

FIFTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, May 12, 2005

The Senate met at 8:00 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, Rabbi Mordechai Friedman.

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.

May 9, 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. 2112.

Sincerely,
Tim Pawlenty, Governor

May 10, 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. Nos. 467, 3, 1056, 1486, 1841, 1016, 284, 633 and 4.

Sincerely,
Tim Pawlenty, Governor

May 10, 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
	915	41	10:45 p.m. May 9	May 10
2112		42	10:55 p.m. May 9	May 10
467		43	11:45 a.m. May 10	May 10
3		44	2:48 p.m. May 10	May 10
1056		45	11:05 p.m. May 9	May 10
1486		46	11:15 p.m. May 9	May 10
1841		47	7:55 a.m. May 10	May 10
1016		49	8:20 a.m. May 10	May 10
284		50	8:10 a.m. May 10	May 10
633		51	8:30 a.m. May 10	May 10
4		52	2:45 p.m. May 10	May 10

Sincerely,
Mary Kiffmeyer
Secretary of State

May 10, 2005

The Honorable James P. Metzen
President of the Senate

Dear Senator Metzen:

I have vetoed and am returning to you Senate File 879, relating to city, town, or county state primary election elimination. Senate File 879 allows counties and municipalities to forgo holding the statewide primary if there are no partisan or nonpartisan offices for which nominees must be selected at the state primary.

While I concur with the general intent of the bill, I have vetoed this bill based on some technical concerns I have with its drafting. As you know, election laws are very technical and their interpretation is often contentious. As Governor, it is important that any election bill signed into law achieves its intended result and that we do not interject confusion into the election process.

First, I am concerned as to whether the language of this bill achieves its objective. The bill provides, in relevant part: "If in any municipality or county there are no partisan or nonpartisan offices for which nominees must be selected at the state primary, no state primary shall be held in the municipality or county." Whether a primary is held depends upon whether the office requires the selection of nominees at a primary, rather than the number of individuals who have filed for the office.

The language used in Senate File 879 is significantly different from the language providing for exemption or omission of offices or candidates from primary ballots in existing law. Minnesota Statutes, Section 204D.07, Subdivision 3, governs inclusion of certain nonpartisan offices subject to the statewide primary election. The statute provides:

If not more than twice the number of individuals to be elected to a nonpartisan office file for the nomination, their names and the name of the office shall be omitted from the state and county nonpartisan primary ballot and the candidates who file shall be the nominees.

Minnesota Statutes, Section 205.065 contains a similar provision in relation to municipal primary elections:

When not more than twice the number of individuals to be elected to a municipal office file for nomination for the office, their names shall not be placed upon the primary ballot and shall be placed on the municipal general election ballot as the nominees for that office.

Existing statutes all base exemption on the number of candidates, and not whether the office requires the conducting of a primary to select nominees. The primary is the mechanism for the individual to advance as the nominee on the general election ballot. All partisan offices elected at the state general election require that nominees be selected by a primary. As a result, there are arguably no circumstances under which the statewide primary election would not be required to select the nominees and the objectives of the proposed law would not be achieved.

Second, I am concerned that both of the current laws which address exemption from a primary election ballot contain specific language directing that the candidates who filed for office become the nominees for the office which results in their placement on the election ballot. Senate File 879 does not include any specific language that makes the candidate the nominee under circumstances where no primary is held. This could cause confusion in preparing the election ballots, or result in challenges to the candidates and ballots.

For these reasons, I have respectfully vetoed Senate File 879. I concur with the authors' and the Legislature's intent in reducing the expense to local governments in holding primaries when the results of the primary will not impact the nominees who will appear on the general ballot. For this reason, the Legislature may wish to consider altering existing provisions in the State Government Operations Omnibus Finance Bill to rectify the concerns I have raised with Senate File 879.

Sincerely,
Tim Pawlenty, Governor

Senator Johnson, D.E. moved that S.F. No. 879 and the veto message thereon be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 785.

Albin A. Mathiowetz, Chief Clerk, House of Representatives
Transmitted May 11, 2005

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on House File No. 1385:

Delete the name of Atkins and add the name of Johnson, R.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

May 11, 2005

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on House File No. 1422:

Delete the name of Finstad and add the name of Powell.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

May 11, 2005

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 42:

H.F. No. 42: A bill for an act relating to firearms; authorizing the use of silencers to muffle discharges of firearms for natural resource wildlife control; amending Minnesota Statutes 2004, section 609.66, subdivisions 1h, 2.

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

Howes, Hoppe and Moe have been appointed as such committee on the part of the House.

House File No. 42 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 11, 2005

Senator Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 42, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 902:

H.F. No. 902: A bill for an act relating to state government; appropriating money for environmental and natural resources purposes; establishing and modifying certain programs; reorganizing environmental agencies; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2004, sections 15.01; 16A.125, subdivision 5; 84.027, subdivisions 12, 15, by adding a subdivision; 84.0274, by adding subdivisions; 84.0911, subdivision 2; 84.631; 84.775, subdivision 1; 84.788, subdivision 3, by adding a subdivision; 84.789, by adding a subdivision; 84.791, subdivisions 1, 2; 84.798, subdivision 1, by adding a subdivision; 84.804, subdivision 3; 84.82, subdivision 2, by adding a subdivision; 84.8205, subdivisions 1, 3, 4, 6; 84.83, subdivision 3; 84.86, subdivision 1; 84.91, subdivision 1; 84.922, subdivision 2, by adding a subdivision; 84.925, subdivision 1, by adding a subdivision; 84.9256, subdivision 1; 84.9257; 84.926; 84.928, subdivisions 1, 2; 84D.03,

subdivision 4; 85.015, subdivision 5; 85.053, subdivisions 1, 2; 85.055, subdivision 2, by adding a subdivision; 85.42; 85.43; 86B.415, subdivisions 1, 2, 3, 4, 5, 6, by adding a subdivision; 88.17, subdivision 1, by adding subdivisions; 88.6435, subdivision 4; 89.039, subdivision 1; 89.19, subdivision 2; 89.36, subdivision 2; 89.37, subdivision 4; 92.03, subdivision 4; 93.22, subdivision 1; 94.342, subdivisions 1, 3, 4, 5; 94.343, subdivisions 1, 3, 7, 8, 10, by adding subdivisions; 94.344, subdivisions 1, 3, 5, 8, 10, by adding a subdivision; 97A.055, subdivision 4b; 97A.061, by adding a subdivision; 97A.071, subdivision 2; 97A.075, subdivision 3; 97A.135, subdivision 2a; 97A.4742, subdivision 4; 97A.485, subdivisions 6, 7; 97A.551, by adding a subdivision; 97B.015, subdivisions 1, 2, 5, 7; 97B.020; 97B.025; 97C.085; 97C.327; 97C.395, subdivision 1; 103F.535, subdivision 1; 103G.271, subdivision 6; 103G.301, subdivision 2; 103G.615, subdivision 2; 103I.681, subdivision 11; 115.06, subdivision 4; 115.551; 115A.03, subdivisions 21, 32a; 115A.06, subdivision 5; 115A.07, subdivision 1; 115A.072, subdivision 1; 115A.12; 115A.15, subdivision 7; 115A.38, subdivision 1; 115A.545, subdivision 1; 115A.929; 116.03, subdivision 1; 116.07, subdivision 4b; 116P.02, by adding a subdivision; 116P.03; 116P.04, subdivision 5; 116P.05, subdivision 2; 116P.07; 116P.08, subdivisions 3, 5, 6, 7, by adding subdivisions; 116P.09; 116P.10; 116P.11; 116P.12, subdivision 2; 116P.15, subdivision 2; 168.1296, subdivision 1; 169A.63, subdivision 6; 216B.2424, subdivisions 1, 2, 5a, 6, 8, by adding a subdivision; 282.08; 282.38, subdivision 1; 296A.18, subdivision 2; 297H.13, subdivision 2; 349.12, subdivision 25; 462.357, subdivision 1e; 473.846; 477A.12, by adding a subdivision; 477A.145; Laws 2003, chapter 128, article 1, section 5, subdivision 6; Laws 2003, chapter 128, article 1, section 9, subdivision 6; Laws 2003, chapter 128, article 1, section 167, subdivision 1; Laws 2004, chapter 220, section 1; proposing coding for new law in Minnesota Statutes, chapters 84; 86B; 92; 93; 97C; 116; 116P; 473; repealing Minnesota Statutes 2004, sections 84.901; 85.054, subdivision 1; 94.343, subdivision 6; 94.344, subdivision 6; 94.348; 94.349; 115A.03, subdivisions 8a, 22a; 115A.055, subdivision 1; 115A.158, subdivision 3; 115D.03, subdivision 4; 116.02, subdivision 5; 116.04; 116P.02, subdivisions 2, 4; 116P.05; 116P.06; 116P.08, subdivision 4; 473.197, subdivisions 1, 2, 3, 5; 473.801, subdivision 6.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Ozment, Dill, Gunther, Hackbarth and Penas have been appointed as such committee on the part of the House.

House File No. 902 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted May 11, 2005

Senator Bakk moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 902, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 785: A bill for an act relating to financing and operation of government in this state; modifying truth in taxation provisions and adding a taxpayer satisfaction survey; changing income, corporate franchise, withholding, estate, property, sales and use, mortgage registry, health care gross revenues, motor fuels, gambling, cigarette and tobacco products, occupation, net proceeds, production, liquor, insurance, and other taxes and tax-related provisions; making technical, clarifying, collection, enforcement, refund, and administrative changes to certain taxes and tax-related provisions, tax-forfeited lands, revenue recapture, unfair cigarette sales, state debt collection, sustainable forest incentive programs, and payments in lieu of taxes; changing local government aids and credits; providing for determination of population for certain purposes;

updating references to the Internal Revenue Code, changing property tax exemptions, homesteads, assessment, valuation, classification, class rates, levies, deferral, review and equalization, appeals, notices and statements, and distribution provisions; changing rent constituting property taxes and property tax refunds; requiring state contracts be with vendors registered to collect use taxes; abolishing the political contribution refund; authorizing local sales taxes; extending a sales tax expiration; providing for compliance with streamlined sales tax agreement; changing the taxation of liquor and cigarettes; authorizing income tax checkoffs; requiring registration of tax shelters and providing for a voluntary compliance initiative; changing job opportunity building zones, border city development zones, biotechnology and health sciences industry zone provisions; setting minimum employee compensation for qualifying business in a JOBZ; limiting sales tax construction exemption in job zones to businesses paying prevailing wage; requiring a referendum for certain subsidies to gambling enterprises; authorizing charges for certain emergency services; imposing a franchise fee on card clubs; defining the term "tax"; regulating tax preparers; suspending appropriations or aids to public employers who prohibit certain employees from wearing a flag on a uniform; providing for training and conduct of assessors; prohibiting purchases of tax-forfeited lands by certain local officials; providing for data classification and exchange of data; establishing a tax reform commission; providing and imposing powers and duties on the commissioner of revenue and other state agencies and departments and on certain political subdivisions and certain officials; changing and imposing penalties; requiring reports; transferring funds; appropriating money; amending Minnesota Statutes 2004, sections 4A.02; 16C.03, by adding a subdivision; 16D.10; 168A.05, subdivision 1a; 190.09, subdivision 2; 240.30, by adding a subdivision; 270.02, subdivision 3; 270.11, subdivision 2; 270.16, subdivision 2; 270.30, subdivisions 1, 5, 6, 8, by adding subdivisions; 270.65; 270.67, subdivision 4; 270.69, subdivision 4; 270A.03, subdivisions 5, 7; 272.01, subdivision 2; 272.02, subdivisions 1a, 7, 47, 53, 64, by adding subdivisions; 272.0211, subdivisions 1, 2; 272.0212, subdivisions 1, 2; 272.029, subdivisions 4, 6; 273.055; 273.0755; 273.11, subdivisions 1a, 8, by adding subdivisions; 273.111, by adding a subdivision; 273.123, subdivision 7; 273.124, subdivisions 3, 6, 8, 14, 21; 273.125, subdivision 8; 273.13, subdivisions 22, 23, 25, by adding a subdivision; 273.1315; 273.1384, subdivision 1; 273.19, subdivision 1a; 273.372; 274.01, subdivision 1; 274.014, subdivisions 2, 3; 274.14; 275.025, subdivision 4; 275.065, subdivisions 1c, 3, 4, 7, by adding subdivisions; 275.07, subdivisions 1, 4; 276.04, subdivision 2; 276.112; 276A.01, subdivision 7; 282.016; 282.08; 282.15; 282.21; 282.224; 282.301; 287.04; 289A.02, subdivision 7; 289A.08, subdivisions 1, 3, 7, 13, 16; 289A.18, subdivision 1; 289A.19, subdivision 4; 289A.20, subdivision 2; 289A.31, subdivision 2; 289A.37, subdivision 5; 289A.38, subdivisions 6, 7, by adding subdivisions; 289A.40, subdivision 2, by adding subdivisions; 289A.50, subdivisions 1, 1a; 289A.56, by adding a subdivision; 289A.60, subdivisions 2a, 4, 6, 7, 11, 13, 20, by adding subdivisions; 290.01, subdivisions 6, 7, 7b, 19, as amended, 19a, 19b, 19c, 19d, 31; 290.032, subdivisions 1, 2; 290.06, subdivisions 2c, 22, by adding a subdivision; 290.067, subdivisions 1, 2a; 290.0671, subdivisions 1, 1a; 290.0672, subdivisions 1, 2; 290.0674, subdivisions 1, 2; 290.0675, subdivision 1; 290.091, subdivisions 2, 3; 290.0922, subdivision 2; 290.191, subdivisions 2, 3; 290.92, subdivisions 1, 4b; 290A.03, subdivisions 3, 11, 13, 15, by adding subdivisions; 290A.07, by adding a subdivision; 290A.19; 290B.05, subdivision 3; 290C.05; 290C.10; 291.005, subdivision 1; 291.03, subdivision 1; 295.52, subdivision 4; 295.53, subdivision 1; 295.582; 295.60, subdivision 3; 296A.22, by adding a subdivision; 297A.61, subdivisions 3, 4, by adding a subdivision; 297A.64, subdivision 4; 297A.668, subdivisions 1, 5; 297A.67, subdivisions 2, 7, 9, 29, by adding a subdivision; 297A.68, subdivisions 2, 5, 28, 35, 37, 38, 39, by adding subdivisions; 297A.70, subdivision 10; 297A.71, subdivision 12, by adding a subdivision; 297A.72, by adding a subdivision; 297A.75, subdivision 1; 297A.87, subdivisions 2, 3; 297A.99, subdivisions 1, 3, 4, 9, by adding subdivisions; 297E.01, subdivisions 5, 7, by adding subdivisions; 297E.06, subdivision 2; 297E.07; 297F.08, subdivision 12, by adding a subdivision; 297F.09, subdivisions 1, 2; 297F.14, subdivision 4; 297G.09, by adding a subdivision; 297I.01, by adding subdivisions; 297I.05, subdivisions 4, 5, by adding a subdivision; 298.01, subdivisions 3, 4; 298.24, subdivision 1; 298.75, by adding a subdivision; 325D.33, subdivision 6; 365.43, subdivision 1; 365.431; 366.011; 366.012; 373.45, subdivision 7; 469.169, by adding a subdivision; 469.1735, subdivision 3; 469.176, subdivisions 41, 7; 469.310, subdivision 11, by adding a subdivision; 469.315; 469.316; 469.317; 469.319, subdivision 1, by adding a subdivision; 469.320, subdivision 3; 469.330, subdivision 11; 469.335; 469.337; 469.340, subdivision 1; 473.843, subdivision 5; 473F.02, subdivisions 2, 7; 477A.011, subdivisions 3, 34, 35, 36, 38; 477A.0124, subdivisions 2, 4;

477A.013, subdivisions 8, 9, by adding a subdivision; 477A.016; 477A.03, subdivisions 2a, 2b; 477A.11, subdivision 4, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 1; 645.44, by adding a subdivision; Laws 1998, chapter 389, article 3, section 42, subdivision 2, as amended; Laws 1998, chapter 389, article 8, section 43, subdivision 3; Laws 2001, First Special Session chapter 5, article 3, section 8; Laws 2001, First Special Session chapter 5, article 12, section 95, as amended; Laws 2002, chapter 377, article 3, section 4; Laws 2003, chapter 127, article 5, section 27; Laws 2003, chapter 127, article 5, section 28; Laws 2003, First Special Session chapter 21, article 5, section 13; Laws 2003, First Special Session chapter 21, article 6, section 9; Laws 2005, chapter 43, section 1; proposing coding for new law in Minnesota Statutes, chapters 15; 270; 272; 273; 275; 280; 289A; 290; 290C; 295; 297A; 297F; 373; 459; 473; repealing Minnesota Statutes 2004, sections 10A.322, subdivision 4; 16A.1522, subdivision 4; 270.85; 270.88; 272.02, subdivision 65; 273.19, subdivision 5; 273.37, subdivision 3; 274.05; 275.065, subdivisions 5a, 6, 6b, 8; 275.15; 275.61, subdivision 2; 283.07; 290.06, subdivision 23; 297E.12, subdivision 10; 469.1794, subdivision 6; 477A.08; Laws 1975, chapter 287, section 5; Laws 1998, chapter 389, article 3, section 41; Laws 2003, chapter 127, article 9, section 9, subdivision 4; Minnesota Rules, parts 8093.2000; 8093.3000; 8130.0110, subpart 4; 8130.0200, subparts 5, 6; 8130.0400, subpart 9; 8130.1200, subparts 5, 6; 8130.2900; 8130.3100, subpart 1; 8130.4000, subparts 1, 2; 8130.4200, subpart 1; 8130.4400, subpart 3; 8130.5200; 8130.5600, subpart 3; 8130.5800, subpart 5; 8130.7300, subpart 5; 8130.8800, subpart 4.

Senator Johnson, D.E. moved that H.F. No. 785 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 9:15 a.m. The motion prevailed.

The hour of 9:15 a.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

RECONSIDERATION

Having voted on the prevailing side, Senator Kubly moved that the vote whereby H.F. No. 1761 was passed by the Senate on May 11, 2005, be now reconsidered. The motion prevailed. So the vote was reconsidered.

H.F. No. 1761: A bill for an act relating to health; providing for voluntary disenrollment from MinnesotaCare for certain members of the military; amending Minnesota Statutes 2004, section 256L.07, by adding a subdivision.

Senator Kubly moved that the amendment made to H.F. No. 1761 by the Committee on Rules and Administration in the report adopted April 26, 2005, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1761 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDERS

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

H.F. Nos. 947, 1164, 732, S.F. Nos. 885, 2160, 1943, 1135, 1846, 1378, 1998, 1086, H.F. No. 1669 and S.F. No. 1738.

SPECIAL ORDER

H.F. No. 947: A bill for an act relating to health; providing for an optional record of birth resulting in stillbirth; amending Minnesota Statutes 2004, sections 144.212, subdivision 8; 144.222, subdivision 1; 144.226, subdivisions 1, 3, 4; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Rules, part 4601.2200, subpart 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1164: A bill for an act relating to traffic regulations; modifying provision governing

the passing of a parked emergency vehicle; providing eligibility criteria for business panels on logo sign panels; amending Minnesota Statutes 2004, sections 160.80, subdivision 1a; 169.18, subdivision 11.

Senator Kiscaden moved that H.F. No. 1164 be laid on the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 732: A bill for an act relating to local government; authorizing electric or utility special assessments exceeding standards on petition of all affected owners; amending Minnesota Statutes 2004, section 429.021, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 885: A bill for an act relating to motor vehicles; authorizing additional deputy registrar of motor vehicles in Minneapolis.

Senator Berglin moved to amend S.F. No. 885 as follows:

Page 1, line 5, after "VEHICLES" insert "AND DRIVER'S LICENSE AGENT"

Page 1, line 14, after "vehicles" insert "and driver's license agent"

Page 1, line 16, after "collection" insert "and driver's license"

Page 1, line 19, after "vehicles" insert "and driver's license agent"

Page 1, line 20, delete "section 168.33" and insert "sections 168.33 and 171.061"

The motion prevailed. So the amendment was adopted.

Senator Ortman moved to amend S.F. No. 885 as follows:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2004, section 168.33, subdivision 2, is amended to read:

Subd. 2. [DEPUTY REGISTRARS.] (a) The registrar may appoint, hire, and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required

to enable the registrar to properly carry out the duties imposed by this chapter. The registrar may appoint, and for cause discontinue, a deputy registrar for any statutory or home rule charter city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

(b) The registrar may appoint, and for cause discontinue, a deputy registrar for any statutory or home rule charter city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle licenses as provided in section 373.32. A person appointed by the registrar as a deputy registrar for any statutory or home rule charter city must be a resident of the county in which the city is situated.

