf Course is to serve youth of 18 years and younger. Market rates must be charged for adult golf.

The Minnesota Amateur Sports Commission may lease up to 20 percent of the area of the land purchased with money from the general fund appropriations in this subdivision for a term of up to 30 years to one or more governmental or private entities for any use by the lessee, whether public or private, so long as the use provides some benefit to amateur sports. Lease payments received by the commission are appropriated to the commission for the purposes specified in Minnesota Statutes, chapter 240A. The land purchased from the general fund appropriations may be used for any amateur sport.

Sec. 41. Laws 1998, chapter 404, section 23, subdivision 17, as amended by Laws 1999, chapter 20, section 1, is amended to read:

Subd. 17. Paramount Arts District
Regional Arts Center

750,000

(a) To the commissioner of administration for a grant to the city of St. Cloud Housing and Redevelopment Authority to construct, furnish, and equip the Paramount Arts District Regional Arts Center, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that the necessary additional financing to complete at least a \$5,400,000 project has been committed by nonstate sources.

(b) The Housing and Redevelopment Authority must effect the transfer as otherwise required or permitted by law. Once the transfer is effected, the city is the successor to the Housing and Redevelopment Authority for the purposes of the grant and Minnesota Statutes, section 16A.695.

Sec. 42. Laws 2000, chapter 492, article 1, section 7, subdivision 21, is amended to read:

Subd. 21. Harbor of Refuge at Two Harbors

1,000,000

To develop the harbor of refuge and marina at Two Harbors, including public access improvements, marina slips, parking facilities, utilities, a fuel dock, and an administration building.

This appropriation is not available until the

commissioner has determined that at least \$500,000 has been committed from federal sources. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation and its corresponding bond authorization do not cancel until June 30, 2006.

Sec. 43. Laws 2002, chapter 393, section 22, subdivision 6, is amended to read:

Subd. 6. Fergus Falls

Regional Treatment Center

3,000,000

To design, renovate, construct, furnish, and equip ancillary support and program facilities, including improvements to basic infrastructure, hazardous materials abatement, and demolition that will facilitate the relocation of the facility's ancillary support, treatment, and residential programs from the Kirkbride buildings and facilitate the disposition of the Fergus Falls Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

Sec. 44. Laws 2003, First Special Session chapter 20, article 1, section 11, is amended to read:

Sec. 11. HEALTH MINNESOTA STATE COLLEGES AND UNIVERSITIES

775,000

To the Board of Trustees of the Minnesota State Colleges and Universities to design and, construct, and equip a community dental clinic at Lake Superior Community College in Duluth and design and, renovate, and equip the Northwest Technical College Minnesota State Community and Technical Colleges dental hygiene clinic in Moorhead, subject to Minnesota Statutes, section 16A.695.

Sec. 45. [MINNESOTA ZOO MARINE CENTER DEBT SERVICE.]

Beginning in fiscal year 2006, the Minnesota Zoological Garden is not required to pay any of the debt service costs on bonds sold for the Marine Education Center authorized in Laws 1994, chapter 643, section 27, subdivision 2, as amended by Laws 1996, chapter 463, section 54.

Sec. 46. [CONVEYANCE OF SURPLUS STATE LAND AT REGIONAL TREATMENT CENTERS.]

Subdivision 1. [WILLMAR REGIONAL TREATMENT CENTER.] (a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, or other law, administrative rule, or commissioner's order to the contrary, the commissioner of administration may convey to a local unit of government for no consideration all or part of the real property at the Willmar Regional Treatment Center for public purposes consistent with the master plan and reuse study. The conveyance shall be in a form approved by the attorney general and subject to Minnesota Statutes, section 16A.695.

(b) The commissioner of administration may require the local unit of government to reimburse the state for all or part of any campus redevelopment funded and completed by the state.

(c) Notwithstanding Minnesota Statutes, section 16C.23, the commissioner of administration may convey to a local unit of government for no consideration all or part of the personal property determined by the commissioner of human services to be no longer needed for human services operations.

(d) If the local unit of government sells any property conveyed under this section to a private entity, the sale must be at fair market value.

Subd. 2. [FERGUS FALLS REGIONAL TREATMENT CENTER.] (a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, or any other law, administrative rule, or commissioner's order to the contrary, the commissioner of administration may convey to one or more local units of government for no consideration all or part of the real property at the Fergus Falls Regional Treatment Center for public purposes consistent with the master plan and reuse study. The conveyance must be in a form approved by the attorney general and subject to Minnesota Statutes, section 16A.695.

(b) Notwithstanding Minnesota Statutes, section 16C.23, the commissioner of administration may convey to one or more local units of government for no consideration all or part of the personal property determined by the commissioner of human services to be no longer needed for human services operations. If a local unit of government sells any property conveyed under this section to a private entity, the sale must be at fair market value.

Subd. 3. [AH-GWAH-CHING REGIONAL TREATMENT CENTER.] (a) Notwithstanding Minnesota Statutes, chapter 94, or any other law, administrative rule, or commissioner's order to the contrary, the commissioner of administration may convey to Cass County for no consideration all the buildings and land on the Ah-Gwah-Ching Center campus that are described in paragraph (c), except the land described in paragraph (d).

(b) The conveyance must be in a form approved by the attorney general and subject to Minnesota Statutes, section 16A.695. The commissioner of administration shall have a registered land surveyor prepare a legal description of the property to be conveyed. The attorney general may make necessary changes in the legal description to correct errors and ensure accuracy.

(c) The land and buildings of the Ah-Gwah-Ching property that may be conveyed to Cass County are located in that part of the South Half, Section 35, Township 142 North, Range 31 West and that part of Government Lot 6, Section 2, Township 141 North, Range 31 West, in Cass County, depicted on the certificate of survey prepared by Landecker and Associates, Inc. dated April 25, 2002. The land described in paragraph (d) is excepted from the conveyance.

(d) That portion of the Ah-Gwah-Ching property to be excepted from the conveyance to Cass County is the land located between the shoreline and the top of the bluff line and is approximately described as follows:

(1) all that part of the Southeast Quarter of Southwest Quarter, Section 35, Township 142 North, Range 31 West, lying southeasterly of a line that lies 450 feet southeasterly of and parallel with Minnesota Highway No. 290;

(2) Government Lot 4, Section 35, Township 142 North, Range 31 West;

(3) that part of Government Lot 3, Section 35, Township 142 North, Range 31 West, lying southerly of Minnesota Highway No. 290 and westerly of Minnesota Highway No. 371; and

(4) that part of Government Lot 6, Section 2, Township 141 North, Range 31 West, lying southeasterly of the 1,410 foot contour.

The commissioner of administration shall determine the exact legal description upon further site analysis and the preparation of the surveyor's legal description described in paragraph (b).

(e) Notwithstanding anything in this subdivision to the contrary, a conveyance under this section to Cass County may include a conveyance by a bill of sale of the water treatment facilities located within the land described in paragraph (d) and a nonexclusive appurtenant easement for the facilities over the land upon which the facilities are located, including ingress and egress as determined by the commissioner.

The easement must be in a form approved by the attorney general.

(f) At the option of the state, Cass County must, until January 1, 2007, allow the state to lease the space necessary to operate its programs for the cost of utilities for the leased space. During the term of the lease, the state is responsible for any and all maintenance and repairs the state determines are necessary for its use of the leased space.

(g) The Department of Human Services will sell or transfer up to 150 nursing home bed licenses to a qualified vendor, upon the sale or transfer of the Ah-Gwah-Ching campus.

(h) The commissioner of administration may transfer the lakeshore parcel described in paragraph (d) to the commissioner of natural resources upon the sale or transfer of the balance of the campus to Cass County.

(i) The commissioner of human services shall develop foster care services for 20 individuals in the Walker area.

Sec. 47. [TRANSFER OF MHFA BONDING AUTHORITY TO HESO.]

Notwithstanding Minnesota Statutes, section 474A.03, subdivision 2a, paragraph (b), the Minnesota Housing Finance Agency may enter into an agreement with the Higher Education Services Office under which the Higher Education Services Office issues qualified student loan bonds, up to \$50,000,000 of which are issued pursuant to bonding authority allocated to the Minnesota Housing Finance Agency in 2005 under Minnesota Statutes, section 474A.03, subdivision 2a, paragraph (a). This amount is in addition to the bonding authority otherwise allocated to the Higher Education Services Office under Minnesota Statutes, chapter 474A. Notwithstanding Minnesota Statutes, section 474A.04, subdivision 1a, 474A.061, or 474A.091, subdivision 2, bonding authority carried forward by the Minnesota Housing Financing Agency from its allocation for 2005 under Minnesota Statutes, section 474A.03, subdivision 2a, paragraph (b), are exempt from the requirement that the bonding authority be permanently issued by December 31 of the next succeeding calendar year.