(c) The registrar may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar. Upon approval of the county board, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each statutory or home rule charter city or any other person as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. At the request of the governing body of a statutory or home rule charter city, the auditor shall appoint, and may for cause discontinue, the clerk or equivalent officer of a city, or another officer or employee of the city designated by the governing body, as a deputy registrar:

(1) if the city is a county seat or, if not, is larger than the seat of the county in which it is situated; and

(2) no office of a deputy registrar is situated within the city or within 15 miles of the city by the most direct public route.

(d) Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any statutory or home rule charter city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor who appointed the deputy registrars is responsible for the acts of deputy registrars appointed by the auditor. Each deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If a deputy registrar appointed under this subdivision is not an officer or employee of a county or statutory or home rule charter city, the deputy shall in addition give bond to the state in the sum of \$10,000, or a larger sum as may be required by the registrar, conditioned upon the faithful discharge of duties as deputy registrar.

(e) Until January 1, ~~2009~~ 2015, a corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in this subdivision, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar. The appointment of any corporation as a deputy registrar expires January 1, ~~2009~~ 2015. A county board shall appoint, or the commissioner shall appoint if the county board declines to do so, an individual as successor to the corporation as a deputy registrar. The county board or commissioner shall appoint as the successor agent to a corporation whose appointment expires under this paragraph an officer of the corporation if the officer applies for appointment before July 1, ~~2009~~ 2015.

(f) Each deputy registrar appointed under this subdivision shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of taxes on motor vehicles. The deputy registrar shall keep records and make reports to the registrar as the registrar, from time to time, may require. The records must be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar must at all times be open to the inspection of the registrar or the

registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed under subdivision 7 must be deposited in the treasury of the place for which appointed or, if not a public official, a deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the commissioner of finance. The place for which the deputy registrar is appointed through its governing body must provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if the deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public."

Page 1, after line 23, insert:

"Sec. 3. [DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT APPOINTMENT.]

Notwithstanding any restriction in law or rule concerning proximity of deputy motor vehicle registrar offices or predicted number of annual applications processed, the commissioner of public safety shall appoint the auditor of Carver County as a deputy motor vehicle registrar and driver's license agent in the city of Chanhassen. All provisions of Minnesota Statutes, sections 168.33 and 171.061, not inconsistent with this section, apply to the appointments under this section.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Senator Marty moved to amend the Ortman amendment to S.F. No. 885 as follows:

Page 1, delete lines 2 to 36

Page 2, delete lines 1 to 36

Page 3, delete lines 1 to 34

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

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

S.F. No. 885 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rest

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

RECESS

Senator Johnson, D.E. moved that the Senate do now recess until 10:35 a.m. The motion prevailed.

The hour of 10:35 a.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.

SPECIAL ORDER

S.F. No. 2160: A bill for an act relating to claims against the state; providing for settlement of various claims; increasing amount of allowable reimbursement for certain damage by inmates; appropriating money; amending Minnesota Statutes 2004, section 3.755.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1943: A bill for an act relating to corrections; creating discipline procedures for correctional officers; proposing coding for new law in Minnesota Statutes, chapter 241.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Kleis	LeClair	Reiter	Wergin
Gerlach				

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1846: A bill for an act relating to state government; establishing an energy savings program; authorizing the Department of Administration to use energy forward pricing mechanisms for budget risk reduction; amending Minnesota Statutes 2004, section 16C.144; proposing coding for new law in Minnesota Statutes, chapter 16C.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Betzold	Dille	Hann	Jungbauer
Bachmann	Chaudhary	Fischbach	Higgins	Kelley
Bakk	Cohen	Foley	Hottinger	Kierlin
Belanger	Day	Frederickson	Johnson, D.E.	Kiscaden
Berglin	Dibble	Gerlach	Johnson, D.J.	Kleis

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Kiscaden moved that H.F. No. 1164 be taken from the table. The motion prevailed.

H.F. No. 1164: A bill for an act relating to traffic regulations; modifying provision governing the passing of a parked emergency vehicle; providing eligibility criteria for business panels on logo sign panels; amending Minnesota Statutes 2004, sections 160.80, subdivision 1a; 169.18, subdivision 11.

Senator Marty moved to amend H.F. No. 1164, as amended pursuant to Rule 45, adopted by the Senate May 11, 2005, as follows:

(The text of the amended House File is identical to S.F. No. 1388.)

Page 1, line 16, before the period, insert ", if it is possible to do so"

Page 1, line 24, before the period, insert ", if it is possible to do so"

The motion prevailed. So the amendment was adopted.

H.F. No. 1164 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1378: A bill for an act relating to health; modifying medical education funding provisions; amending Minnesota Statutes 2004, section 62J.692, subdivisions 3, 4, 7.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gaither	Langseth	Olson	Scheid
Bachmann	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	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1998: A bill for an act relating to health; assessing health maintenance organizations for purposes of the insurance fraud prevention account; regulating certain rates, claims, filing, and reporting practices; eliminating expanded provider network requirements; amending Minnesota Statutes 2004, sections 45.0135, subdivision 7; 62E.05, subdivision 2; 62L.08, subdivision 8; 62Q.75; 72A.201, subdivision 4; 256B.692, subdivision 2; 295.582; repealing Minnesota Statutes 2004, sections 62E.035; 62Q.095; 62Q.64.

Senator Scheid moved to amend S.F. No. 1998 as follows:

Page 5, line 14, delete "submit" and insert "make an initial submission of"

Page 11, line 28, after "62E.035" delete the semicolon and insert "and" and after "62Q.095" delete "; and"

Page 11, line 29, delete "62Q.64"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1998 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kiscaden Murphy

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

SPECIAL ORDER

S.F. No. 1086: A bill for an act relating to elections; authorizing early voting; making it easier to vote by absentee ballot; amending Minnesota Statutes 2004, sections 201.022, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivision 1; 203B.085; proposing coding for new law in Minnesota Statutes, chapter 203B.

CALL OF THE SENATE

Senator Higgins imposed a call of the Senate for the balance of the proceedings on S.F. No. 1086. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 1086 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 28 and nays 39, as follows:

Those who voted in the affirmative were:

Anderson	Dibble	Lourey	Pogemiller	Solon
Bakk	Foley	Marko	Ranum	Stumpf
Berglin	Higgins	Marty	Rest	Tomassoni
Betzold	Hottinger	Metzen	Saxhaug	Wiger
Chaudhary	Kelley	Moua	Scheid	
Cohen	Kiscaden	Pappas	Skoglund	

Those who voted in the negative were:

Bachmann	Hann	Langseth	Nienow	Ruud
Belanger	Johnson, D.E.	Larson	Olson	Sams
Day	Johnson, D.J.	LeClair	Ortman	Senjem
Dille	Jungbauer	Limmer	Ourada	Skoe
Fischbach	Kierlin	McGinn	Pariseau	Sparks
Frederickson	Kleis	Michel	Reiter	Vickerman
Gaither	Koering	Murphy	Robling	Wergin
Gerlach	Kubly	Neuville	Rosen	

So the bill failed to pass.

SPECIAL ORDER

H.F. No. 1669: A bill for an act relating to insurance; regulating certain fees, rate filings, and policy renewals and alterations; regulating the collection of certain information; amending Minnesota Statutes 2004, sections 60A.08, subdivision 3; 60A.14, subdivision 1; 60A.171, subdivisions 1, 2; 60A.351; 60K.46, subdivision 7; 61A.02, subdivision 2, by adding a subdivision; 62A.02, subdivision 1; 70A.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 2004, section 60A.171, subdivision 4.

Senator Scheid moved to amend H.F. No. 1669, as amended pursuant to Rule 45, adopted by the Senate May 11, 2005, as follows:

(The text of the amended House File is identical to S.F. No. 1462.)

Page 3, line 19, after the first "insurance" insert "as defined in section 65A.27, subdivision 4," and before the period, insert "as governed by chapter 65B"

Page 3, line 26, before the period, insert ", and a copy of the policy, amendment, or endorsement"

Page 4, line 13, delete everything after "after" and insert "that policy, amendment, or endorsement ceased providing coverage to any Minnesota policyholder,"

Page 4, line 14, delete everything before "and"

Page 6, after line 20, insert:

"Sec. 7. [60D.30] [ELIGIBILITY DETERMINATION.]

Section 302A.521, subdivision 3, applies to a corporation that is a member of an insurance holding company system, except if a determination for advancement is not made under section 302A.521, subdivision 6, clauses (1) to (4), the corporation that is a member of an insurance holding company system may make the determination that a person is entitled to payment or reimbursement of expenses in advance of the final disposition of a proceeding upon receipt of a written affirmation as provided in section 302A.521, subdivision 3."

Page 6, line 32, after the period, insert "The memorandum of coverage or binder must be forwarded by mail, unless the insured authorizes facsimile or electronic transmission of it."

Page 8, line 8, delete "rate" and insert "filings"

Page 8, line 9, delete "applications"

Page 8, line 12, delete "rate" and insert "filings"

Page 8, line 13, delete "applications"

Page 8, after line 17, insert:

"(f) Except for the change in timing for the review of completed filings found in paragraph (a) and the expedited hearing procedures found in paragraph (c), nothing in this subdivision shall be construed as changing the statutory and regulatory standards for approval or disapproval of filings."

Sec. 11. Minnesota Statutes 2004, section 72A.501, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT; CONTENT.] An authorization used by an insurer, insurance-support organization, or insurance agent to disclose or collect personal or privileged information must be in writing and must meet the following requirements:

- (1) is written in plain language;
- (2) is dated;
- (3) specifies the types of persons authorized to disclose information about the person;
- (4) specifies the nature of the information authorized to be disclosed;
- (5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;
- (6) specifies the purposes for which the information is collected; and
- (7) specifies the length of time the authorization remains valid.

If the insurer, insurance-support organization, or insurance agent determines to disclose or collect a kind of information not specified in a previous authorization, a new authorization specifying that kind of information must be obtained.

Sec. 12. Minnesota Statutes 2004, section 72A.501, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] (a) If the authorization is signed to collect information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization ~~must not remain~~ is valid for longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner as long as the individual is continually insured with the insurer. At each renewal of the policy, the insurer must notify the insured in writing of the contents of the authorization and that the authorization remains in effect unless revoked.

(b) If the authorization is signed to collect information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization ~~may not remain~~ is valid for longer than 26 months from the date the authorization is signed as long as the individual is continually insured with the insurer. At each renewal of the policy, the insurer must notify the insured in writing of the contents of the authorization and that the authorization remains in effect unless revoked.

(c) This section and section 72A.502, subdivisions 1 and 12, do not apply to the collection and use of a numeric product referred to as an insurance score or credit score that is used by a licensed insurance agent or insurer exclusively for the purpose of underwriting or rating an insurance policy, if the agent or insurer informs the policyholder or prospective policyholder requesting the insurance coverage that an insurance score or credit score will be obtained for the purpose of underwriting or rating the policy."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Senator LeClair imposed a call of the Senate for the balance of the proceedings on H.F. No. 1669. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1669 was read the third time, as amended, and placed on its final passage.

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

Senator LeClair moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Skoglund

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

SPECIAL ORDER

S.F. No. 1738: A bill for an act relating to waters; modifying water use permit provisions; amending Minnesota Statutes 2004, section 103G.271, subdivision 5.

Senator Day moved to amend S.F. No. 1738 as follows:

Page 1, line 9, after "(a)" insert "Except as provided in paragraph (c),"

Page 1, line 13, after "(b)" insert "Except as provided in paragraph (c),"

The motion prevailed. So the amendment was adopted.

S.F. No. 1738 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator LeClair moved that his name be stricken as a co-author to S.F. No. 1810. The motion prevailed.

Senator Reiter moved that her name be stricken as a co-author to S.F. No. 1810. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Senator Kleis moved that the Senate take up the General Orders Calendar.

CALL OF THE SENATE

Senator Kleis imposed a call of the Senate for the balance of the proceedings on his motion. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Kleis motion.

Senator Johnson, D.E. moved that those not voting be excused from voting. The motion prevailed.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Foley	Langseth	Pappas	Sparks
Bakk	Higgins	Lourey	Ranum	Stumpf
Berglin	Hottinger	Marko	Rest	Tomassoni
Betzold	Johnson, D.E.	Marty	Scheid	Vickerman
Chaudhary	Kelley	Metzen	Skoe	Wiger
Cohen	Kiscaden	Moua	Skoglund	
Dibble	Kubly	Murphy	Solon	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Dille moved that his name be stricken as chief author, shown as a co-author, and the name of Senator Bakk be added as chief author to S.F. No. 1248. The motion prevailed.

Senator Johnson, D.E. moved that H.F. No. 1420 be taken from the table. The motion prevailed.

H.F. No. 1420: A bill for an act relating to agriculture; appropriating money for agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; providing for the issuance of state bonds; amending Minnesota Statutes 2004, sections 13.643, by adding a subdivision; 17.03, subdivision 13; 17.117, subdivision 11, by adding a subdivision; 17.452, by adding a subdivision; 17.982, subdivision 1; 17.983, subdivisions 1, 3; 17B.03, subdivision 1; 18B.08, subdivision 4; 18B.26, subdivision 3; 18B.31, subdivision 5; 18B.315, subdivision 6; 18B.32, subdivision 6; 18B.33, subdivision 7; 18B.34, subdivision 5; 18C.141, subdivisions 1, 3, 5; 18C.425, subdivision 6; 18E.03, subdivision 2; 18G.03, subdivision 1; 18G.10, subdivisions 5, 7; 18H.02, subdivisions 21, 22, 23, 32, 34, by adding a subdivision; 18H.05; 18H.06; 18H.07, subdivisions 1, 2, 3; 18H.09; 18H.13, subdivision 1; 18H.15; 18H.18, subdivision 1; 19.64, subdivision 1; 25.341, subdivision 2; 25.39, subdivisions 1, 4; 31.94; 35.02, subdivision 1; 35.03; 35.05; 35.155; 38.01; 38.16; 41A.09, subdivisions 2a, 3a; 41B.046, subdivision 5; 41B.049, subdivisions 2, 4; 116.07, subdivision 7a; 174.52, subdivision 5; 223.17, subdivisions 3, 6; 231.08, by adding subdivisions; 231.09; 231.11; 231.16; 231.18, subdivisions 3, 5; 232.22, subdivision 3; 236.02, subdivision 4; 327.23, subdivision 2, by adding a subdivision; 394.25, subdivision 3c; 462.355, subdivision 4; 462.357, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16C; 25; 35; 41B; 156; 231; 583; 604; repealing Minnesota Statutes 2004, sections 17.451; 17.452, subdivisions 6, 6a, 7, 10, 11, 12, 13, 13a, 14, 15, 16; 17.983, subdivision 2; 18B.065, subdivision 5; 18H.02, subdivisions 15, 19; 19.64, subdivision 4a; 35.0661, subdivision 4; 41B.046, subdivision 3; Laws 1986, chapter 398, article 1, section 18, as amended; 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.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1420 and that the rules of the Senate be so far suspended as to give H.F. No. 1420 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1420 was read the second time.

Senator Bakk moved to amend H.F. No. 1420 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [AGRICULTURE APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are added to, or if shown in parentheses, are subtracted from the appropriations to the specific agencies in 2005 S.F. No. 1879, article 6, if enacted. The appropriations are from the general fund, unless another fund is named, and are available for the fiscal year indicated for each purpose. The figures "2006" and "2007," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 2006, or June 30, 2007, respectively. The term "the first year" means the year ending June 30, 2006, and the term "the second year" means the year ending June 30, 2007. The biennium is fiscal years 2006 and 2007.

SUMMARY BY FUND

	2006	2007	TOTAL
General	\$3,794,000	\$4,110,000	\$7,904,000
Remediation	35,000	35,000	70,000
Bond Proceeds	18,000,000	-0-	18,000,000
TOTAL	\$21,829,000	\$4,145,000	\$25,974,000

Sec. 2. AGRICULTURE

Subdivision 1. Total
Appropriation

21,373,000 3,687,000

Summary by Fund

General	3,338,000	3,652,000
Remediation	35,000	35,000
Bond Proceeds	18,000,000	-0-

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Services

35,000 35,000

Summary by Fund

Remediation	35,000	35,000
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Subd. 3. Value-Added Agricultural Products

600,000 100,000

\$500,000 in the first year is for grants to gasoline service station owners who, after the effective date of this section, install pumps in this state for dispensing E85 gasoline. The commissioner may reimburse owners of gasoline service stations for up to 50 percent of the total cost of installing an E85 pump, including the tank and any related components, up to a maximum of \$15,000 per E85 pump. The commissioner shall grant priority

for E85 pumps installed in areas of the state where gasoline service stations with E85 pumps are not reasonably available to the general public. This appropriation is available until spent.

\$100,000 the first year and \$100,000 the second year are for ethanol combustion efficiency grants under Minnesota Statutes, section 41A.09, subdivision 9.

Subd. 4. Administration and Financial Assistance

20,738,000 3,552,000

Summary by Fund

General	2,738,000	3,552,000
Bond Proceeds	18,000,000	-0-

\$85,000 is to conduct a study, in close consultation with the commissioner of transportation, of the feasibility and desirability of constructing a rail container load-out facility in or near the city of Willmar or the city of Clara City. The study must include an estimate of the costs and benefits of a facility to the city and region and to the state transportation system. The commissioner shall report to the governor and legislature on the results of the study by January 15, 2006.

\$100,000 the first year and \$100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$35,000 the first year and \$35,000 the second year are for grants to the Minnesota Horticultural Society.

\$75,000 the first year and \$75,000 the second year are for annual grants to the Northern Minnesota Forage-Turf Seed Advisory Committee for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land

use planning including a checklist template that would clarify the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. In developing the training and technical assistance program, the commissioner may seek assistance from the local planning assistance center of the Department of Administration and shall seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$220,000 the first year is to contract with the University of Minnesota for further research and development of livestock odor and air quality management.

\$325,000 the first year and \$325,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$18,000,000 is appropriated from the bond proceeds fund for purposes as set forth in the Minnesota Constitution, article XI, section 5, clause (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under

Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039, the loan restructuring program under Minnesota Statutes, section 41B.04, the seller-sponsored program under Minnesota Statutes, section 41B.042, the agricultural improvement loan program under Minnesota Statutes, section 41B.043, and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans; second, to seller-sponsored loans; and third, to agricultural improvement loans.

Sec. 3. BOND SALE

To provide the money appropriated in this article from the bond proceeds 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.

Sec. 4. BOARD OF ANIMAL HEALTH

456,000

458,000

\$300,000 the first year and \$300,000 the second year are for a grant to the Veterinary Diagnostic Laboratory at the University of Minnesota to expand animal disease surveillance and to protect animal agriculture and public health. This appropriation is available until June 30, 2007.

Sec. 5. Minnesota Statutes 2004, section 17.03, subdivision 13, is amended to read:

Subd. 13. [SEMIANNUAL REPORTS.] (a) ~~By October 15 and April 15 of each year,~~ The commissioner shall submit to the legislative committees having jurisdiction over appropriations from the agricultural fund in section 16A.531 a report reports on the amount of revenue raised in each fee account within the fund, the expenditures from each account, and the purposes for which the expenditures were made. The reports must be issued in February and November each year, to coincide with the forecasts of revenue and expenditures prepared under section 16A.103.

(b) ~~The report delivered on October 15~~ in February of each year must include the commissioner's recommendations, if any, for changes in statutes relating to the fee accounts of the agricultural fund.

Sec. 6. Minnesota Statutes 2004, section 17.117, is amended by adding a subdivision to read:

Subd. 5b. [APPLICATION FEE.] The commissioner may impose a nonrefundable application

fee of \$50 for each loan issued under the program. The fees must be credited to the agricultural best management practices administration account, which is hereby established in the agricultural fund. Interest earned in the account accrues to the account. Money in the account and interest earned in the accounts established in the agricultural fund under subdivision 5a are appropriated to the commissioner for administrative expenses of the program.

Sec. 7. Minnesota Statutes 2004, section 17B.03, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S POWERS.] The commissioner of agriculture shall exercise general supervision over the inspection, grading, weighing, sampling, and analysis of grain subject to the provisions of the United States Grain Standards Act of 1976 and the rules promulgated thereunder by the United States Department of Agriculture. This activity may take place within or outside the state of Minnesota. Scale testing must be performed at export locations or, upon request from and with the consent of the delegated authority, at domestic locations. Fees for the testing of scales and weighing equipment shall be fixed by the commissioner and must be uniform with those charged by the Division of Weights and Measures of the Department of Commerce.

Sec. 8. Minnesota Statutes 2004, section 18B.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A pesticide regulatory account is established in the agricultural fund. Fees, assessments, and penalties collected under this chapter must be deposited in the agricultural fund and credited to the pesticide regulatory account. Money in the account, including interest, is appropriated to the commissioner for the administration and enforcement of this chapter.

Sec. 9. Minnesota Statutes 2004, section 18B.08, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of ~~\$50~~ \$250. A person who holds a fertilizer chemigation permit under section 18C.205, is exempt from the fee in this subdivision.

Sec. 10. Minnesota Statutes 2004, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990, at one-fifth of one percent for calendar year 1991, and at two-fifths of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. The commissioner shall spend at least \$300,000 per fiscal year from the pesticide regulatory account for the purposes of the waste pesticide collection program.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type

of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

(d) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph (a) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

Sec. 11. Minnesota Statutes 2004, section 18B.31, subdivision 5, is amended to read:

Subd. 5. [APPLICATION FEE.] (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of ~~\$50~~ \$150.

(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is issued.

Sec. 12. Minnesota Statutes 2004, section 18B.315, subdivision 6, is amended to read:

Subd. 6. [FEES.] (a) An applicant for an aquatic pest control license for a business must pay a nonrefundable application fee of ~~\$100~~ \$200. An employee of a licensed business must pay a nonrefundable application fee of \$50 for an individual aquatic pest control license.

(b) An application received after expiration of the aquatic pest control license is subject to a penalty of 50 percent of the application fee.

(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

Sec. 13. Minnesota Statutes 2004, section 18B.32, subdivision 6, is amended to read:

Subd. 6. [FEES.] (a) An applicant for a structural pest control license for a business must pay a nonrefundable application fee of ~~\$100~~ \$200. An employee of a licensed business must pay a nonrefundable application fee of \$50 for an individual structural pest control license.

(b) An application received after expiration of the structural pest control license is subject to a penalty fee of 50 percent of the application fee.

(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

Sec. 14. Minnesota Statutes 2004, section 18B.33, subdivision 7, is amended to read:

Subd. 7. [APPLICATION FEES.] (a) A person initially applying for or renewing a commercial applicator license must pay a nonrefundable application fee of \$50.

(b) If A license renewal application is not filed before received after March 1 of in the year for which the license is to be issued, an additional is subject to a penalty fee of \$10 must be paid before the commereial applicator 50 percent of the application fee. The penalty fee must be paid before the renewal license may be issued.

(c) An application for a duplicate commercial applicator license must be accompanied by a nonrefundable application fee of \$10.

Sec. 15. Minnesota Statutes 2004, section 18B.34, subdivision 5, is amended to read:

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license must pay a nonrefundable application fee of \$50, except an applicant who is a government or Minnesota Conservation Corps employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

~~(b) If an A license renewal application for renewal of a noncommercial license is not filed before received after March 1 in the year for which the license is to be issued, an additional is subject to a penalty fee of \$10 must be paid before the 50 percent of the application fee. The penalty fee must be paid before the renewal license may be issued.~~

(c) An application for a duplicate noncommercial applicator license must be accompanied by a nonrefundable application fee of \$10.

Sec. 16. Minnesota Statutes 2004, section 18C.141, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM ESTABLISHMENT.] The commissioner shall establish ~~a program~~ voluntary programs to certify the accuracy of analyses from soil and manure testing laboratories and promote standardization of soil and manure testing procedures and analytical results.

Sec. 17. Minnesota Statutes 2004, section 18C.141, subdivision 3, is amended to read:

Subd. 3. [ANALYSES REPORTING STANDARDS.] (a) The results obtained from soil, manure, or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

(b) If a certified laboratory offers a recommendation for use in Minnesota, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented.

Sec. 18. Minnesota Statutes 2004, section 18C.141, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATION FEES.] (a) The commissioner may charge the actual costs for check sample preparation and shipping.

~~(b) A laboratory applying for certification shall pay an application fee of \$100 and a certification fee of \$100 before the certification is issued may be charged a nonrefundable certification fee to cover the actual costs for administration of the program.~~

~~(b) (c) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification renewable on an annual basis.~~

~~(e) The commissioner shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.~~

~~(d) The commissioner may accept donations to support the development and operation of soil and manure programs.~~

~~(e) Revenues under this section are deposited in the fertilizer account of the agricultural fund.~~

Sec. 19. Minnesota Statutes 2004, section 18C.425, subdivision 6, is amended to read:

Subd. 6. [INSPECTION FEES.] The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~45~~ 30 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

Sec. 20. Minnesota Statutes 2004, section 18E.03, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded;

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) by the board to reimburse the commissioner for board staff and other administrative costs up to ~~\$175,000~~ \$225,000 per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Sec. 21. Minnesota Statutes 2004, section 18G.10, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATE FEES.] (a) The commissioner shall assess the fees in paragraphs (b) to (f) for the inspection, service, and work performed in carrying out the issuance of a phytosanitary certificate or export certificate. The inspection fee must be based on mileage and inspection time.

(b) Mileage charge: current United States Internal Revenue Service mileage rate.

(c) Inspection time: \$50 per hour minimum or fee necessary to cover department costs. Inspection time includes the driving time to and from the location in addition to the time spent conducting the inspection.

~~(d) A fee must be charged for any certificate issued that requires laboratory analysis before issuance. The fee must be deposited into the laboratory account as authorized in section 17.85. If laboratory analysis or other technical analysis is required to issue a certificate, the commissioner must set and collect the fee to recover this additional cost.~~

(e) Certificate fee for product value greater than \$250: \$75 for each phytosanitary or export certificate issued for any single shipment valued at more than \$250 in addition to any mileage or inspection time charges that are assessed.

(f) Certificate fee for product value less than \$250: \$25 for each phytosanitary or export certificate issued for any single shipment valued at less than \$250 in addition to any mileage or inspection time charges that are assessed.

(g) For services provided for in subdivision 7 that are goods and services provided for the direct and primary use of a private individual, business, or other entity, the commissioner must set and collect the fees to cover the cost of the services provided.

Sec. 22. Minnesota Statutes 2004, section 18G.10, subdivision 7, is amended to read:

~~Subd. 7. [PLANT PROTECTION INSPECTIONS, SUPPLEMENTAL, ADDITIONAL, OR OTHER CERTIFICATES, AND PERMITS, AND FEES.]~~ (a) The commissioner may provide inspection, sampling, or certification services to ensure that Minnesota plant products or commodities meet import requirements of other states or countries.

(b) The state plant regulatory official may issue permits and certificates verifying that various Minnesota agricultural products or commodities meet specified ~~phytosanitary plant health~~ requirements, treatment requirements, or pest absence assurances based on determinations by the commissioner. ~~The commissioner may collect fees sufficient to recover costs for these permits or certificates. The fees must be deposited in the nursery and phytosanitary account.~~

Sec. 23. Minnesota Statutes 2004, section 18G.16, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Metropolitan area" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

(c) "Municipality" means a home rule charter or statutory city or a town located in the metropolitan area that exercises municipal powers under section 368.01 or any general or special law; a special park district organized under chapter 398; a special-purpose park and recreation board organized under the city charter of a city of the first class located in the metropolitan area; a county in the metropolitan area for the purposes of county-owned property or any portion of a county located outside the geographic boundaries of a city or a town exercising municipal powers; and a municipality or county located outside the metropolitan area with an approved disease control program.

(d) "Shade tree disease pest" means ~~Dutch elm disease, oak wilt, or any disorder~~ pests or pathogens affecting the growth and life of shade trees.

(e) "Wood utilization or disposal system" means facilities, equipment, or systems used for the removal and disposal of diseased or pest-infested shade trees, including collection, transportation, processing, or storage of wood and assisting in the recovery of materials or energy from wood.

(f) "Approved disease pest control program" means a municipal plan approved by the commissioner to control or eradicate a shade tree disease pest.

(g) "Disease Pest control area" means an area approved by the commissioner within which a municipality will conduct an approved disease pest control program.

(h) "Sanitation" means the identification, inspection, disruption of a common root system, girdling, trimming, removal, and disposal of dead, pest-infested or diseased wood of shade trees, including subsidies for trees removed pursuant to subdivision 4, on public or private property within a disease control area.

(i) "Reforestation" means the replacement of shade trees removed from public property and the planting of a tree as part of a municipal disease control program. For purposes of this paragraph, "public property" includes private property within five feet of the boulevard or street terrace in a city that enacted an ordinance on or before January 1, 1977, that prohibits or requires a permit for the planting of trees in the public right-of-way.

(j) "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes.

Sec. 24. Minnesota Statutes 2004, section 18G.16, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER TO ADOPT RULES.] The commissioner may adopt rules relating to shade tree pest and disease control in any municipality. The rules must prescribe control measures to be used to prevent the spread of shade tree pests and diseases and must include the following:

- (1) a definition of shade tree;
- (2) qualifications for tree inspectors;
- (3) methods of identifying diseased or ~~infested~~ pest-infested shade trees;
- (4) procedures for giving reasonable notice of inspection of private real property;
- (5) measures for the removal of any shade tree which may contribute to the spread of shade tree pests or disease and for reforestation of pest or disease control areas;
- (6) approved methods of treatment of shade trees;
- (7) criteria for priority designation areas in an approved pest or disease control program; and
- (8) any other matters determined necessary by the commissioner to prevent the spread of shade tree pests or disease and enforce this section.

Sec. 25. Minnesota Statutes 2004, section 18G.16, subdivision 3, is amended to read:

Subd. 3. [DIAGNOSTIC LABORATORY.] The commissioner shall operate a diagnostic laboratory for culturing diseased or infested pest-infested trees for positive identification of diseased or infested pest-infested shade trees.

Sec. 26. Minnesota Statutes 2004, section 18G.16, subdivision 4, is amended to read:

Subd. 4. [COOPERATION BY UNIVERSITY.] The University of Minnesota College of Natural Resources shall cooperate with the department in control of shade tree disease, pests, and disorders and management of shade tree populations. The College of Natural Resources shall cooperate with the department to conduct tree inspector certification and recertification workshops for certified tree inspectors. The College of Natural Resources shall also conduct research into means for identifying diseased or pest-infested shade trees, develop and evaluate control measures, and develop means for disposing of and using diseased or pest-infested shade trees.

Sec. 27. Minnesota Statutes 2004, section 18G.16, subdivision 5, is amended to read:

Subd. 5. [EXPERIMENTAL PROGRAMS.] The commissioner may establish experimental programs for sanitation or treatment of shade tree diseases and for research into tree varieties most suitable for municipal reforestation. The research must include considerations of disease resistance, energy conservation, and other factors considered appropriate. The commissioner may make grants to municipalities or enter into contracts with municipalities, nurseries, colleges, universities, or state or federal agencies in connection with experimental shade tree programs including research to assist municipalities in establishing priority designation areas for shade tree disease pest control and energy conservation.

Sec. 28. Minnesota Statutes 2004, section 18G.16, subdivision 6, is amended to read:

Subd. 6. [REMOVAL OF DISEASED OR ~~INFESTED~~ PEST-INFESTED TREES.] After reasonable notice of inspection, an owner of real property containing a shade tree that is diseased, infested, or may contribute to the spread of pests or disease, must remove or treat the tree within the period of time and in the manner established by the commissioner. Trees that are not removed in compliance with the commissioner's rules must be declared a public nuisance and removed or treated by approved methods by the municipality, which may assess all or part of the expense, limited to the lowest contract rates available that include wage levels which meet Minnesota minimum wage standards, to the property and the expense becomes a lien on the property. A municipality may assess not more than 50 percent of the expense of treating with an approved method or removing diseased or pest-infested shade trees located on street terraces or boulevards to the abutting properties and the assessment becomes a lien on the property.

Sec. 29. Minnesota Statutes 2004, section 18G.16, subdivision 7, is amended to read:

Subd. 7. [RULES; APPLICABILITY TO MUNICIPALITIES.] The rules of the commissioner apply in a municipality unless the municipality adopts an ordinance determined by the commissioner to be more stringent than the rules of the commissioner. The rules of the commissioner or the municipality apply to all state agencies, special purpose districts, and metropolitan commissions as defined in section 473.121, subdivision 5a, that own or control land adjacent to or within a shade tree disease pest control area.

Sec. 30. Minnesota Statutes 2004, section 18G.16, subdivision 8, is amended to read:

Subd. 8. [GRANTS TO MUNICIPALITIES.] (a) The commissioner may, in the name of the state and within the limit of appropriations provided, make a grant to a municipality with an approved disease pest control program for the partial funding of municipal sanitation and reforestation programs to replace trees lost to pest, disease, or natural disaster. The commissioner may make a grant to a home rule charter or statutory city, a special purpose park and recreation board organized under a charter of a city of the first class, a nonprofit corporation serving a city of the first class, or a county having an approved disease control program for the acquisition or implementation of a wood use or disposal system.

(b) The commissioner shall adopt rules for the administration of grants under this subdivision. The rules must contain:

- (1) procedures for grant applications;
- (2) conditions and procedures for the administration of grants;
- (3) criteria of eligibility for grants including, but not limited to, those specified in this subdivision; and
- (4) other matters the commissioner may find necessary to the proper administration of the grant program.

(c) Grants for wood utilization and disposal systems made by the commissioner under this subdivision must not exceed 50 percent of the total cost of the system. Grants for sanitation and reforestation must be combined into one grant program. Grants to a municipality for sanitation must not exceed 50 percent of sanitation costs approved by the commissioner including any amount of sanitation costs paid by special assessments, ad valorem taxes, federal grants, or other funds. A municipality must not specially assess a property owner an amount greater than the amount of the tree's sanitation cost minus the amount of the tree's sanitation cost reimbursed by the commissioner. Grants to municipalities for reforestation must not exceed 50 percent of the wholesale cost of the trees planted under the reforestation program; provided that a reforestation grant to a county may include 90 percent of the cost of the first 50 trees planted on public property in a town not included in the definition of municipality in subdivision 1 and with less than 1,000 population when the town applies to the county. Reforestation grants to towns and home rule charter or statutory cities of less than 4,000 population with an approved disease pest control program may include 90 percent of the cost of the first 50 trees planted on public property. The governing body of a municipality that receives a reforestation grant under this section must appoint up to seven residents of the municipality or designate an existing municipal board or committee to serve as a reforestation advisory committee to advise the governing body of the municipality in the administration of the reforestation program. For the purpose of this subdivision, "cost" does not include the value of a gift or dedication of trees required by a municipal ordinance but does include documented "in-kind" services or voluntary work for municipalities with a population of less than 1,000 according to the most recent federal census.

(d) Based upon estimates submitted by the municipality to the commissioner, which state the estimated costs of sanitation and reforestation in the succeeding quarter under an approved program, the commissioner shall direct quarterly advance payments to be made by the state to the municipality commencing April 1. The commissioner shall direct adjustment of any overestimate in a succeeding quarter. A municipality may elect to receive the proceeds of its sanitation and reforestation grants on a periodic cost reimbursement basis.

(e) A home rule charter or statutory city, county outside the metropolitan area, or any municipality, as defined in subdivision 1, may submit an application for a grant authorized by this subdivision concurrently with its request for approval of a disease pest control program.

(f) The commissioner shall not make grants for sanitation and reforestation or wood utilization and disposal systems in excess of 67 percent of the amounts appropriated for those purposes to the municipalities located within the metropolitan area, as defined in subdivision 1.

Sec. 31. Minnesota Statutes 2004, section 18G.16, subdivision 9, is amended to read:

Subd. 9. [SUBSIDIES TO CERTAIN OWNERS.] A municipality may provide subsidies to nonprofit organizations, to owners of private residential property of five acres or less, to owners of property used for a homestead of more than five acres but less than 20 acres, and to nonprofit cemeteries for the approved treatment or removal of diseased or pest-infested shade trees.

Notwithstanding any law to the contrary, an owner of property on which shade trees are located may contract with a municipality to provide protection against the cost of approved treatment or removal of diseased or pest-infested shade trees or shade trees that will contribute to the spread of shade tree diseases or pest infestations. Under the contract, the municipality must pay for the removal or approved treatment under terms and conditions determined by its governing body.

Sec. 32. Minnesota Statutes 2004, section 18G.16, subdivision 14, is amended to read:

Subd. 14. [MUNICIPAL OPTION TO PARTICIPATE IN PROGRAM.] The term "municipality" shall include only those municipalities which have informed the commissioner of their intent to continue an approved ~~disease pest~~ control program. Any municipality desiring to participate in the grants-in-aid for the partial funding of municipal sanitation and reforestation programs must notify the commissioner in writing before the beginning of the calendar year in which it wants to participate and must have an approved ~~disease pest~~ control program during any year in which it receives grants-in-aid. Notwithstanding the provisions of any law to the contrary, no municipality shall be required to have an approved disease control program after December 31, 1981.

Sec. 33. Minnesota Statutes 2004, section 18H.07, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF FEES.] The commissioner shall establish fees sufficient to allow for the administration and enforcement of this chapter and rules adopted under this chapter, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule annually in consultation with the Minnesota Nursery and Landscape Advisory Committee. For the certificate year beginning January 1, ~~2004~~ 2006, the fees are as described in this section.

Sec. 34. Minnesota Statutes 2004, section 18H.07, subdivision 2, is amended to read:

Subd. 2. [NURSERY STOCK GROWER CERTIFICATE.] (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown for certification as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 35. Minnesota Statutes 2004, section 18H.07, subdivision 3, is amended to read:

Subd. 3. [NURSERY STOCK DEALER CERTIFICATE.] (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the preceding most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to ~~\$20,000~~ \$5,000, \$150;
- (2) gross sales over ~~\$20,000~~ \$5,000 up to ~~\$100,000~~ \$20,000, \$175;

- (3) gross sales over ~~\$100,000~~ \$20,000 up to ~~\$250,000~~ \$50,000, \$300;
- (4) gross sales over ~~\$250,000~~ \$50,000 up to ~~\$500,000~~ \$75,000, \$425;
- (5) gross sales over ~~\$500,000~~ \$75,000 up to ~~\$1,000,000~~ \$100,000, \$550;
- (6) gross sales over ~~\$1,000,000~~ \$100,000 up to ~~\$2,000,000~~ \$200,000, \$675; and
- (7) gross sales over ~~\$2,000,000~~ \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 36. Minnesota Statutes 2004, section 19.64, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION.] Every person who owns, leases, or possesses colonies of bees ~~or who intends to bring bees into the state under an entry permit~~ shall register the bees with the commissioner on or before ~~April 15~~ June 1 of each year or within 15 days of entry into Minnesota or taking possession of hives, whichever comes first. The registration application shall include the name and address of the applicant, a description of the exact location of each of the applicant's apiaries by county, township, range and quarter section, and other information required by the commissioner. The fee for registration under this subdivision is ~~\$10~~ \$25 for beekeepers with less than 50 colonies and \$50 for beekeepers with 50 colonies or more maintained in the state. ~~The commissioner shall provide registered beekeepers with the Minnesota pest report.~~

The registration required by this section is not transferable. At least one colony in each location must be plainly and legibly marked with the owner's name and telephone number and address, and other information required by the commissioner. The department shall provide information on colony locations as reported on the registrations on an Internet Web site or through other appropriate measures.

Sec. 37. Minnesota Statutes 2004, section 25.341, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; FEE; TERM.] A person who is required to have a commercial feed license shall submit an application on a form provided or approved by the commissioner accompanied by a license fee of \$25 paid to the commissioner for each ~~facility~~ location. A license is not transferable from one person to another, from one ownership to another, or from one location to another. The license year is the calendar year. A license expires on December 31 of the year for which it is issued, except that a license is valid through January 31 of the next year or until the issuance of the renewal license, whichever comes first, if the licensee has filed a renewal application with the commissioner on or before December 31 of the year for which the current license was issued. ~~A new applicant who~~ Any person who is required to have, but fails to obtain a license within 15 working days of notification of the requirement to obtain a license, or a licensee who fails to comply with license renewal requirements, shall pay a \$50 late fee in addition to the license fee. The commissioner may issue a withdrawal from distribution order on any commercial feed that an unlicensed person produces or distributes in the state until a license is issued.

Sec. 38. [25.342] [CERTIFICATES, FREE SALE.]

A nonrefundable application fee of \$25 must accompany all free sale certificate requests to facilitate the movement of Minnesota processed and manufactured feeds destined for export from the state. Each label submitted for review must be accompanied by a nonrefundable \$50 application fee.