Sec. 48. [SALE OF FUJI YA PROPERTY; USE OF PROCEEDS.]

Subdivision 1. [SALE.] After making the determinations required under Minnesota Statutes, section 16A.695 and meeting any other requirements of law, the Minneapolis Park and Recreation Board may sell the property known as the Fuji Ya Restaurant property, acquired with state bond funds appropriated in Laws 1987, chapter 400, section 8, subdivision 5, as amended. The sale amount must be at least the property's fair market value. The property may be sold to a private entity.

Subd. 2. [PROCEEDS USE FOR OTHER PUBLICLY OWNED CAPITAL PROJECTS FOR PUBLIC PURPOSES.] If the Minneapolis Park and Recreation Board enters into an agreement with the commissioner of finance governing the use of the net proceeds of the sale that contains the terms and conditions of a grant agreement for an appropriation of state bond funds, then notwithstanding the requirements in Minnesota Statutes, section 16A.695, subdivision 3, with respect to the distribution of the net sale proceeds, the proceeds must be distributed as provided in this subdivision.

(a) Up to \$750,000 of the net proceeds of the sale may be applied by the Minneapolis Park and Recreation Board to prepay the full lease amount for a public parking facility constructed on the Fuji Ya site if the board has entered into a 99-year lease agreement with the owner for at least 85 parking stalls.

(b) After providing for the parking facility under paragraph (a), the remaining net proceeds,

estimated to be \$1,750,000, must be split equally between the board and the state. At a minimum, the state must receive \$544,000.

(c) The board must use its share of the remaining net proceeds as follows: (1) at least \$25,000 for predesign and design of the East Phillips Cultural and Community Center; and (2) for acquisition and development of property in the metropolitan regional park system that is covered by the "Above the Falls" master plan. Property acquired or improved under this paragraph is state bond financed property, subject to Minnesota Statutes, section 16A.695. This allocation is contingent on an equal amount committed from nonstate sources.

Sec. 49. [UNIVERSITY OF MINNESOTA; DULUTH PARKING.]

The Board of Regents of the University of Minnesota is encouraged to expand the parking facilities at the University of Minnesota, Duluth campus through the purchase of land and property from willing sellers.

Sec. 50. [MAXIMUM EFFORT CAPITAL LOAN FORGIVEN; EAST CENTRAL.]

Subdivision 1. [SALE REQUIREMENTS.] Independent School District No. 2580, East Central, may sell its middle school building in accordance with Minnesota Statutes, section 16A.695. The net proceeds from the sale of the property must be paid to the commissioner of finance and deposited in the state bond fund.

Subd. 2. [OUTSTANDING LOAN BALANCE FORGIVEN.] Any remaining outstanding balance on the maximum effort capital loan issued in January 1982 to former Independent School District No. 566, Askov, after the application of the sale proceeds according to subdivision 1, is forgiven.

Sec. 51. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

ADJUSTMENT OF GENERAL OBLIGATION BOND AUTHORIZATIONS

Section 1. [TABLE OF ORIGINAL AND ADJUSTED AUTHORIZATIONS.]

Column A lists the citation to each law authorizing general obligation bonds since Laws 1983, chapter 323, section 6, to which a further adjustment is being made in this section.

The original authorization amount in each law is shown in column B opposite the citation of the law it appears in.

The original authorization amount in column B is hereby adjusted to the amount shown in column C. The adjustments resulting in the column C amount reflect specific changes to an authorization in law, executive vetoes sustained or not challenged, administrative action reflecting cancellation and abandonment of all or the unused balance from specific projects for which the proceeds of authorized bonds were intended to be used, and other action pursuant to law resulting in the adjusted authorizations shown in column C. The amounts shown in column C are validated as the lawful adjusted authorization for the cited law as of February 1, 2005, for all purposes for which the authorization is required or used.