Sec. 39. Minnesota Statutes 2004, section 25.39, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE.] (a) An inspection fee at the rate of 16 cents per ton must be paid to the commissioner on commercial feeds distributed in this state by the person who first distributes the commercial feed, except that:

(1) no fee needs to need be paid on:

(4) (i) a commercial feed if the payment has been made by a previous distributor; or
 (2) (ii) customer formula feeds if the inspection fee is paid on the commercial feeds which are used as ingredients; or

(3) ~~commercial feeds used as ingredients for the manufacture of commercial feeds if the fee has been paid by a previous distributor. If the fee has already been paid, credit must be given for that payment.~~ (2) a Minnesota feed distributor who distributes can substantiate that greater than 50 percent of the distribution of commercial feed is to purchasers outside the state may purchase commercial feeds, without payment by any person of the inspection fee required on those purchases, under a tonnage fee exemption permit issued by the commissioner. Such location specific permits shall only be issued on a calendar year basis to commercial feed distributors who submit a \$100 nonrefundable application fee and comply with rules adopted by the commissioner relative to record keeping, tonnage of commercial feed distributed in Minnesota, total of all commercial feed tonnage distributed, and all other information which the commissioner may require so as to ensure that proper inspection fee payment has been made.

(b) In the case of pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$50 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to pet food distributed in packages exceeding ten pounds.

(c) In the case of specialty pet food distributed in the state only in packages of ten pounds or less, a listing of each product and a current label for each product must be submitted annually on forms provided by the commissioner and accompanied by an annual fee of \$25 for each product in lieu of the inspection fee. This annual fee is due by July 1. The inspection fee required by paragraph (a) applies to specialty pet food distributed in packages exceeding ten pounds.

(d) The minimum inspection fee is \$10 per annual reporting period.

Sec. 40. Minnesota Statutes 2004, section 25.39, subdivision 4, is amended to read:

Subd. 4. [COMMERCIAL FEED INSPECTION ACCOUNT.] A commercial feed inspection account is established in the agricultural fund. Fees and penalties collected under ~~sections 25.35 to 25.43~~ this chapter and interest attributable to money in the account must be deposited in the agricultural fund and credited to the commercial feed inspection account. Money in the account, including interest earned, is appropriated to the commissioner for the administration and enforcement of ~~sections 25.341 to 25.43~~ this chapter.

Sec. 41. Minnesota Statutes 2004, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

- (1) meets all of the specifications in ASTM specification D4806-01; and
- (2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

(d) "Rural economic infrastructure" means the development activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations.

Sec. 42. Minnesota Statutes 2004, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. [ETHANOL PRODUCER PAYMENTS.] (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the

fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 43. Minnesota Statutes 2004, section 41A.09, is amended by adding a subdivision to read:

Subd. 9. [MOTOR VEHICLES; ETHANOL COMBUSTION EFFICIENCY GRANTS.] From within the appropriation for each fiscal year to the ethanol development program under this section, or from other appropriated money, the commissioner shall make up to two grants, each in an amount not exceeding \$50,000, to qualified applicants proposing to do research on, but not limited to, ethanol's effect on fuel system materials compatibility and ways to improve the energy efficiency of ethanol fuel blends in motor vehicles while meeting all requirements for control of tailpipe emissions. A grant recipient may receive funding for no more than two consecutive years. A research project must be matched by \$2 of nonstate money for each \$3 of state grant money.

Sec. 44. Minnesota Statutes 2004, section 41A.09, is amended by adding a subdivision to read:

Subd. 10. [GUIDELINES.] The commissioner shall establish guidelines not subject to chapter 14 for the submission and review of applications and the awarding of grants under subdivision 9.

Sec. 45. Minnesota Statutes 2004, section 41B.046, subdivision 5, is amended to read:

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(d) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund revolving loan account established in section 41B.06.

(e) Stock loans under this program will be made using money in the value-added agricultural product revolving fund loan account established under subdivision 3 in section 41B.06.

(f) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

(g) Repayments of financial assistance under this section, including principal and interest, must be deposited into the revolving loan account established in section 41B.06.

Sec. 46. Minnesota Statutes 2004, section 41B.049, subdivision 2, is amended to read:

Subd. 2. [REVOLVING FUND DEPOSIT OF REPAYMENTS.] There is established in the state treasury a revolving fund, which is eligible to receive appropriations and the transfer of funds from other services. All repayments of financial assistance granted under subdivision 1, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the manure digester loan program, including costs incurred by the authority to establish and administer the program the revolving loan account established in section 41B.06.

Sec. 47. [41B.055] [LIVESTOCK EQUIPMENT PILOT LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority must establish and implement a livestock equipment pilot loan program to help finance the first purchase of livestock-related equipment and make livestock facilities improvements.

Subd. 2. [ELIGIBILITY.] Notwithstanding section 41B.03, to be eligible for this program a borrower must:

(1) be a resident of Minnesota or general partnership or a family farm corporation, authorized farm corporation, family farm partnership, or authorized farm partnership as defined in section 500.24, subdivision 2;

(2) be the principal operator of a livestock farm;

(3) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, no greater than the amount stipulated in section 41B.03, subdivision 3;

(4) demonstrate an ability to repay the loan; and

(5) hold an appropriate feedlot registration or be using the loan under this program to meet registration requirements. In addition to the requirements in clauses (1) to (5), preference must be given to applicants who have farmed less than ten years as evidenced by their filing of schedule F in their federal tax returns.

Subd. 3. [LOANS.] (a) The authority may participate in a livestock equipment loan equal to 90 percent of the purchased equipment value with an eligible lender to a farmer who is eligible under subdivision 2. Participation is limited to 45 percent of the principal amount of the loan or \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed three percent. The authority may review the interest annually and make adjustments as necessary.

(b) Standards for loan amortization must be set by the rural finance authority and must not exceed seven years.

(c) Security for a livestock equipment loan must be a personal note executed by the borrower and whatever other security is required by the eligible lender or the authority.

(d) Refinancing of existing debt is not an eligible purpose.

(e) The authority may impose a reasonable, nonrefundable application fee for a livestock equipment loan. The authority may review the fee annually and make adjustments as necessary. The initial application fee is \$50. Application fees received by the authority must be deposited in the revolving loan account established in section 41B.06.

(f) Loans under this program must be made using money in the revolving loan account established in section 41B.06.

Subd. 4. [ELIGIBLE EXPENDITURES.] Money may be used for loans for the acquisition of equipment for animal housing, confinement, animal feeding, milk production, and waste management, including the following, if related to animal husbandry:

- (1) fences;
- (2) watering facilities;
- (3) feed storage and handling equipment;
- (4) milking parlors;
- (5) milking equipment;
- (6) scales;
- (7) milk storage and cooling facilities;
- (8) manure pumping and storage facilities; and
- (9) capital investment in pasture.

Sec. 48. [41B.06] [RURAL FINANCE AUTHORITY REVOLVING LOAN ACCOUNT.]

There is established in the rural finance administration fund a rural finance authority revolving loan account that is eligible to receive appropriations and the transfer of loan funds from other programs. All repayments of financial assistance granted from this account, including principal and interest, must be deposited into this account. Interest earned on money in the account accrues to the account, and the money in the account is appropriated to the commissioner of agriculture for purposes of the rural finance authority livestock equipment, methane digester, and value-added agricultural product loan programs, including costs incurred by the authority to establish and administer the programs.

Sec. 49. Minnesota Statutes 2004, section 223.17, subdivision 3, is amended to read:

Subd. 3. [GRAIN BUYERS AND STORAGE ACCOUNT; FEES.] The commissioner shall set the fees for inspections under sections 223.15 to 223.22 at levels necessary to pay the expenses of administering and enforcing sections 223.15 to 223.22.

The fee for any license issued or renewed after June 30, 2004 2005, shall be set according to the following schedule:

- (a) \$125 \$140 plus \$100 \$110 for each additional location for grain buyers whose gross annual purchases are less than \$100,000;
- (b) \$250 \$275 plus \$100 \$110 for each additional location for grain buyers whose gross annual purchases are at least \$100,000, but not more than \$750,000;
- (c) \$375 \$415 plus \$200 \$220 for each additional location for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;
- (d) \$500 \$550 plus \$200 \$220 for each additional location for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000; and
- (e) \$625 \$700 plus \$200 \$220 for each additional location for grain buyers whose gross annual purchases are more than \$3,000,000.

A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

There is created the grain buyers and storage account in the agricultural fund. Money collected pursuant to sections 223.15 to 223.19 shall be paid into the state treasury and credited to the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of sections 223.15 to 223.22.

Sec. 50. Minnesota Statutes 2004, section 231.16, is amended to read:

231.16 [WAREHOUSE OPERATOR OR HOUSEHOLD GOODS WAREHOUSE OPERATOR TO OBTAIN LICENSE.]

A warehouse operator or household goods warehouse operator must be licensed annually by the department. The department shall prescribe the form of the written application. If the department approves the license application and the applicant files with the department the necessary bond, in the case of household goods warehouse operators, or proof of warehouse operators legal liability insurance coverage in an amount of \$50,000 or more, as provided for in this chapter, the department shall issue the license upon payment of the license fee required in this section. A warehouse operator or household goods warehouse operator to whom a license is issued shall pay a fee as follows:

Building square footage used for public storage

(1) 5,000 or less	\$100	\$110
(2) 5,001 to 10,000	\$200	\$220
(3) 10,001 to 20,000	\$300	\$330
(4) 20,001 to 100,000	\$400	\$440
(5) 100,001 to 200,000	\$500	\$550
(6) over 200,000	\$600	\$660

A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

Fees collected under this chapter must be paid into the grain buyers and storage account established in section 232.22.

The license must be renewed annually on or before July 1, and always upon payment of the full license fee required in this section. No license shall be issued for any portion of a year for less than the full amount of the license fee required in this section. Each license obtained under this chapter must be publicly displayed in the main office of the place of business of the warehouse operator or household goods warehouse operator to whom it is issued. The license authorizes the warehouse operator or household goods warehouse operator to carry on the business of warehousing only in the one city or town named in the application and in the buildings therein described. The department, without requiring an additional bond and license, may issue permits from time to time to any warehouse operator already duly licensed under the provisions of this chapter to operate an additional warehouse in the same city or town for which the original license was issued during the term thereof, upon the filing an application for a permit in the form prescribed by the department.

A license may be refused for good cause shown and revoked by the department for violation of law or of any rule adopted by the department, upon notice and after hearing.

Sec. 51. Minnesota Statutes 2004, section 232.22, subdivision 3, is amended to read:

Subd. 3. [FEES; GRAIN BUYERS AND STORAGE ACCOUNT.] There is created in the agricultural fund an account known as the grain buyers and storage account. The commissioner shall set the fees for inspections, certifications and licenses under sections 232.20 to 232.25 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.25. All money collected pursuant to sections 232.20 to 232.25 and chapters 233 and 236 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.25 and chapters 233 and 236. All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of chapter 231.

The fees for a license to store grain are as follows:

(a) For a license to store grain, \$110 for each home rule charter or statutory city or town in which a public grain warehouse is operated.

(b) A person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, based on the following schedule for one examination:

<u>Bushel Capacity</u>	<u>Examination Fee</u>
<u>Less than 150,001</u>	<u>\$300</u>
<u>150,001 to 250,000</u>	<u>\$425</u>
<u>250,001 to 500,000</u>	<u>\$545</u>
<u>500,001 to 750,000</u>	<u>\$700</u>
<u>750,001 to 1,000,000</u>	<u>\$865</u>
<u>1,000,001 to 1,200,000</u>	<u>\$1,040</u>
<u>1,200,001 to 1,500,000</u>	<u>\$1,205</u>
<u>1,500,001 to 2,000,000</u>	<u>\$1,380</u>
<u>More than 2,000,000</u>	<u>\$1,555</u>

(c) The fee for the second examination is \$55 per hour per examiner for warehouse operators who choose to have it performed by the commissioner.

(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

Sec. 52. Minnesota Statutes 2004, section 236.02, subdivision 4, is amended to read:

Subd. 4. [FEES.] The license fee is \$140 for each home rule charter or statutory city or town in which a private grain warehouse is operated and which will be used to operate a grain bank. A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent. The license fee must be set by the commissioner in an amount sufficient to cover the costs of administering and enforcing this chapter. Fees collected under this chapter must be paid into the grain buyers and storage account established in section 232.22.

Sec. 53. [TRANSFER OF FUNDS; DEPOSIT OF REPAYMENTS.]

The remaining balances in the revolving accounts in Minnesota Statutes, sections 41B.046 and 41B.049, that are dedicated to rural finance authority loan programs under those sections, are transferred to the revolving loan account established in Minnesota Statutes, section 41B.06, on the effective date of this section. All future receipts from value-added agricultural product loans and methane digester loans originated under Minnesota Statutes, sections 41B.046 and 41B.049, must be deposited in the revolving loan account established in Minnesota Statutes, section 41B.06.

Sec. 54. [REPEALER.]

Minnesota Statutes 2004, sections 18B.065, subdivision 5; 19.64, subdivision 4a; and 41B.046, subdivision 3, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2004, sections 17.03, subdivision 13; 17.117, by adding a subdivision; 17B.03, subdivision 1; 18B.05, subdivision 1; 18B.08, subdivision 4; 18B.26, subdivision 3; 18B.31, subdivision 5; 18B.315, subdivision 6; 18B.32, subdivision 6; 18B.33, subdivision 7; 18B.34, subdivision 5; 18C.141, subdivisions 1, 3, 5; 18C.425, subdivision 6; 18E.03, subdivision 2; 18G.10, subdivisions 5, 7; 18G.16, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 14; 18H.07, subdivisions 1, 2, 3; 19.64, subdivision 1; 25.341, subdivision 2; 25.39, subdivisions 1, 4; 41A.09, subdivisions 2a, 3a, by adding subdivisions; 41B.046, subdivision 5; 41B.049, subdivision 2; 223.17, subdivision 3; 231.16; 232.22, subdivision 3; 236.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 25; 41B; repealing Minnesota Statutes 2004, sections 18B.065, subdivision 5; 19.64, subdivision 4a; 41B.046, subdivision 3."

The motion prevailed. So the amendment was adopted.

H.F. No. 1420 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Gerlach	LeClair	Murphy	Reiter	Rest
Hottinger	Marty			

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

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Johnson, D.E. moved that H.F. No. 1976 be taken from the table. The motion prevailed.

H.F. No. 1976: A bill for an act relating to state government; appropriating money for jobs, economic development, and human services purposes; establishing and modifying certain programs; providing for accounts, assessments and fees; making changes to programs for children and families; requiring studies and reports; amending Minnesota Statutes 2004, sections 41A.09, subdivision 2a; 60A.14, subdivision 1; 60K.55, subdivision 2; 72A.20, by adding a subdivision; 72B.04, subdivision 10; 82B.05, subdivisions 1, 5; 82B.09, subdivision 1; 115C.07, subdivision 3; 115C.09, subdivision 3h; 115C.13; 116C.779, subdivision 2; 116J.551, subdivision 1; 116J.571; 116J.572; 116J.574; 116J.575, as amended; 116J.63, subdivision 2; 116J.8731, subdivision 5; 116J.8747, subdivision 2; 116J.994, subdivisions 7, 9; 116L.03, subdivision 2; 116L.05, by adding a subdivision; 116L.17, subdivision 1; 116L.20, subdivision 2; 119B.02, by adding a subdivision; 119B.13, subdivision 1, by adding a subdivision; 120A.40; 183.41, by adding a subdivision; 183.411, subdivisions 2a, 3; 183.42; 183.44, subdivision 1; 183.51, subdivision 2, by adding a subdivision; 183.545; 183.57; 216C.41, subdivisions 2, 5, 5a; 237.11; 237.295, subdivisions 1, 2; 239.011, subdivision 2; 239.05, subdivision 10b, by adding a subdivision; 239.09; 239.101, subdivision 3; 239.75, subdivisions 1, 5; 239.761; 239.77, by adding a subdivision; 239.79, subdivision 4; 239.791, subdivisions 1, 7, 8, 15; 239.792; 245A.023; 245A.10, subdivision 4; 254A.035, subdivision 2; 254A.04; 256.01, by adding subdivisions; 256.741, subdivision 4; 256B.0924, subdivision 3; 256B.093, subdivision 1; 256D.06, subdivisions 5, 7, by adding a subdivision; 256I.05, subdivision 1e; 256J.12, subdivision 1, by adding a subdivision; 256J.37, subdivision 3a; 256J.515; 256J.751, subdivision 2; 256J.95, by adding subdivisions; 256K.35, by adding a subdivision; 260.835; 268.19, subdivision 1; 296A.01, subdivisions 2, 7, 8, 14, 19, 20, 22, 23, 24, 25, 26, 28; 298.22, by adding a subdivision; 326.975, subdivision 1; 345.47, subdivisions 3, 3a; 373.40, subdivisions 1, 3; 462A.05, subdivision 3a; 462A.33, subdivision 2; 517.08, subdivisions 1b, 1c; Laws 1999, chapter 224, section 7, as amended; Laws 2003, chapter 128, article 1, section 172; proposing coding for new law in Minnesota Statutes, chapters 45; 116L; 237; 256K; 325F; proposing coding for new law as Minnesota Statutes, chapter 59B; repealing Minnesota Statutes 2004, sections 45.0295; 116J.573; 116J.58, subdivision 3; 116L.05,

subdivision 4; 119B.074; 239.05, subdivisions 6a, 6b; 256D.54, subdivision 3; 462C.15; Laws 2003, First Special Session chapter 14, article 9, section 34; Minnesota Rules, parts 9500.1254; 9500.1256.

SUSPENSION OF RULES

Senator Johnson, D.E. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1976 and that the rules of the Senate be so far suspended as to give H.F. No. 1976 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1976 was read the second time.

Senator Bakk moved to amend H.F. No. 1976 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [ECONOMIC DEVELOPMENT APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are added to, or, if shown in parentheses, are subtracted from the appropriations to the specified agencies in 2005 S.F. No. 1879, article 7, if enacted. The appropriations are from the general fund, unless another fund is named, and are available for the fiscal year indicated for each purpose. The figures "2006" and "2007," where used in this act, mean that the additions to or subtractions from the appropriations listed under them are for the fiscal year ending June 30, 2006, or June 30, 2007, respectively. The "first year" is fiscal year 2006. The "second year" is fiscal year 2007. The "biennium" is fiscal years 2006 and 2007.

SUMMARY BY FUND

	2006	2007	TOTAL
General	\$9,188,000	\$2,713,000	\$11,901,000
Workers' Compensation	25,000	25,000	50,000
Workforce Development	5,000,000	7,950,000	12,950,000
Special Revenue	643,000	848,000	1,491,000
TOTAL	\$14,856,000	\$11,536,000	\$26,392,000

APPROPRIATIONS

Available for the Year
Ending June 30

2006	2007
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Sec. 2. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation	\$12,078,000	\$6,558,000
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Summary by Fund

General	7,935,000	460,000
Workforce Development	2,750,000	4,500,000
Special Revenue	643,000	848,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Business and Community
Development

7,930,000 455,000

\$7,000,000 the first year is for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This is a onetime appropriation. An annual report on the expenditure of this appropriation must be submitted to the governor and the chairs of the senate Higher Education Budget Division, the house of representatives Higher Education Finance Committee, the senate Environment, Agriculture, and Economic Development Budget Division, and the house of representatives Jobs and Economic Opportunity Policy and Finance Committee, by June 30 of each fiscal year until the appropriation is expended. This appropriation is available until expended.

\$100,000 the first year and \$100,000 the second year are to help small businesses access federal funds through the federal Small Business Innovation Research Program and the federal Small Business Technology Transfer Program. Department services must include maintaining connections to 11 federal programs, assessment of specific funding opportunities, review of funding proposals, referral to specific consulting services, and training workshops throughout the state. The appropriation is added to the agency's base. The department must implement fees for services that help companies seek federal Phase II Small Business Innovation Research grants. The recommended fee schedule must be reported to the chairs of the house of representatives finance committee and senate budget division with jurisdiction over economic development by February 1, 2006.

\$50,000 the first year and \$50,000 the second year are for a grant to the Minnesota Inventors Congress.

\$250,000 the first year and \$250,000 the second year are to establish a methamphetamine laboratory cleanup revolving loan fund pursuant to proposed Minnesota Statutes, section 446A.083. This appropriation is available until spent.

\$125,000 the first year is for a grant to the Northwest Regional Development Commission at Warren to do field research on the planting and production of cold-hardy grape cultivars. This is a onetime appropriation and is available until expended.

This vineyard production research project is to select cold-hardy cultivars and cultural practices that can diversify the agricultural landscape of Minnesota and stimulate economic development with subsequent expansion into value-added businesses and the winery industry. Treatments used in this research project must focus on development of cultural and management practices that include trials on planting depths, vine root care, cultivation techniques, mulching, and other methods that will enhance productivity and winter survival in subzero temperatures.

An annual report is required, including an economic assessment that compares the input requirements and feasibility of each overwintering technique and its contribution to the success of the vines. The report must be submitted to the chairs of the house of representatives and senate policy committees with jurisdiction over agriculture. The Northwest Regional Development Commission is encouraged to work with the University of Minnesota and the North Dakota State University experiment stations and on-farm sites to evaluate the suitability of regionally developed grape cultivars in areas of harsh winters and short growing seasons.

\$55,000 the first year and \$55,000 the second year are for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. These programs include one-on-one business consulting, marketing assistance, providing and arranging financing, and training and leadership development. These appropriations are part of the department's budget base.

\$250,000 the first year is for a grant to the Blandin Foundation for the "get broadband" program. This appropriation must be matched equally by nonstate funds and is available until expended. Expenditures made by the Blandin Foundation beginning December 1, 2004, may be used as match for this appropriation. The "get broadband" program must be designed to increase the use of broadband-based

technologies by businesses, schools, health care organizations, government organizations, and the general public.

\$100,000 the first year is for a grant to the Children's Discovery Museum for furnishing and equipping the new Children's Discovery Museum in Grand Rapids.

Subd. 3. Workforce Partnerships

3,398,000 5,353,000

Summary by Fund

General	5,000	5,000
Workforce Development	2,750,000	4,500,000
Special Revenue	643,000	848,000

\$1,000,000 the first year and \$2,000,000 the second year are from the workforce development fund for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development. This project, which may have career guidance components, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job-site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

\$5,000 the first year and \$5,000 the second year are for a grant to the Northwest Regional Curfew Center under the youth intervention program in Minnesota Statutes, section 116L.30.

\$500,000 the first year and \$500,000 the second year are from the workforce development fund for a grant to the Minnesota Opportunities Industrialization Centers State Council. The grant shall be used by the American Indian Opportunities Industrialization Centers of Minneapolis, and the Northwestern Opportunities Industrialization Centers of Bemidji, to provide training to American Indians on personal financial management and investment and to become small businesspersons. The opportunities industrialization centers may contract with any accredited state or private educational institution to deliver training. This appropriation is in addition to the base level funding and shall become part of the agency's budget base.

\$500,000 the first year and \$1,000,000 the second year are from the workforce development fund for a grant to the Minnesota Opportunity

Industrialization Centers State Council. The grant shall be used to initiate and expand health occupation training at Minnesota Opportunity Industrialization Centers. The grant shall be distributed evenly among those Minnesota Opportunity Industrialization Centers that have plans to either initiate or expand health occupations and career ladder training programs for individuals seeking employment as nurses, nursing assistants, home health aides, phlebotomists, or in the field of medical coding. This appropriation is in addition to the base level funding and shall become part of the agency's budget base.

Notwithstanding 2005 S.F. No. 1879, article 7, section 2, subdivision 3, paragraph (d), if enacted, of the total appropriation in that subdivision, plus this subdivision, \$843,000 the first year and \$1,048,000 the second year are for displaced homemaker programs under Minnesota Statutes, section 116L.96. These appropriations are from the special revenue fund and are part of agency budget base. The commissioner of economic security shall report to the legislature by February 15, 2007, on the outcome of grants under this paragraph.

\$750,000 the first year is from the workforce development fund for a grant to provide training to implement the Ford Motor Company Ford Production System at the Twin Cities Ford Assembly Plant.

\$500,000 the first year and \$1,500,000 the second year are from the workforce development fund for youth intervention programs under Minnesota Statutes, section 116L.30. This funding must be used to help existing programs serve unmet needs in their communities, and to create new programs in underserved areas of the state. This appropriation is part of the department's budget base. The appropriations are available until expended.

\$8,500 in the first year and \$8,500 in the second year are from the department's base for a grant to the Twin Cities Community Voice Mail to maintain the toll-free telephone number for the Greater Minnesota Project. The commissioner must ensure that the telephone number is not changed for the 2006-2007 biennium.

\$250,000 the first year and \$250,000 the second year are from the workforce development fund for a grant to Lifetrack Resources for its immigrant and refugee collaborative programs,

including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching.

Subd. 4. Workforce Services

750,000 750,000

\$400,000 the first year and \$400,000 the second year are from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15.

\$150,000 the first year and \$150,000 the second year are from the workforce development fund for grants to the Minnesota Employment Center for people who are deaf or hard-of-hearing. Money not expended the first year is available the second year.

\$200,000 the first year and \$200,000 the second year are from the workforce development fund for grants for programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Of the total appropriations for this program, up to \$84,000 each year may be used for administrative and salary expenses.

Sec. 3. MINNESOTA CONSERVATION CORPUS 1,200,000 2,400,000

This appropriation is from the workforce development fund for the purposes of Minnesota Statutes, section 84.991.

Sec. 4. EXPLORE MINNESOTA TOURISM 125,000 1,125,000

Notwithstanding 2005 S.F. No. 1879, article 7, section 3, if enacted, the appropriation in that section, plus the appropriation in this section, must be spent as provided in this section.

\$1,000,000 in the second year is to enhance the public/private funding partnership. To develop maximum private sector involvement in tourism, \$4,000,000 the first year and \$4,000,000 the second year of the amounts appropriated for marketing activities are contingent upon receipt of an equal contribution from nonstate sources that have been certified by the director. Up to one-half of the match may be given in in-kind contributions.

In order to maximize marketing grant benefits, the director must give priority for joint venture marketing grants to organizations with year-round sustained tourism activities. For programs and projects submitted, the director

must give priority to those that encompass two or more areas or that attract nonresident travelers to the state.

If an appropriation for either year for grants is not sufficient, the appropriation for the other year is available for it.

The director may use grant dollars or the value of in-kind services to provide the state contribution for the partnership program.

Any unexpended money from general fund appropriations governed by this section does not cancel but must be placed in a special advertising account for use by Explore Minnesota Tourism to purchase additional media.

\$125,000 the first year and \$125,000 the second year of the appropriation in this section are for the Minnesota Film Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in kind from nonstate sources for every \$3 provided by this appropriation.

Sec. 5. HOUSING FINANCE AGENCY

As provided in Minnesota Statutes, section 462A.20, subdivision 3, the agency may transfer unencumbered balances from one appropriated account to another as necessary to implement the business plan of the working group on long-term homelessness established in Laws 2003, chapter 128, article 15, section 9.

The agency shall establish a priority for supportive housing projects that provide employment support and housing for offenders who are discharged from a correctional or detention facility. Up to \$1,400,000 of the appropriation to the housing trust fund in 2005 S.F. No. 1879, if enacted, shall be awarded to projects that address this priority and the greatest number of priorities established under the rules governing the housing trust fund program.

Sec. 6. LABOR AND INDUSTRY

Subdivision 1. Total
Appropriation

703,000

703,000

Summary by Fund

General	378,000	378,000
Workers' Compensation	25,000	25,000
Workforce Development	300,000	300,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Workers' Compensation

25,000 25,000

This appropriation is from the workers' compensation fund for grants to the Vinland Center for rehabilitation service. These grants include the Vinland employment program and must address multiple barriers to employment, a self-sufficiency lifestyle, and physical, mental, emotional, or cognitive work injuries or disabilities. This appropriation is part of the budget base for the Department of Labor and Industry.

Subd. 3. Workplace Services

678,000 678,000

Summary by Fund

General	378,000	378,000
Workforce Development	300,000	300,000

\$378,000 the first year and \$378,000 the second year are to improve the regulatory enforcement and safety of boilers and high-pressure-piping systems.

\$300,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

The annual license fees authorized under Minnesota Statutes, section 326.48, and detailed in Minnesota Rules, part 5230.0100, subpart 3, shall increase \$20 for a journeyman high-pressure piping pipefitter license, \$20 for a high-pressure piping contracting pipefitter, \$10 for an inactive license, and \$100 for a high-pressure pipefitting business license.

The permit filing and inspection fees authorized under Minnesota Statutes, section 326.47, and detailed in Minnesota Rules, part 5230.0100, subpart 4, shall be increased as follows: the filing of a permit application shall be increased \$50, the minimum high-pressure piping inspection fee shall be increased \$50, and the schedule of inspection fee rates shall be increased by ten percent.

Subd. 4. General Support

The commissioner of labor and industry shall report to the 2006 legislature on the safety and

education program for Minnesota loggers under Minnesota Statutes, section 176.130.

Sec. 7. MINNESOTA HISTORICAL SOCIETY

750,000

750,000

\$75,000 the first year and \$75,000 the second year are to assist the Minnesota Sesquicentennial Commission for planning and support of its mission. This is a onetime appropriation and is available until January 30, 2009.

\$675,000 the first year and \$675,000 the second year are to operate historic sites including: Kelley Farm, Hill House, Lower Sioux Agency, Fort Ridgely, Historic Forestville, the Forest History Center, and the Comstock House. Funding for these sites must be matched on a \$1 of nonstate money to \$1 of state money basis. This appropriation is in addition to any other appropriation and is part of the Minnesota Historical Society's budget base.

Sec. 8. Minnesota Statutes 2004, section 11A.24, subdivision 6, is amended to read:

Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in paragraph (b), the state board may invest funds in:

(1) venture capital investment businesses through participation in limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations;

(2) real estate ownership interests or loans secured by mortgages or deeds of trust or shares of real estate investment trusts through investment in limited partnerships, bank sponsored collective funds, trusts, mortgage participation agreements, and insurance company commingled accounts, including separate accounts;

(3) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940, and closed-end mutual funds listed on an exchange regulated by a governmental agency;

(4) resource investments through limited partnerships, trusts, private placements, limited liability corporations, limited liability companies, limited liability partnerships, and corporations; and

(5) international securities.

(b) The investments authorized in paragraph (a) must conform to the following provisions:

(1) the aggregate value of all investments made according to paragraph (a), clauses (1) to (4), may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) there must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1), (2), (3), or (4);

(3) state board participation in an investment vehicle is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) state board participation in a limited partnership does not include a general partnership interest or other interest involving general liability. The state board may not engage in any activity as a limited partner which creates general liability.

(c) All financial, business, or proprietary data collected, created, received, or maintained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are nonpublic data under section 13.02, subdivision 9. As used in this paragraph, "financial, business, or proprietary data" means data, as determined by the responsible authority for the state board, that is of a financial, business, or proprietary nature, the release of which could cause competitive harm to the state board, the legal entity in which the state board has invested or has considered an investment, the managing entity of an investment, or a portfolio company in which the legal entity holds an interest. As used in this section, "business data" is data described in section 13.591, subdivision 1. Regardless of whether they could be considered financial, business, or proprietary data, the following data received, prepared, used, or retained by the state board in connection with investments authorized by paragraph (a), clause (1), (2), or (4), are public at all times:

(1) the name and industry group classification of the legal entity in which the state board has invested or in which the state board has considered an investment;

(2) the state board commitment amount, if any;

(3) the funded amount of the state board's commitment to date, if any;

(4) the market value of the investment by the state board;

(5) the state board's internal rate of return for the investment, including expenditures and receipts used in the calculation of the investment's internal rate of return; and

(6) the age of the investment in years.

Sec. 9. Minnesota Statutes 2004, section 13.635, is amended by adding a subdivision to read:

Subd. 1a. [STATE BOARD OF INVESTMENT.] Certain government data of the State Board of Investment related to capital investments are classified under section 11A.24, subdivision 6.

Sec. 10. Minnesota Statutes 2004, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification ~~D4806-01~~ D4806-04a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

(c) "Commissioner" means the commissioner of agriculture.

Sec. 11. [45.22] [LICENSE EDUCATION.]

The following fees must be paid to the commissioner:

(1) initial course approval, \$10 for each hour or fraction of one hour of education course approval sought. Initial course approval expires on the last day of the 24th month after the course is approved;

(2) renewal of course approval, \$10 per course. Renewal of course approval expires on the last day of the 24th month after the course is renewed;

(3) initial coordinator approval, \$100. Initial coordinator approval expires on the last day of the 24th month after the coordinator is approved; and

(4) renewal of coordinator approval, \$10. Renewal of coordinator approval expires on the last day of the 24th month after the coordinator is renewed.

Sec. 12. [59B.01] [SCOPE AND PURPOSE.]

(a) The purpose of this chapter is to create a legal framework within which service contracts may be sold in this state.

(b) The following are exempt from this chapter:

(1) warranties;

(2) maintenance agreements;

(3) warranties, service contracts, or maintenance agreements offered by public utilities, as defined in section 216B.02, subdivision 4, or an entity or operating unit owned by or under common control with a public utility;

(4) service contracts sold or offered for sale to persons other than consumers;

(5) service contracts on tangible property where the tangible property for which the service contract is sold has a purchase price of \$250 or less, exclusive of sales tax;

(6) motor vehicle service contracts as defined in section 65B.29, subdivision 1, paragraph (1);

(7) service contracts for home security equipment installed by a licensed technology systems contractor; and

(8) motor club membership contracts that typically provide roadside assistance services to motorists stranded for reasons that include, but are not limited to, mechanical breakdown or adverse road conditions.

(c) The types of agreements referred to in paragraph (b) are not subject to chapters 60A to 79A, except as otherwise specifically provided by law.

Sec. 13. [59B.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [ADMINISTRATOR.] "Administrator" means the person who is responsible for the administration of the service contracts or the service contracts plan or who is responsible for any filings required by this chapter.

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

Subd. 4. [CONSUMER.] "Consumer" means a natural person who buys, other than for purposes of resale, any tangible personal property that is distributed in commerce and that is normally used for personal, family, or household purposes and not for business or research purposes.

Subd. 5. [MAINTENANCE AGREEMENT.] "Maintenance agreement" means a contract of limited duration that provides for scheduled maintenance only.

Subd. 6. [PERSON.] "Person" means an individual, partnership, corporation, incorporated or unincorporated association, joint stock company, reciprocal, syndicate, or any similar entity or combination of entities acting in concert.

Subd. 7. [PREMIUM.] "Premium" means the consideration paid to an insurer for a reimbursement insurance policy.

Subd. 8. [PROVIDER.] "Provider" means a person who is contractually obligated to the service contract holder under the terms of the service contract.

Subd. 9. [PROVIDER FEE.] "Provider fee" means the consideration paid for a service contract.

Subd. 10. [REIMBURSEMENT INSURANCE POLICY.] "Reimbursement insurance policy" means a policy of insurance issued to a provider to either provide reimbursement to the provider under the terms of the insured service contracts issued or sold by the provider or, in the event of the provider's nonperformance, to pay on behalf of the provider all covered contractual obligations incurred by the provider under the terms of the insured service contracts issued or sold by the provider.

Subd. 11. [SERVICE CONTRACT.] "Service contract" means a contract or agreement for a separately stated consideration for a specific duration to perform the repair, replacement, or maintenance of property or indemnification for repair, replacement, or maintenance, for the operational or structural failure due to a defect in materials, workmanship, or normal wear and tear, with or without additional provisions for incidental payment of indemnity under limited circumstances. Service contracts may provide for the repair, replacement, or maintenance of property for damage resulting from power surges and accidental damage from handling.

Subd. 12. [SERVICE CONTRACT HOLDER OR CONTRACT HOLDER.] "Service contract holder" or "contract holder" means a person who is the purchaser or holder of a service contract.

Subd. 13. [WARRANTY.] "Warranty" means a warranty made solely by the manufacturer, importer, or seller of property or services without consideration, that is not negotiated or separated from the sale of the product, and is incidental to the sale of the product, that guarantees indemnity for defective parts, mechanical or electrical breakdown, labor, or other remedial measures, such as repair or replacement of the property or repetition of services.

Sec. 14. [59B.03] [REQUIREMENTS FOR TRANSACTING BUSINESS.]

Subdivision 1. [APPOINTMENT OF ADMINISTRATOR.] A provider may, but is not required to, appoint an administrator or other designee to be responsible for any or all of the administration of service contracts and compliance with this chapter.

Subd. 2. [CONTRACT COPIES AND RECEIPTS.] Service contracts must not be issued, sold, or offered for sale in this state unless the provider has:

(1) provided a receipt for, or other written evidence of, the purchase of the service contract to the contract holder;

(2) provided a copy of the service contract to the service contract holder within a reasonable period of time from the date of purchase; and

(3) complied with this chapter.

Subd. 3. [REGISTRATION.] Each provider of service contracts sold in this state shall file a registration with the commissioner on a form prescribed by the commissioner. Each provider shall pay to the commissioner a fee in the amount of \$200 annually.

Subd. 4. [FINANCIAL REQUIREMENTS.] In order to ensure the faithful performance of a provider's obligations to its contract holders, each provider is responsible for complying with the requirements of one of the following:

(1) insure all service contracts under a reimbursement insurance policy issued by an insurer authorized to transact insurance in this state, a risk retention group, as that term is defined in United States Code, title 15, section 3901(A)(4), as long as that risk retention group is registered pursuant to section 60E.03 or 60E.04 as applicable, and is in full compliance with the federal Liability Risk Retention Act of 1986, United States Code, title 15, section 3901, et al., or issued pursuant to sections 60A.195 to 60A.209, and either:

(i) the insurer or risk retention group shall, at the time the policy is filed with the commissioner, and continuously thereafter, maintain surplus as to policyholders and paid-in capital of at least \$15,000,000, and annually file audited financial statements with the commissioner; or

(ii) the commissioner may authorize an insurer or risk retention group that has surplus as to policyholders and paid-in capital of less than \$15,000,000 but at least equal to \$10,000,000 to issue the insurance required by this section if the insurer or risk retention group demonstrates to the satisfaction of the commissioner that the company maintains a ratio of direct written premiums, wherever written, to surplus as to policyholders and paid-in capital of not greater than 3-to-1; or

(2)(i) maintain a funded reserve account for obligations under contracts issued and outstanding in this state. The reserves must not be less than 40 percent of gross consideration received, less claims paid, on the sale of the service contract for all in-force contracts. The reserve account is subject to examination and review by the commissioner; and

(ii) place in trust with the commissioner a financial security deposit, having a value of not less than five percent of the gross consideration received, less claims paid, on the sale of the service contract for all service contracts issued and in force, but not less than \$25,000, consisting of one of the following:

(A) a surety bond issued by an authorized surety;

(B) securities of the type eligible for deposit by authorized insurers in this state;

(C) cash;

(D) a letter of credit issued by a qualified financial institution containing an evergreen clause which prevents the expiration of the letter without due notice from the issuer; or

(E) another form of security prescribed by rules of the commissioner; or

(3)(i) maintain, or its parent company maintain, a net worth or stockholders' equity of \$100,000,000; and

(ii) upon request, provide the commissioner with a copy of the provider's or the provider's parent company's most recent Form 10-K or Form 20-F filed with the Securities and Exchange Commission (SEC) within the last calendar year, or if the company does not file with the SEC, a copy of the company's audited financial statements, which shows a net worth of the provider or its parent company of at least \$100,000,000. If the provider's parent company's Form 10-K, Form 20-F, or audited financial statements are filed to meet the provider's financial stability requirement, then the parent company shall agree to guarantee the obligations of the provider relating to service contracts sold by the provider in this state.

Subd. 5. [RIGHT OF RETURN.] Service contracts must require the provider to permit the service contract holder to return the service contract within 20 days of the date the service contract was mailed to the service contract holder or within ten days of delivery if the service contract is delivered to the service contract holder at the time of sale or within a longer time period permitted under the service contract. Upon return of the service contract to the provider within the applicable time period, if no claim has been made under the service contract before its return to the provider, the service contract is void and the provider shall refund to the service contract holder, or credit the account of the service contract holder, with the full purchase price of the service contract. The right to void the service contract provided in this paragraph is not transferable and applies only to the original service contract purchaser, and only if no claim has been made before its return to the provider. A ten percent penalty per month must be added to a refund that is not paid or credited within 45 days after return of the service contract to the provider.

Subd. 6. [PREMIUM TAXES.] (a) Provider fees collected on service contracts are not subject to premium taxes.

(b) Premiums for reimbursement insurance policies are subject to applicable taxes.

Subd. 7. [LICENSING EXEMPTION.] Except for the registration requirements in subdivision 3, providers and related service contract sellers, administrators, and other persons marketing, selling, or offering to sell service contracts are exempt from any licensing requirements of this state.

Subd. 8. [INSURANCE EXEMPTION.] The marketing, sale, offering for sale, issuance, making, proposing to make, and administration of service contracts by providers and related service contract sellers, administrators, and other persons are exempt from all other provisions of the insurance laws of this state, except as provided in section 72A.20, subdivision 38.

Sec. 15. [59B.04] [REQUIRED DISCLOSURES; REIMBURSEMENT INSURANCE POLICY.]

Subdivision 1. [RIGHT TO PAYMENT OR REIMBURSEMENT.] Reimbursement insurance policies insuring service contracts issued, sold, or offered for sale in this state shall state that the insurer that issued the reimbursement insurance policy shall either reimburse or pay on behalf of the provider any covered sums the provider is legally obligated to pay or, in the event of the provider's nonperformance, shall provide the service which the provider is legally obligated to perform according to the provider's contractual obligations under the service contracts issued or sold by the provider.