Column A	Column B	Column C
L 1983, c 323, s 6	\$30,000,000	\$29,935,000
L 1987, c 400, s 25, subd 1	370,972,200	369,560,500
L 1987, c 400, s 25, subd 5	66,747,000	66,740,000
L 1989, c 300, art 1, s 23, subd 1	142,585,000	135,060,000

<u>L 1991, c 354, art 11, s 2, subd 1</u>	<u>12,000,000</u>	<u>11,360,000</u>
<u>L 1992, c 558, s 28, subd 1</u>	<u>231,695,000</u>	<u>219,085,000</u>
<u>L 1992, c 558, s 28, subd 3</u>	<u>17,500,000</u>	<u>17,368,000</u>
<u>L 1993, c 373, s 19, subd 1</u>	<u>54,640,000</u>	<u>53,355,000</u>
<u>L 1993, c 373, s 19, subd 2</u>	<u>9,900,000</u>	<u>9,480,000</u>
<u>L 1994, c 643, s 31, subd 1</u>	<u>573,385,000</u>	<u>564,650,523</u>
<u>L 1994, c 643, s 31, subd 2</u>	<u>45,000,000</u>	<u>34,820,000</u>
<u>L 1995, 1SS c 2, s 14, subd 1</u>	<u>5,630,000</u>	<u>5,590,000</u>
<u>L 1996, c 463, s 27, subd 1</u>	<u>597,110,000</u>	<u>549,302,898</u>
<u>L 1997, c 246, s 10, subd 1</u>	<u>86,625,000</u>	<u>86,192,000</u>
<u>L 1997, 2SS c 2, s 12</u>	<u>55,305,000</u>	<u>38,308,054</u>
<u>L 1998, c 404, s 27, subd 1</u>	<u>463,795,000</u>	<u>104,478,674</u>
<u>L 1999, c 240, art 1, s 13, subd 1</u>	<u>139,510,000</u>	<u>111,905,000</u>
<u>L 1999, c 240, art 1, s 13, subd 2</u>	<u>10,440,000</u>	<u>-0-</u>
<u>L 1999, c 240, art 2, s 16, subd 1</u>	<u>372,400,000</u>	<u>367,418,000</u>
<u>L 2000, c 492, art 1, s 26, subd 1</u>	<u>426,870,000</u>	<u>487,730,000</u>
<u>L 2001, 1SS c 12, s 11, subd 1</u>	<u>99,205,000</u>	<u>98,205,000</u>
<u>L 2002, c 393, s 30, subd 1</u>	<u>920,235,000</u>	<u>567,312,000</u>

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; making adjustments to previous bond authorizations; establishing new programs and modifying existing programs; authorizing sale of state bonds; appropriating money; amending Minnesota Statutes 2004, sections 16A.671, subdivision 3; 85.019, subdivision 2; 116.182, subdivision 2; 116J.575, subdivision 1; 134.45; 136F.60, by adding a subdivision; 174.52, by adding a subdivision; 245.036; 446A.04, subdivision 5; Laws 1998, chapter 404, section 15, subdivision 2; Laws 1998, chapter 404, section 23, subdivision 17, as amended; Laws 2000, chapter 492, article 1, section 7, subdivision 21; Laws 2002, chapter 393, section 22, subdivision 6; Laws 2003, First Special Session chapter 20, article 1, section 11; proposing coding for new law in Minnesota Statutes, chapters 16A; 446A."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Dan Dorman, Denny McNamara, Laura Brod, Alice Hausman, Mary Murphy

Senate Conferees: (Signed) Keith Langseth, James P. Metzen, Sandra L. Pappas, David H. Senjem, Steve Dille

Senator Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 3 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 3 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

LeClair	Limmer	Reiter
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Skoe moved that S.F. No. 2117 be withdrawn from the Committee on Agriculture, Veterans and Gaming and re-referred to the Committee on Judiciary. The motion prevailed.

Senator Marty moved that S.F. No. 606 be withdrawn from the Committee on Taxes and re-referred to the Committee on Finance. The motion prevailed.

Senator Murphy moved that S.F. No. 1926 be withdrawn from the Committee on Taxes and re-referred to the Committee on Finance. The motion prevailed.

MEMBERS EXCUSED

Senators Anderson, Cohen, Hottinger and McGinn were excused from the Session of today from 11:30 a.m. to 12:00 noon. Senators Chaudhary, Ourada and Tomassoni were excused from the Session of today at 8:00 p.m.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn until 11:30 a.m., Thursday, April 7, 2005. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

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