Subd. 2. [RIGHT TO APPLY TO COMPANY.] In the event covered service is not provided by the service contract provider within 60 days of proof of loss by the service contract holder, the contract holder is entitled to apply directly to the reimbursement insurance company.

Sec. 16. [59B.05] [REQUIRED DISCLOSURE; SERVICE CONTRACTS.]

Subdivision 1. [READABILITY AND GENERAL DISCLOSURE.] Service contracts marketed, sold, offered for sale, issued, made, proposed to be made, or administered in this state must be written, printed, or typed in clear, understandable language that is easy to read and must disclose the requirements set forth in this section, as applicable.

Subd. 2. [IDENTITIES OF PARTIES.] Service contracts must state the name and address of the provider, and must identify any administrator if different from the provider, the service contract seller, and the service contract holder to the extent that the name of the service contract holder has been furnished by the service contract holder. The identities of the parties are not required to be preprinted on the service contract and may be added to the service contract at the time of sale.

Subd. 3. [TOTAL PURCHASE PRICE AND SALES TERMS.] Service contracts must state the total purchase price and the terms under which the service contract is sold. The purchase price is not required to be preprinted on the service contract and may be negotiated at the time of sale with the service contract holder.

Subd. 4. [DEDUCTIBLES.] Service contracts must state the existence of any deductible amount, if applicable.

Subd. 5. [COVERAGES, LIMITATIONS, AND EXCLUSIONS.] No particular causes of loss of property are required to be covered, but service contracts must specify the merchandise and services to be provided and, with equal prominence, any limitations, exceptions, or exclusions including, but not limited to, any damage or breakdown not covered by the service contract.

Subd. 6. [RESTRICTIONS ON TRANSFERABILITY.] Service contracts must state any restrictions governing the transferability of the service contract, if applicable.

Subd. 7. [CANCELLATION TERMS.] Service contracts must state the terms, restrictions, or conditions governing cancellation of the service contract prior to the termination or expiration date of the service contract by either the provider or the service contract holder. The provider of the service contract shall mail a written notice to the contract holder at the last known address of the service contract holder contained in the records of the provider at least 15 days before cancellation by the provider. Five days' notice is required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by the service contract holder to the provider, or a substantial breach of duties by the service contract holder relating to the covered product or its use. The notice must state the effective date of the cancellation and the reason for the cancellation.

Subd. 8. [DUTIES OF CONTRACT HOLDER.] Service contracts must set forth all of the

obligations and duties of the service contract holder, such as the duty to protect against any further damage and any requirement to follow the owner's manual.

Subd. 9. [EXCLUSIONS; CONSEQUENTIAL DAMAGES AND PREEXISTING CONDITIONS.] Service contracts may exclude coverage for consequential damages or preexisting conditions. These exclusions, if applicable, must be stated in the contract.

Sec. 17. [59B.06] [ADDITIONAL REQUIRED DISCLOSURE; SERVICE CONTRACTS.]

Subdivision 1. [INSURANCE DISCLOSURE.] Service contracts insured under a reimbursement insurance policy pursuant to section 59B.03, subdivision 4, clause (1), must contain a statement in substantially the following form: "Obligations of the provider under this service contract are insured under a service contract reimbursement insurance policy." The service contract must also state the name and address of the insurer.

Subd. 2. [DISCLOSURE OF NO INSURANCE.] Service contracts not insured under a reimbursement insurance policy pursuant to section 59B.03, subdivision 4, clause (1), must contain a statement in substantially the following form: "Obligations of the provider under this service contract are backed by the full faith and credit of the provider."

Sec. 18. [59B.07] [PROHIBITED ACTS.]

Subdivision 1. [DECEPTIVE NAMES.] A provider shall not use in its name the words insurance, casualty, surety, mutual, or any other words descriptive of the insurance, casualty, or surety business; or a name deceptively similar to the name or description of any insurance or surety corporation, or to the name of any other provider. The word "guaranty" or similar word may be used by a provider. This section does not apply to a company that was using any of the prohibited language in its name before the effective date of this chapter. However, a company using the prohibited language in its name shall include in its service contracts a statement in substantially the following form: "This agreement is not an insurance contract."

Subd. 2. [FALSE OR MISLEADING STATEMENTS.] A provider or its representative shall not in its service contracts, literature, or otherwise make, permit, or cause to be made any false or misleading statement or omit any material statement that would be considered misleading if omitted.

Subd. 3. [REQUIRED PURCHASE.] A person, such as a bank, savings association, lending institution, manufacturer, or seller of any product, shall not require the purchase of a service contract as a condition of a loan or a condition for the sale of any property.

Sec. 19. [59B.08] [RECORD-KEEPING REQUIREMENTS.]

Subdivision 1. [GENERALLY.] The provider shall keep accurate accounts, books, and records concerning transactions regulated under this chapter.

The provider's accounts, books, and records include the following:

- (1) copies of each type of service contracts sold;
- (2) the name and address of each service contract holder to the extent that the name and address have been furnished by the service contract holder;
- (3) a list of the locations where service contracts are marketed, sold, or offered for sale; and
- (4) written claims files which shall contain information regarding the services provided or claims payments for contracts that provide for payments or reimbursement, including at least the dates and description of claims related to the service contracts.

Subd. 2. [RETENTION.] (a) Except as provided in paragraph (b), the provider shall retain all records required to be maintained by this section for at least three years after the specified period of coverage has expired.

(b) A provider discontinuing business in this state shall maintain its records until it furnishes the commissioner satisfactory proof that it has discharged all obligations to contract holders in this state.

Subd. 3. [MEDIUM.] The records required by this chapter may be, but are not required to be, maintained on a computer disk or other record-keeping technology. If the records are maintained in other than hard copy, the records must be capable of duplication to legible hard copy at the request of the commissioner.

Sec. 20. [59B.09] [TERMINATION OF REIMBURSEMENT INSURANCE POLICY.]

An insurer that issued a reimbursement insurance policy may not terminate the policy unless the insurer mails or delivers written notice of the termination to the commissioner at least 30 days before the effective date of termination. The termination of a reimbursement insurance policy does not reduce the issuer's responsibility for service contracts issued by providers before the date of the termination.

Sec. 21. [59B.10] [OBLIGATION OF REIMBURSEMENT INSURANCE POLICY INSURERS.]

Insurers issuing reimbursement insurance to providers are deemed to have received the premiums for the insurance upon the payment of provider fees by consumers for service contracts issued by the insured providers.

Nothing in this chapter prevents or limits the right of an insurer that issued a reimbursement insurance policy to seek indemnification or subrogation against a provider if the issuer pays or is obligated to pay the service contract holder sums that the provider was obligated to pay pursuant to the provisions of the service contract.

Sec. 22. [59B.11] [SEVERABILITY PROVISION.]

If any provision of this chapter or the application of the provision to any person or circumstances are held invalid, the remainder of this chapter and the application of the provision to persons or circumstances other than those as to which it is held invalid, must not be affected.

Sec. 23. Minnesota Statutes 2004, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies;

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10;

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges;

(1) for filing an application for an initial certification of authority to be admitted to transact business in this state, \$1,500;

(2) for filing certified copy of certificate of articles of incorporation, \$100;

(2) (3) for filing annual statement, \$225;

(3) (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

(4) (5) for filing bylaws, \$75 or amendments thereto, \$75;

(5) ~~(6)~~ for each company's certificate of authority, \$575, annually;

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(6) for each appointment of an agent filed with the commissioner, \$10;

(7) for filing forms and rates, \$75 per filing, which may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;

(8) for annual renewal of surplus lines insurer license, \$300;

(9) \$250 filing fee for a large risk alternative rating option plan that meets the \$250,000 threshold requirement.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 24. Minnesota Statutes 2004, section 60K.55, subdivision 2, is amended to read:

Subd. 2. [LICENSING FEES.] (a) In addition to fees provided for examinations, each insurance producer licensed under this chapter shall pay to the commissioner a fee of:

(1) ~~\$40~~ \$50 for an initial life, accident and health, property, or casualty license issued to an individual insurance producer, and a fee of ~~\$40~~ \$50 for each renewal;

(2) ~~\$75~~ \$50 for an initial variable life and variable annuity license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(3) ~~\$80~~ \$50 for an initial personal lines license issued to an individual insurance producer, and a fee of ~~\$80~~ \$50 for each renewal;

(4) ~~\$80~~ \$50 for an initial limited lines license issued to an individual insurance producer, and a fee of ~~\$80~~ \$50 for each renewal;

(5) \$200 for an initial license issued to a business entity, and a fee of ~~\$150~~ \$200 for each renewal; and

(6) \$500 for an initial surplus lines license, and a fee of \$500 for each renewal.

(b) Initial licenses issued under this chapter are valid for a period not to exceed 24 months and expire on October 31 of the renewal year assigned by the commissioner. Each renewal insurance producer license is valid for a period of 24 months. Licensees who submit renewal applications postmarked or delivered on or before October 15 of the renewal year may continue to transact business whether or not the renewal license has been received by November 1. Licensees who submit applications postmarked or delivered after October 15 of the renewal year must not

transact business after the expiration date of the license until the renewal license has been received.

(c) All fees are nonreturnable, except that an overpayment of any fee may be refunded upon proper application.

Sec. 25. Minnesota Statutes 2004, section 72A.20, is amended by adding a subdivision to read:

Subd. 38. [UNFAIR CLAIMS SERVICE; SERVICE CONTRACTS.] No person shall, in connection with a service contract regulated under chapter 59B:

(1) attempt to settle claims on the basis of an application or any other material document which was altered without notice to, or knowledge or consent of, the service contract holder;

(2) make a material misrepresentation to the service contract holder for the purpose and with the intent of effecting settlement of the claims, loss, or damage under the contract on less favorable terms than those provided in, and contemplated by, the contract; or

(3) commit or perform with such frequency as to indicate a general business practice any of the following practices:

(i) failure to properly investigate claims;

(ii) misrepresentation of pertinent facts or contract provisions relating to coverages at issue;

(iii) failure to acknowledge and act upon communications within a reasonable time with respect to claims;

(iv) denial of claims without conducting reasonable investigations based upon available information;

(v) failure to affirm or deny coverage of claims upon written request of the service contract holder within a reasonable time after proof-of-loss statements have been completed; or

(vi) failure to timely provide a reasonable explanation to the service contract holder of the basis in the contract in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

Sec. 26. Minnesota Statutes 2004, section 72B.04, subdivision 10, is amended to read:

Subd. 10. [FEES.] A fee of ~~\$80~~ \$50 is imposed for each initial license or temporary permit and ~~\$80~~ \$50 for each renewal thereof or amendment thereto. A fee of \$20 is imposed for the registration of each nonlicensed adjuster who is required to register under section 72B.06. All fees shall be transmitted to the commissioner and shall be payable to the Department of Commerce.

Sec. 27. Minnesota Statutes 2004, section 82B.09, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees must be paid to the commissioner:

~~(1) \$150 for each initial individual real estate appraiser's license; \$150 if the license expires more than 12 months after issuance, \$100 if the license expires less than 12 months after issuance; and a fee of~~

(2) \$100 for each renewal.

Sec. 28. Minnesota Statutes 2004, section 115C.07, subdivision 3, is amended to read:

Subd. 3. [RULES.] (a) The board shall adopt rules regarding its practices and procedures, the form and procedure for applications for compensation from the fund, procedures for investigation of claims and specifying the costs that are eligible for reimbursement from the fund.

(b) The board may adopt rules requiring certification of environmental consultants.

(c) The board may adopt other rules necessary to implement this chapter.

(d) The board may use section 14.389 to adopt rules specifying the competitive bidding requirements for consultant services proposals.

(e) The board may use section 14.389 to adopt rules specifying the written proposal and invoice requirements for consultant services.

Sec. 29. Minnesota Statutes 2004, section 115C.09, subdivision 3h, is amended to read:

Subd. 3h. [REIMBURSEMENT; ABOVEGROUND TANKS IN BULK PLANTS.] (a) As used in this subdivision, "bulk plant" means an aboveground or underground tank facility with a storage capacity of more than 1,100 gallons but less than 1,000,000 gallons that is used to dispense petroleum into cargo tanks for transportation and sale at another location.

(b) Notwithstanding any other provision in this chapter and any rules adopted pursuant to this chapter, the board shall reimburse 90 percent of an applicant's cost for bulk plant upgrades or closures completed between June 1, 1998, and November 1, 2003, to comply with Minnesota Rules, chapter 7151, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$10,000 per bulk plant. The board may provide reimbursement under this paragraph for work completed after November 1, 2003, if the work was contracted for prior to that date and was not completed by that date as a result of an unanticipated situation, provided that an application for reimbursement under this sentence, which may be a renewal of an application previously denied, is submitted prior to December 31, 2005.

(c) For corrective action at a bulk plant located on what is or was railroad right-of-way, the board shall reimburse 90 percent of total reimbursable costs on the first \$40,000 of reimbursable costs and 100 percent of any remaining reimbursable costs when the applicant can document that more than one bulk plant was operated on the same section of right-of-way, as determined by the commissioner of commerce.

Sec. 30. Minnesota Statutes 2004, section 115C.09, subdivision 3j, is amended to read:

Subd. 3j. [RETAIL LOCATIONS AND TRANSPORT VEHICLES.] (a) As used in this subdivision, "retail location" means a facility located in the metropolitan area as defined in section 473.121, subdivision 2, where gasoline is offered for sale to the general public for use in automobiles and trucks. "Transport vehicle" means a liquid fuel cargo tank used to deliver gasoline into underground storage tanks during 2002 and 2003 at a retail location.

(b) Notwithstanding any other provision in this chapter, and any rules adopted under this chapter, the board shall reimburse 90 percent of an applicant's cost for retrofits of retail locations and transport vehicles completed between January 1, 2001, and January 1, 2006, to comply with section 116.49, subdivisions 3 and 4, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$3,000 per retail location and \$3,000 per transport vehicle.

Sec. 31. Minnesota Statutes 2004, section 115C.13, is amended to read:

115C.13 [REPEALER.]

Sections 115C.01, 115C.02, 115C.021, 115C.03, 115C.04, 115C.045, 115C.05, 115C.06, 115C.065, 115C.07, 115C.08, 115C.09, 115C.093, 115C.094, 115C.10, 115C.11, 115C.111, 115C.112, 115C.113, 115C.12, and 115C.13, are repealed effective June 30, 2007 2012.

Sec. 32. Minnesota Statutes 2004, section 116J.571, is amended to read:

116J.571 [CREATION OF ACCOUNTS.]

Two ~~greater Minnesota~~ redevelopment accounts are created, one in the general fund and one in the bond proceeds fund. Money in the accounts may be used to make grants as provided in section 116J.575. ~~Money in the bond proceeds fund may only be used for eligible costs for publicly~~

owned property. Money in the general fund may be used and to pay for the commissioner's costs in reviewing the applications and making grants.

Sec. 33. Minnesota Statutes 2004, section 116J.572, is amended to read:

116J.572 [DEFINITIONS.]

Subdivision 1. [SCOPE OF APPLICATION.] For purposes of sections 116J.571 to 116J.575, the terms in this section have the meanings given.

Subd. 2. [DEVELOPMENT AUTHORITY.] "Development authority" includes a statutory or home rule charter city, county, housing and redevelopment authority, economic development authority, or port authority ~~located outside~~.

Subd. 2a. [METROPOLITAN AREA.] "Metropolitan area" means the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 2b. [MUNICIPALITY.] "Municipality" means the statutory or home rule charter city, town, or, in the case of unorganized territory, county in which the redevelopment is located.

Subd. 3. [~~ELIGIBLE REDEVELOPMENT COSTS OR COSTS~~.] "Eligible Redevelopment costs" or "costs" means the costs of land acquisition, stabilizing unstable soils when infill is required, demolition, infrastructure improvements, and ponding or other environmental infrastructure; building construction, design and engineering; and costs necessary for adaptive reuse of buildings, including remedial activities. ~~Eligible costs do not include project administration and legal fees.~~

Subd. 4. [REDEVELOPMENT.] "~~Redevelopment~~" means ~~recycling obsolete, abandoned, or underutilized properties for new industrial, commercial, or residential uses.~~

Sec. 34. Minnesota Statutes 2004, section 116J.574, is amended to read:

116J.574 [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATION REQUIRED.] To obtain a redevelopment grant, a development authority shall apply to the commissioner. The governing body of the municipality must approve the application by resolution.

Subd. 2. [REQUIRED CONTENT.] The commissioner shall prescribe and provide the application form. The application must include at least the following information:

(1) identification of the site;

(2) a redevelopment plan for the site;

~~(3) a detailed budget estimate, including along with necessary supporting evidence, of the total redevelopment costs for the site including the total eligible redevelopment costs;~~

~~(3) a complete~~ (4) an assessment of the development potential or likely use of the site after completion of the redevelopment plan, including any specific commitments from third parties to construct improvements on the site;

~~(4) a complete financing plan, including~~ (5) the manner in which the development authority uses innovative financial partnerships between government, private for-profit, and nonprofit sectors municipality will meet the local match requirement; and

~~(5)~~ (6) any additional information or material that the commissioner prescribes.

Sec. 35. Minnesota Statutes 2004, section 116J.575, subdivision 1, as amended by Laws 2005, chapter 20, article 1, section 33, subdivision 1, is amended to read:

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. 36. Minnesota Statutes 2004, section 116J.575, is amended by adding a subdivision to read:

Subd. 1a. [PRIORITIES.] (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, bioscience development, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

- (1) the need for redevelopment in conjunction with contamination remediation needs;
- (2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;
- (3) the redevelopment potential within the municipality;
- (4) proximity to public transit if located in the metropolitan area; and
- (5) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate.

Sec. 37. Minnesota Statutes 2004, section 116J.575, is amended by adding a subdivision to read:

Subd. 3. [MATCH REQUIRED.] In order to qualify for a grant under sections 116J.571 to 116J.575, the municipality must pay for at least one-half of the redevelopment costs as a local match from any money available to the municipality.

Sec. 38. Minnesota Statutes 2004, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.] (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of ~~seven hundredths~~ one-tenth of one percent per year on all taxable wages, as defined in section 268.035, subdivision 24. If the commissioner of employment and economic development determines that the need for services under the dislocated worker program substantially exceeds the resources that will be available for that program, the commissioner may increase the fee to no more than 12/100 of one percent of taxable wages. The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

(b) The special assessment levied under this section shall be subject to the same requirements and collection procedures as any amounts due from an employer under the Minnesota unemployment insurance program.

[EFFECTIVE DATE.] This section is effective January 1, 2006.

Sec. 39. Minnesota Statutes 2004, section 116L.30, subdivision 1, is amended to read:

Subdivision 1. [GRANTS.] The commissioner may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

"Youth intervention program" means a nonresidential community-based program providing advocacy, education, counseling, mentoring, and referral services to youth and their families experiencing personal, familial, school, legal, or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future. The purpose of the youth intervention program is to provide an ongoing, stable funding source to community-based early intervention programs for youth. Program design may be different for the grantees depending on youth needs in the communities being served.

Sec. 40. Minnesota Statutes 2004, section 116L.30, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Applications for a grant-in-aid shall be made by the administering agency to the commissioner. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought. The purpose of the matching requirement is to leverage the investment of state and community dollars in supporting the efforts of the grantees to provide early intervention services to youth and their families.

The commissioner shall provide the application form, procedures for making ~~application form~~ applications, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency may exceed \$50,000.

Sec. 41. Minnesota Statutes 2004, section 116L.30, is amended by adding a subdivision to read:

Subd. 3. [GRANT ALLOCATION FORMULA.] Up to one percent of the appropriations to the grants-in-aid to the youth intervention program may be used for a grant to the Minnesota Youth Intervention Programs Association for expenses in providing collaborative training and technical assistance to community-based grantees.

Sec. 42. Minnesota Statutes 2004, section 116L.30, is amended by adding a subdivision to read:

Subd. 4. [ADMINISTRATIVE COSTS.] The commissioner may use up to two percent of the biennial appropriation for grants-in-aid to the youth intervention program to pay costs incurred by the department in administering the grants.

Sec. 43. [116P.081] [MINNESOTA EARLY STAGE VENTURE CAPITAL INVESTMENTS.]

(a) For purposes of this section, "Minnesota early stage company" means an early stage company with its headquarters and principal place of business located in this state.

(b) Until June 30, 2019, the State Board of Investment must invest at least \$25,000,000 of the principal of the Minnesota environmental and natural resources trust fund in early stage venture capital investments, subject to the following conditions:

(1) the board may not make initial investments of more than a total of \$50,000,000 under this section;

(2) each separate investment vehicle must commit 50 percent or more of its assets to investments in Minnesota early stage companies;

(3) the board's investment may not exceed 50 percent of the total investment in an investment vehicle;

(4) no new investment vehicles may be purchased after June 30, 2008; and

(5) the board may reinvest returns from investments made under this section.

The board may set evaluation criteria for investment vehicles and fund managers of investments under this section different from those it uses for other investments.

(c) This section expires August 1, 2019.

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

Sec. 44. Minnesota Statutes 2004, section 129D.02, subdivision 3, is amended to read:

Subd. 3. ~~[COMPENSATION.] Members shall be compensated at the rate of \$35 per day spent on board activities. In addition, members shall receive reimbursement for expenses in the same manner and amount as state employees. Employees of the state or its political subdivisions shall not be entitled to the per diem, but they shall suffer no loss in compensation or benefits as a result of service on the board. Members not entitled to the per diem shall receive expenses as provided in this subdivision unless the expenses are reimbursed from another source as provided in section 15.0575, subdivision 3.~~

Sec. 45. Minnesota Statutes 2004, section 161.1419, subdivision 2, is amended to read:

Subd. 2. [MEMBERS.] (a) The commission shall be composed of 15 members of whom:

- (1) one shall be appointed by the commissioner of transportation;
- (2) one shall be appointed by the commissioner of natural resources;
- (3) one shall be appointed by the ~~commissioner of employment and economic development~~ director of Explore Minnesota Tourism;
- (4) one shall be appointed by the commissioner of agriculture;
- (5) one shall be appointed by the director of the Minnesota Historical Society;
- (6) two shall be members of the senate to be appointed by the Committee on Committees;
- (7) two shall be members of the house of representatives to be appointed by the speaker;
- (8) one shall be the secretary appointed pursuant to subdivision 3; and
- (9) five shall be citizen members appointed by five citizen committees established by the members appointed under clauses (1) to (8), with each citizen committee established within and representing each of the following geographic segments along the Mississippi River:
 - (i) Lake Itasca to but not including the city of Grand Rapids;
 - (ii) Grand Rapids to but not including the city of Brainerd;
 - (iii) Brainerd to but not including the city of Elk River;
 - (iv) Elk River to but not including the city of Hastings; and
 - (v) Hastings to the Iowa border.

Each citizen committee member shall be a resident of the geographic segment that the committee and member represents.

(b) The members of the commission shall serve for a term expiring at the close of each regular session of the legislature and until their successors are appointed. Successor members shall be appointed by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota Historical Society shall be ex officio members, and shall be in addition to the 15 members heretofore provided for. Immediately upon

making the appointments to the commission the appointing authorities shall so notify the Mississippi River Parkway Commission, hereinafter called the National Commission, giving the names and addresses of the members so appointed.

Sec. 46. Minnesota Statutes 2004, section 161.1419, is amended by adding a subdivision to read:

Subd. 3a. [GIFTS, GRANTS, AND ENDOWMENTS.] The commission may accept gifts of money, property, or services; may apply for and accept grants from the United States, the state, a subdivision of the state, or a person for any of its purposes; may enter into an agreement required in connection with it; and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, or agreement relating to it. The commission may also make grants, gifts, and bequests of money, property, or services and enter into contracts to carry out the same. The gift acceptance procedures of sections 16A.013 to 16A.016 do not apply to this section.

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

Sec. 47. Minnesota Statutes 2004, section 176.136, subdivision 1a, is amended to read:

Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1991, remains in effect until the commissioner adopts a new schedule by permanent rule. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, and other health care provider treatment or service, including those provided to hospital outpatients, by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value fee schedule adopted for the federal Medicare program or a relative value fee schedule adopted by other federal or state agencies. The relative value fee schedule must contain reasonable classifications including, but not limited to, classifications that differentiate among health care provider disciplines. ~~The conversion factors for the original relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.~~ The rules must provide that chiropractors and physical therapists have the same provider group designation as medical physicians and have the same maximum fee allowed as medical physicians for the same patient interventions.

After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by no more than the percentage change computed under section 176.645, but without the annual cap provided by that section. The commissioner shall annually give notice in the State Register of the adjusted conversion factors and may also give annual notice of any additions, deletions, or changes to the relative value units or service codes adopted by the federal Medicare program. The relative value units may be statistically adjusted in the same manner as for the original workers' compensation relative value fee schedule. The notices of the adjusted conversion factors and additions, deletions, or changes to the relative value units and service codes is in lieu of the requirements of chapter 14. The commissioner shall follow the requirements of section 14.386, paragraph (a). The annual adjustments to the conversion factors and the medical fee schedules adopted under this section, including all previous fee schedules, are not subject to expiration under section 14.386, paragraph (b).

Sec. 48. [181.722] [MISREPRESENTATION OF EMPLOYMENT RELATIONSHIP PROHIBITED.]

Subdivision 1. [PROHIBITION.] No employer shall misrepresent the nature of its employment relationship with its employees to any federal, state, or local government unit, to other employers or to its employees. An employer misrepresents the nature of its employment relationship with its employees if it makes any statement regarding the nature of the relationship that the employer knows or has reason to know is untrue and if it fails to report individuals as employees when legally required to do so.

Subd. 2. [AGREEMENTS TO MISCLASSIFY PROHIBITED.] No employer shall require or request any employee to enter into any agreement, or sign any document, that results in misclassification of the employee as an independent contractor or otherwise does not accurately reflect the employment relationship with the employer.

Subd. 3. [DETERMINATION OF EMPLOYMENT RELATIONSHIP.] For purposes of this section, the nature of an employment relationship is determined using the same tests and in the same manner as employee status is determined under the applicable workers' compensation and unemployment insurance program laws and rules.

Subd. 4. [REPORTING OF VIOLATIONS.] Any court finding that a violation of this section has occurred shall transmit a copy of the documentation of the finding to the commissioner of labor and industry. The commissioner of labor and industry shall report the finding to relevant state and federal agencies, including at least the commissioner of commerce, the commissioner of employment and economic development, the commissioner of revenue, the federal Internal Revenue Service, and the United States Department of Labor.

Subd. 5. [CIVIL REMEDY.] An individual not a contractor injured by a violation of this section may bring an action for damages against the violator. The court may award attorney fees, costs, and disbursements to a party recovering under this section. If the individual injured is an employee of the violator of this section, the employee's representative, as defined in section 179.01, subdivision 5, may bring an action for damages against the violator on behalf of the employee.

Sec. 49. Minnesota Statutes 2004, section 183.41, is amended by adding a subdivision to read:

Subd. 4. [ANNUAL PERMIT.] The commissioner shall issue an annual permit to a boat for the purpose of carrying passengers for hire on the inland waters of the state provided the boat satisfies the inspection requirements of this section. A boat subject to inspection under this chapter shall be registered with the Division of Boiler Inspection and shall be inspected before a permit may be issued.

Sec. 50. Minnesota Statutes 2004, section 183.411, subdivision 2a, is amended to read:

Subd. 2a. [INSPECTION FEES.] The commissioner may set fees fee for inspecting traction engines, show boilers, and show engines shall be the hourly rate pursuant to section 16A.1285 183.545, subdivision 3a.

Sec. 51. Minnesota Statutes 2004, section 183.411, subdivision 3, is amended to read:

Subd. 3. [LICENSES.] A license to operate steam farm traction engines, portable and stationary show engines and portable and stationary show boilers shall be issued to an applicant who:

- (a) (1) is 18 years of age or older;
- (b) (2) has a licensed second class or higher class engineer or steam traction (hobby) engineer sign the affidavit attesting to the applicant's competence in operating said devices;
- (c) (3) passes a written test for competence in operating said devices;
- (d) (4) has at least 25 hours of actual operating experience on said devices; and
- (e) (5) pays the required fee.

A license shall be valid for the lifetime of the licensee. A onetime fee set by the commissioner pursuant to section 16A.1285 183.545, subdivision 4, shall be charged for the license.

Sec. 52. Minnesota Statutes 2004, section 183.42, is amended to read:

183.42 [INSPECTION EACH YEAR AND REGISTRATION.]

Subdivision 1. [INSPECTION.] Every owner, lessee, or other person having charge of boilers,

or pressure vessels, or any boat subject to inspection under this chapter shall cause them to be inspected by the Division of Boiler Inspection. Boilers and boats subject to inspection under this chapter must be inspected at least annually and pressure vessels inspected at least every two years except as provided under section 183.45. A person who fails to have the inspection required by this section shall pay to the commissioner a penalty in the amount of the cost of inspection up to a maximum of \$1,000. The commissioner shall assess a \$250 penalty per applicable boiler or pressure vessel for failure to have the inspection required by this section and may seal the boiler or pressure vessel for refusal to allow an inspection as required by this section.

Subd. 2. [REGISTRATION.] Every owner, lessee, or other person having charge of boilers or pressure vessels subject to inspection under this chapter shall register said objects with the Division of Boiler Inspection. The registration shall be renewed annually and is applicable to each object separately. The fee for registration of a boiler or pressure vessel shall be pursuant to section 183.545, subdivision 10. The Division of Boiler Inspection may issue a billing statement for each boiler and pressure vessel on record with the division, and may determine a monthly schedule of billings to be followed for owners, lessees, or other persons having charge of a boiler or pressure vessel subject to inspection under this chapter.

Subd. 3. [CERTIFICATE OF REGISTRATION.] The Division of Boiler Inspection shall issue a certificate of registration that lists the boilers and pressure vessels at the location, expiration date of the certificate of registration, last inspection date of each boiler and pressure vessel, and maximum allowable working pressure for each boiler and pressure vessel. The commissioner may make an electronic certificate of registration available to be printed by the owner, lessee, or other person having charge of the boiler or pressure vessel.

Sec. 53. Minnesota Statutes 2004, section 183.44, subdivision 1, is amended to read:

Subdivision 1. [MASTERS AND PILOTS.] The Division of Boiler Inspection commissioner or the commissioner's designee shall examine all masters and pilots of boats and vessels carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found trustworthy qualified and competent to perform their duties as a master or pilot of a boat carrying passengers for hire, they shall be given issued a certificate license authorizing them to act as such on the inland waters of the state. The license shall be renewed annually. Fees for the original issue and renewal of the license authorized under this section shall be pursuant to section 183.545, subdivision 2.

Sec. 54. Minnesota Statutes 2004, section 183.51, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS.] Any person who desires an engineer's license shall make submit a written application, on blanks furnished by the inspector. The person shall also successfully pass a written examination for such grade of license applied for commissioner or designee, at least 15 days before the requested exam date. The application is valid for one year from the date the commissioner or designee received the application.

Sec. 55. Minnesota Statutes 2004, section 183.51, is amended by adding a subdivision to read:

Subd. 2a. [EXAMINATIONS.] Each applicant for a license must pass an examination approved by the commissioner. The examinations shall be of sufficient scope to establish the competency of the applicant to operate a boiler of the applicable license class and grade.

Sec. 56. Minnesota Statutes 2004, section 183.545, is amended to read:

183.545 [FEES FOR INSPECTION.]

Subdivision 1. [FEE AMOUNT; VESSELS OPERATED ON INLAND WATERS.] The fees for the inspection of the hull, boiler, machinery, and equipments of vessels are to be set by the commissioner pursuant to section 16A.1285, for vessels of 50 tons burden or over and vessels of less than 50 tons burden. operated on inland waters and that carry passengers for hire are as follows:

(1) annual operating permit and safety inspections shall be \$200; and

(2) other inspections, including dry-dock inspections, boat stability tests, and plan reviews, are billed at the hourly rate set in subdivision 3a.

Subd. 2. [FEE AMOUNTS; MASTERS AND PILOTS.] The commissioner shall, pursuant to section 16A.1285, set the license and application fee for an examination of an applicant for a master's or pilot's license is \$50, for an or \$20 if the applicant possesses a valid, unlimited, current United States Coast Guard master's or pilot's license. The annual renewal of a master's or a pilot's license, and for an is \$20. The annual renewal if paid later than ten 30 days after expiration is \$35. The fee for replacement of a current, valid license is \$20.

Subd. 3. [BOILER AND PRESSURE VESSEL INSPECTION FEES.] The fees for the annual inspection of boilers and biennial inspection of pressure vessels are to be set by the commissioner pursuant to section 16A.1285, for as follows:

- (a) (1) boiler inaccessible for internal inspection, \$55;
- (b) (2) boiler accessible for internal inspection, \$55;
- (c) (3) boiler internal inspection over 2,000 square feet heating surface shall be billed at the hourly rate set in subdivision 3a;
- (d) boiler internal inspection over 4,000 square feet heating surface;
- (e) boiler internal inspection over 10,000 square feet heating surface;
- (f) (4) boiler accessible for internal inspection requiring one-half day or more of inspection time shall be billed at the established shop inspection fee hourly rate set in subdivision 3a;
- (g) (5) pressure vessel for internal inspection via manhole, \$35; and
- (h) (6) pressure vessel inaccessible for internal inspection, \$35.

An additional fee based on the scale of fees applicable to an inspection shall be charged when it is necessary to make a special trip for a hydrostatic test of a boiler or pressure vessel.

Subd. 3a. [HOURLY RATE.] The commissioner shall, pursuant to section 16A.1285, set shop inspection fees hourly rate for an inspection not set elsewhere in this chapter is \$80 per hour. Inspection time includes all time related to the shop inspection. Travel time, billed at the hourly rate, and travel expenses shall be billed for shop inspections, triennial audits, boat stability tests, hydrostatic tests of a boiler or pressure vessel, or any other inspection or consultation requiring a special trip.

Subd. 4. [APPLICANTS BOILER ENGINEER LICENSE FEES.] The commissioner shall, pursuant to section 16A.1285, set the fee for an examination of an applicant For the following licenses, the nonrefundable license and application fee is:

- (a) (1) chief engineer's license, \$50;
- (b) (2) first class engineer's license, \$50;
- (c) (3) second class engineer's license, \$50;
- (d) (4) special engineer's license, \$20; and
- (e) (5) traction or hobby boiler engineer's license; and, \$50.
- (f) pilot's license.

If an applicant, after an examination, is entitled to receive a license, it shall be issued without the payment of any additional charge. Any license so issued expires one year after the date of its issuance. An engineer's license may be renewed upon application therefor and the payment of an annual renewal fee as set by the commissioner pursuant to section 16A.1285 of \$20. The annual

renewal, if paid later than 30 days after expiration, is \$35. The fee for replacement of a current, valid license is \$20.

Subd. 6. [NATIONAL BOARD INSPECTORS.] The fee for an examination of an applicant for a National Board of Boiler and Pressure Vessels Inspectors commission shall be set by the commissioner pursuant to section 16A.1285 is \$100.

Subd. 7. [NUCLEAR ENDORSEMENT.] The fee for each examination of an applicant for a National Board of Boiler and Pressure Vessels commissioned inspectors nuclear endorsement shall be set by the commissioner pursuant to section 16A.1285 is \$100.

Subd. 8. [CERTIFICATE OF COMPETENCY.] The fee for issuance of the original state of Minnesota certificate of competency for inspectors shall be set by the commissioner pursuant to section 16A.1285 is \$50. This fee is waived for inspectors who paid the examination fee. The fee for an annual renewal of the state of Minnesota certificate of competency shall be set by the commissioner pursuant to section 16A.1285 is \$35, and is due January 1 of each year. The fee for replacement of a current, valid license is \$35.

Subd. 9. [DEPOSIT OF FEES.] Fees received under this section and section 183.57 must be deposited in the state treasury and credited to the general fund.

Subd. 10. [BOILER AND PRESSURE VESSEL REGISTRATION FEE.] The annual registration fee for boilers and pressure vessels in use and required to be inspected per section 183.42 shall be \$10 per boiler and pressure vessel.

Sec. 57. Minnesota Statutes 2004, section 183.57, is amended to read:

183.57 [REPORT OF INSURER; EXEMPTION FROM INSPECTION.]

Subdivision 1. [REPORT REQUIRED.] Any insurance company insuring boilers and pressure vessels in this state shall make a written file a report thereof showing the date of inspection, the name of the person making the inspection, the condition of the boiler or pressure vessel as disclosed by the inspection, whether the same is boiler was operated by a properly licensed engineer, and whether a policy of insurance has been issued by the company with reference to the boiler or pressure vessel, and other information as directed by the chief boiler inspector. Within 15 21 days after the inspection, the insurance company shall mail a copy of file the report to with the chief boiler inspector and or designee. The insurer shall provide a copy of the report to the person, firm, or corporation owning or operating the inspected boiler or pressure vessel inspected. Such report shall be made annually for boilers and biennially for pressure vessels.

Subd. 2. [EXEMPTION.] Every boiler or pressure vessel as to which any insurance company authorized to do business in this state has issued a policy of insurance, after the inspection thereof, is exempt from inspection by the department made under sections 183.375 to 183.62, while the same continues to be insured and provided it continues to be inspected in accordance with the inspection schedule set forth in sections 183.42 and 183.45, and the person, firm, or corporation owning or operating the same has an unexpired certificate of exemption from inspection, issued by the chief boiler inspector registration. The fee set by the commissioner pursuant to section 16A.1285, on the first object inspected and on each object thereafter shall apply to each exempt object. A certificate of exemption expires one year from date of issue. The certificate of exemption shall be posted in a conspicuous place near the boiler or pressure vessel or in the plant office or boiler room described therein and to which it relates. Every insurance company shall give written notice to the chief boiler inspector of the cancellation or expiration of every policy of insurance issued by it with reference to policies in this state, and the cause or reason for the cancellation or expiration. These notices of cancellation or expiration shall show the date of the policy and the date when the cancellation has or will become effective.

Subd. 4. [CERTIFICATE OF EXEMPTION.] The Division of Boiler Inspection may issue a billing and exemption certificate for each boiler and pressure vessel which the division records indicate shall be or has been inspected by an insurance company which is providing coverage for the boilers and pressure vessels. The division may determine the monthly schedule of the billings to be followed for each business insured.

Subd. 5. [NOTICE OF INSURANCE COVERAGE.] The insurer shall notify the commissioner or designee in writing of its policy to insure and inspect boilers and pressure vessels at a location within 30 days of the effective date of insurance coverage, including binders. The insurer must also provide a duplicate of the notification to the insured.

Subd. 6. [NOTICE OF DISCONTINUED COVERAGE.] The insurer shall notify the commissioner or designee in writing, within 30 days of the effective date, of the discontinuation of insurance coverage of the boilers and pressure vessels at a location and the cause or reason for the discontinuation. This notice shall show the effective date when the discontinued policy takes effect.

Subd. 7. [PENALTIES.] The commissioner shall assess upon the insurer a \$50 penalty, per applicable boiler and pressure vessel, for failing to submit an inspection report or notify the commissioner of insurance coverage or discontinuation of insurance coverage as set forth in this section. The commissioner shall assess upon the insurer a penalty of \$100, per applicable boiler and pressure vessel, for failing to conduct the required in-service inspection within 120 days after the inspection was due in accordance with section 183.42.

Sec. 58. Minnesota Statutes 2004, section 216B.2424, subdivision 1, is amended to read:

Subdivision 1. [FARM-GROWN CLOSED-LOOP BIOMASS.] (a) For the purposes of this section, "farm-grown closed-loop biomass" means biomass, as defined in section 216C.051, subdivision 7, that:

(1) is intentionally cultivated, harvested, and prepared for use, in whole or in part, as a fuel for the generation of electricity;

(2) when combusted, releases an amount of carbon dioxide that is less than or approximately equal to the carbon dioxide absorbed by the biomass fuel during its growing cycle; and

(3) is fired in a new or substantially retrofitted electric generating facility that is:

(i) located within 400 miles of the site of the biomass production; and

(ii) designed to use biomass to meet at least 75 percent of its fuel requirements.

(b) The legislature finds that the negative environmental impacts within 400 miles of the facility resulting from transporting and combusting the biomass are offset in that region by the environmental benefits to air, soil, and water of the biomass production.

(c) Among the biomass fuel sources that meet the requirements of paragraph (a), ~~clause clauses~~ (1) and (2) are poplar, aspen, willow, switch grass, sorghum, alfalfa, and cultivated prairie grass and sustainably managed woody biomass.

(d) For the purpose of this section, "sustainably managed woody biomass" means:

(1) brush, trees, and other biomass harvested from within designated utility, railroad, and road rights-of-way;

(2) upland and lowland brush harvested from lands incorporated into brushland habitat management activities of the Minnesota Department of Natural Resources;

(3) upland and lowland brush harvested from lands managed in accordance with Minnesota Department of Natural Resources "Best Management Practices for Managing Brushlands";

(4) logging slash or waste wood that is created by harvest, precommercial timber stand improvement to meet silvicultural objectives, or by fire, disease, or insect control treatments, and that is managed in compliance with the Minnesota Forest Resources Council's "Sustaining Minnesota Forest Resources: Voluntary Site-Level Forest Management Guidelines for Landowners, Loggers and Resource Managers" as modified by the requirement of this subdivision; and

(5) trees or parts of trees that do not meet the utilization standards for pulpwood, posts, bolts, or sawtimber as described in the Minnesota Department of Natural Resources Division of Forestry Timber Sales Manual, 1998, as amended as of May 1, 2005, and the Minnesota Department of Natural Resources Timber Scaling Manual, 1981, as amended as of May 1, 2005, except as provided in paragraph (a), clause (1), and this paragraph, clauses (1) to (3).

Sec. 59. Minnesota Statutes 2004, section 216B.2424, is amended by adding a subdivision to read:

Subd. 1a. [MUNICIPAL WASTE-TO-ENERGY PROJECT.] (a) This subdivision applies only to a biomass project owned or controlled, directly or indirectly, by two municipal utilities as described in subdivision 5a, paragraph (b).

(b) Woody biomass from state-owned land must be harvested in compliance with an adopted management plan and a program of ecologically based third-party certification.

(c) The project must prepare a fuel plan on an annual basis after commercial operation of the project as described in the power contract between the project and the public utility, and must also prepare annually certificates reflecting the types of fuel used in the preceding year by the project, as described in the power contract. The fuel plans and certificates shall also be filed with the Minnesota Department of Natural Resources and the Minnesota Department of Commerce within 30 days after being provided to the public utility, as provided by the power contract. Any person who believes the fuel plans, as amended, and certificates show that the project does not or will not comply with the fuel requirements of this subdivision may file a petition with the commission seeking such a determination.

(d) The wood procurement process must utilize third-party audit certification systems to verify that applicable best management practices were utilized in the procurement of the sustainably managed biomass. If there is a failure to so verify in any two consecutive years during the original contract term, the farm-grown closed-loop biomass requirements of subdivision 2 must be increased to 50 percent for the remaining contract term period; however, if in two consecutive subsequent years after the increase has been implemented, it is verified that the conditions in this subdivision have been met, then for the remaining original contract term the closed-loop biomass mandate reverts to 25 percent. If there is a subsequent failure to verify in a year after the first failure and implementation of the 50 percent requirement, then the closed-loop percentage shall remain at 50 percent for each remaining year of the contract term.

(e) In the closed-loop plantation, no transgenic plants may be used.

(f) No wood may be harvested from any lands identified by the final or preliminary Minnesota County Biological Survey as having statewide significance as native plant communities, large populations or concentrations of rare species, or critical animal habitat.

(g) A wood procurement plan must be prepared every five years and public meetings must be held and written comments taken on the plan and documentation must be provided on why or why not the public inputs were used.

(h) Guidelines or best management practices for sustainably managed woody biomass must be adopted by:

(1) the Minnesota Department of Natural Resources for managing and maintaining brushland and open land habitat on public and private lands, including, but not limited to, provisions of sections 84.941, 84.942, and 97A.125; and

(2) the Minnesota Forest Resources Council for logging slash, using the most recent available scientific information regarding the removal of woody biomass from forest lands, to sustain the management of forest resources as defined by section 89.001, subdivisions 8 and 9, with particular attention to soil productivity, biological diversity as defined by section 89A.01, subdivision 3, and wildlife habitat.

These guidelines must be completed by July 1, 2007, and the process of developing them must incorporate public notification and comment.

(i) The University of Minnesota Initiative for Renewable Energy and the Environment is encouraged to solicit and fund high-quality research projects to develop and consolidate scientific information regarding the removal of woody biomass from forest and brush lands, with particular attention to the environmental impacts on soil productivity, biological diversity, and sequestration of carbon. The results of this research shall be made available to the public.

(j) The two utilities owning or controlling, directly or indirectly, the biomass project described in subdivision 5a, paragraph (b), shall fund or obtain funding from nonstate sources of up to \$150,000 to complete the guidelines or best management practices described in paragraph (h). The expenditures to be funded under this paragraph do not include any of the expenditures to be funded under paragraph (i).

Sec. 60. Minnesota Statutes 2004, section 216B.2424, subdivision 2, is amended to read:

Subd. 2. [INTERIM EXEMPTION.] (a) A biomass project proposing to use, as its primary fuel over the life of the project, short-rotation woody crops, may use as an interim fuel agricultural waste and other biomass which is not farm-grown closed-loop biomass for up to six years after the project's electric generating facility becomes operational; provided, the project developer demonstrates the project will use the designated short-rotation woody crops as its primary fuel after the interim period and provided the location of the interim fuel production meets the requirements of subdivision 1, paragraph (a), clause (3).

(b) A biomass project proposing to use, as its primary fuel over the life of the project, short-rotation woody crops, may use as an interim fuel agricultural waste and other biomass which is not farm-grown closed-loop biomass for up to three years after the project's electric generating facility becomes operational; provided, the project developer demonstrates the project will use the designated short-rotation woody crops as its primary fuel after the interim period.

(c) A biomass project that uses an interim fuel under the terms of paragraph (b) may, in addition, use an interim fuel under the terms of paragraph (a) for six years less the number of years that an interim fuel was used under paragraph (b).

(d) A project developer proposing to use an exempt interim fuel under paragraphs (a) and (b) must demonstrate to the public utility that the project will have an adequate supply of short-rotation woody crops which meet the requirements of subdivision 1 to fuel the project after the interim period.

(e) If a biomass project using an interim fuel under this subdivision is or becomes owned or controlled, directly or indirectly, by two municipal utilities as described in subdivision 5a, paragraph (b), the project is deemed to comply with the requirement under this subdivision to use farm-grown closed-loop biomass as its primary fuel if farm-grown closed-loop biomass comprises no less than 25 percent of the fuel used over the life of the project. For purposes of this subdivision, "life of the project" means 20 years from the date the project becomes operational or the term of the applicable power purchase agreement between the project owner and the public utility, whichever is longer.

Sec. 61. Minnesota Statutes 2004, section 216B.2424, subdivision 5a, is amended to read:

Subd. 5a. [REDUCTION OF BIOMASS MANDATE.] (a) Notwithstanding subdivision 5, the biomass electric energy mandate shall must be reduced from 125 megawatts to 110 megawatts.

(b) The Public Utilities Commission shall approve a request pending before the Public Utilities commission as of May 15, 2003, for an amendment amendments to and assignment of a contract for power from power purchase agreement with the owner of a facility that uses short-rotation, woody crops as its primary fuel previously approved to satisfy a portion of the biomass mandate if the developer owner of the project agrees to reduce the size of its project from 50 megawatts to 35 megawatts, while maintaining an average price for energy at or below the current contract price. in nominal dollars measured over the term of the power purchase agreement at or below \$104 per megawatt-hour, exclusive of any price adjustments that may take effect subsequent to commission approval of the power purchase agreement, as amended. The commission shall also approve, as

necessary, any subsequent assignment or sale of the power purchase agreement or ownership of the project to an entity owned or controlled, directly or indirectly, by two municipal utilities located north of Constitutional Route No. 8, as described in section 161.114, which currently own electric and steam generation facilities using coal as a fuel and which propose to retrofit their existing municipal electrical generating facilities to utilize biomass fuels in order to perform the power purchase agreement.

(c) If the power purchase agreement described in paragraph (b) is assigned to an entity that is, or becomes, owned or controlled, directly or indirectly, by two municipal entities as described in paragraph (b), and the power purchase agreement meets the price requirements of paragraph (b), the commission shall approve any amendments to the power purchase agreement necessary to reflect the changes in project location and ownership and any other amendments made necessary by those changes. The commission shall also specifically find that:

(1) the power purchase agreement complies with and fully satisfies the provisions of this section to the full extent of its 35-megawatt capacity;

(2) all costs incurred by the public utility and all amounts to be paid by the public utility to the project owner under the terms of the power purchase agreement are fully recoverable pursuant to section 216B.1645;

(3) subject to prudence review by the commission, the public utility may recover from its Minnesota retail customers the Minnesota jurisdictional portion of the amounts that may be incurred and paid by the public utility during the full term of the power purchase agreement; and

(4) if the purchase power agreement meets the requirements of this subdivision, it is reasonable and in the public interest.

(d) The commission shall specifically approve recovery by the public utility of any and all Minnesota jurisdictional costs incurred by the public utility to improve, construct, install, or upgrade transmission, distribution, or other electrical facilities owned by the public utility or other persons in order to permit interconnection of the retrofitted biomass-fueled generating facilities or to obtain transmission service for the energy provided by the facilities to the public utility pursuant to section 216B.1645, and shall disapprove any provision in the power purchase agreement that requires the developer or owner of the project to pay the jurisdictional costs or that permit the public utility to terminate the power purchase agreement as a result of the existence of those costs or the public utility's obligation to pay any or all of those costs.

Sec. 62. Minnesota Statutes 2004, section 216B.2424, subdivision 6, is amended to read:

Subd. 6. [REMAINING MEGAWATT COMPLIANCE PROCESS.] (a) If there remain megawatts of biomass power generating capacity to fulfill the mandate in subdivision 5 after the commission has taken final action on all contracts filed by September 1, 2000, by a public utility, as amended and assigned, this subdivision governs final compliance with the biomass energy mandate in subdivision 5 subject to the requirements of subdivisions 7 and 8.

(b) To the extent not inconsistent with this subdivision, the provisions of subdivisions 2, 3, 4, and 5 apply to proposals subject to this subdivision.

(c) A public utility must submit proposals to the commission to complete the biomass mandate. The commission shall require a public utility subject to this section to issue a request for competitive proposals for projects for electric generation utilizing biomass as defined in paragraph (f) of this subdivision to provide the remaining megawatts of the mandate. The commission shall set an expedited schedule for submission of proposals to the utility, selection by the utility of proposals or projects, negotiation of contracts, and review by the commission of the contracts or projects submitted by the utility to the commission.

(d) Notwithstanding the provisions of subdivisions 1 to 5 but subject to the provisions of subdivisions 7 and 8, a new or existing facility proposed under this subdivision that is fueled either by biomass or by co-firing biomass with nonbiomass may satisfy the mandate in this section. Such a facility need not use biomass that complies with the definition in subdivision 1 if it uses biomass

as defined in paragraph (f) of this subdivision. Generating capacity produced by co-firing of biomass that is operational as of April 25, 2000, does not meet the requirements of the mandate, except that additional co-firing capacity added at an existing facility after April 25, 2000, may be used to satisfy this mandate. Only the number of megawatts of capacity at a facility which co-fires biomass that are directly attributable to the biomass and that become operational after April 25, 2000, count toward meeting the biomass mandate in this section.

(e) Nothing in this subdivision precludes a facility proposed and approved under this subdivision from using fuel sources that are not biomass in compliance with subdivision 3.

(f) Notwithstanding the provisions of subdivision 1, for proposals subject to this subdivision, "biomass" includes farm-grown closed-loop biomass; agricultural wastes, including animal, poultry, and plant wastes; and waste wood, including chipped wood, bark, brush, residue wood, and sawdust.

(g) Nothing in this subdivision affects in any way contracts entered into as of April 25, 2000, to satisfy the mandate in subdivision 5.

(h) Nothing in this subdivision requires a public utility to retrofit its own power plants for the purpose of co-firing biomass fuel, nor is a utility prohibited from retrofitting its own power plants for the purpose of co-firing biomass fuel to meet the requirements of this subdivision.

Sec. 63. Minnesota Statutes 2004, section 216B.2424, subdivision 8, is amended to read:

Subd. 8. [AGRICULTURAL BIOMASS REQUIREMENT.] Of the 125 megawatts mandated in subdivision 5, or 110 megawatts mandated in subdivision 5a, at least 75 megawatts of the generating capacity must be generated by facilities that use agricultural biomass as the principal fuel source. For purposes of this subdivision, agricultural biomass includes only farm-grown closed-loop biomass and agricultural waste, including animal, poultry, and plant wastes. For purposes of this subdivision, "principal fuel source" means a fuel source that satisfies at least 75 percent of the fuel requirements of an electric power generating facility. Nothing in this subdivision is intended to expand the fuel source requirements of subdivision 5.

Sec. 64. [219.552] [OBSTRUCTING TREATMENT OF INJURED WORKER.]

It is unlawful for a railroad company or person employed by a railroad company to:

(1) deny, delay, or interfere with medical treatment or first aid treatment to an employee of a railroad who has been injured during employment; or

(2) discipline or threaten to discipline an employee who has been injured during employment for requesting medical treatment or first aid treatment.

Sec. 65. [219.553] [ENFORCEMENT.]

Subdivision 1. [PENALTY.] A person who believes that the person has been affected by a violation of section 219.552 may file a complaint with the commissioner of labor and industry who shall refer it to the Office of Administrative Hearings for consideration as a contested case. Upon finding a violation, the administrative law judge may assess a penalty to the violating railroad company of up to \$10,000 for a violation of section 219.552. In determining the amount of the penalty, the administrative law judge shall consider those factors that must be considered in determining a monetary penalty under section 221.036, subdivision 3. The contents of the order must include the provisions specified in section 221.036, subdivision 4.

Subd. 2. [ADMINISTRATIVE HEARING OR JUDICIAL REVIEW.] A railroad company against which a penalty is imposed under subdivision 1 may request judicial review in district court. Judicial review under this subdivision is as provided in section 221.036, subdivision 8.

Subd. 3. [ENFORCEMENT OF PENALTY.] A penalty ordered under subdivision 1 and due and payable under this section may be enforced by the attorney general in the manner provided under section 221.036, subdivision 11.

Sec. 66. Minnesota Statutes 2004, section 237.11, is amended to read:

237.11 [INSPECTING RECORDS AND PROPERTY; REPORTS REQUIRED.]

Every telephone company subject to the provisions of this chapter, wherever organized, shall keep an office in this state, and make such reports to the department as it shall from time to time require. All books, records, and files, whether they relate to competitive or noncompetitive services, and all of its property shall be at all times subject to inspection by the commission and the department. It shall close its accounts and take therefrom a balance sheet on December 31 of each year, and on or before May 1 following, such balance sheet, together with such other information as the department shall require, verified by an officer of the telephone company, shall be filed with the commission and the department, except that a telephone company, competitive local exchange carrier, or independent telephone company is only required to file an annual report that includes the company's name, contact person, annual revenue, and status of its 911 update plan.

In the event that any telephone company shall fail to file its annual report, as provided by this section, the department is authorized to make such an examination of the books, records, and vouchers of the company as is necessary to procure the necessary data for the annual report and cause the same to be prepared. The expense of procuring this data and preparing this report shall be paid by the telephone company failing to report, and the amount paid shall be credited by the commissioner of finance to funds appropriated for the expense of the department.

The department is authorized to force collection of such sum by an action at law in the name of the department.

Sec. 67. Minnesota Statutes 2004, section 237.295, subdivision 1, is amended to read:

Subdivision 1. ~~[PAYMENT FOR INVESTIGATION FILING FEE FOR NEW AUTHORITY.]~~ (a) ~~Whenever the department or commission, in a proceeding upon its own motion, on complaint, or upon an application to it, considers it necessary, in order to carry out the duties imposed on it, to investigate the books, accounts, practices, and activities of any company, parties to the proceeding shall pay the expenses reasonably attributable to the proceeding. The department and commission shall ascertain the expenses, and the department shall render a bill for those expenses to the parties, at the conclusion of the proceeding. The department is authorized to submit billings to parties at intervals selected by the department during the course of a proceeding.~~

~~(b) The allocation of costs may be adjusted for cause by the commission during the course of the proceeding, or upon the closing of the docket and issuance of an order. In addition to the rights granted in subdivision 3, parties to a proceeding may object to the allocation at any time during the proceeding. Withdrawal by a party to a proceeding does not absolve the party from paying allocated costs as determined by the commission. The commission may decide that a party should not pay any allocated costs of the proceeding.~~

~~(c) The bill constitutes notice of the assessment and a demand for payment. The amount of the bills assessed by the department under this subdivision must be paid by the parties into the state treasury within 30 days from the date of assessment. The total amount, in a calendar year, for which a telephone company may become liable, by reason of costs incurred by the department and commission within that calendar year, may not exceed two-fifths of one percent of the gross jurisdictional operating revenue of the telephone company in the last preceding calendar year. Direct charges may be assessed without regard to this limitation until the gross jurisdictional operating revenue of the telephone company for the preceding calendar year has been reported for the first time. Where, under this subdivision, costs are incurred within a calendar year that are in excess of two-fifths of one percent of the gross jurisdictional operating revenues, the excess costs are not chargeable as part of the remainder under subdivision 2.~~

~~(d) Except as otherwise provided in paragraph (e), for purposes of assessing the cost of a proceeding to a party, "party" means any entity or group subject to the laws and rules of this state, however organized, whether public or private, whether domestic or foreign, whether for profit or nonprofit, and whether natural, corporate, or political, such as a business or commercial enterprise~~

organized as any type or combination of corporation, limited liability company, partnership, limited liability partnership, proprietorship, association, cooperative, joint venture, carrier, or utility, and any successor or assignee of any of them; a social or charitable organization; and any type or combination of political subdivision, which includes the executive, judicial, or legislative branch of the state, a local government unit, an agency of the state or a local government unit, or a combination of any of them.

(e) For assessment and billing purposes, "party" does not include the Department of Commerce or the Residential Utilities Division of the Office of Attorney General; any entity or group instituted primarily for the purpose of mutual help and not conducted for profit; intervenors awarded compensation under section 237.075, subdivision 10; or any individual or group or counsel for the individual or group representing the interests of end users or classes of end users of services provided by telephone companies or telecommunications carriers, as determined by the commission. An application for a new authority must be accompanied by a payment not to exceed \$2,000 as determined by the Public Utilities Commission. This fee will be reviewed annually and adjusted accordingly.

Sec. 68. Minnesota Statutes 2004, section 237.295, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF COSTS.] The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1, 5, or 6. The remainder must be assessed by the department to the telephone companies operating in this state in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment must be paid into the state treasury within 30 days after the bill has been mailed to the telephone companies. The bill constitutes notice of the assessment and demand of payment. The total amount that may be assessed to the telephone companies under this subdivision may not exceed ~~one-eighth~~ three-eighths of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the third quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed. A telephone company with gross jurisdictional operating revenues of less than \$5,000 is exempt from assessments under this subdivision.

Sec. 69. [237.491] [COMBINED PER NUMBER FEE.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "911 emergency and public safety communications program" means the program governed by chapter 403.

(c) "Minnesota telephone number" means a ten-digit telephone number being used to connect to the public switched telephone network and starting with area code 218, 320, 507, 612, 651, 763, or 952, or any subsequent area code assigned to this state.

(d) "Service provider" means a provider doing business in this state who provides real time, two-way voice service with a Minnesota telephone number.

(e) "Telecommunications access Minnesota program" means the program governed by sections 237.50 to 237.55.

(f) "Telephone assistance program" means the program governed by sections 237.69 to 237.711.

Subd. 2. [PER NUMBER FEE.] (a) By January 15, 2006, the commissioner of commerce shall report to the legislature and to the senate Committee on Jobs, Energy, and Community Development and the house Committee on Regulated Industries, recommendations for the amount of and method for assessing a fee that would apply to each service provider based upon the number of Minnesota telephone numbers in use by current customers of the service provider. The fee would be set at a level calculated to generate only the amount of revenue necessary to fund:

(1) the telephone assistance program and the telecommunications access Minnesota program at the levels established by the commission under sections 237.52, subdivision 2, and 237.70; and

(2) the 911 emergency and public safety communications program at the levels appropriated by law to the commissioner of public safety and the commissioner of finance for purposes of sections 403.11, 403.113, 403.27, 403.30, and 403.31 for each fiscal year.

(b) The recommendations must include any changes to Minnesota Statutes necessary to establish the procedures whereby each service provider, to the extent allowed under federal law, would collect and remit the fee proceeds to the commissioner of revenue. The commissioner of revenue would allocate the fee proceeds to the three funding areas in paragraph (a) and credit the allocations to the appropriate accounts.

(c) The recommendations must be designed to allow the combined per telephone number fee to be collected beginning July 1, 2006. The per access line fee used to collect revenues to support the TAP, TAM, and 911 programs remains in effect until the statutory changes necessary to implement the per telephone number fee have become effective.

(d) As part of the process of developing the recommendations and preparing the report to the legislature required under paragraph (a), the commissioner of commerce must, at a minimum, consult regularly with the Departments of Public Safety, Finance, and Administration, the Public Utilities Commission, service providers, the chairs and ranking minority members of the senate and house committees, subcommittees, and divisions having jurisdiction over telecommunications and public safety, and other affected parties.

Sec. 70. Minnesota Statutes 2004, section 237.701, subdivision 1, is amended to read:

Subdivision 1. [FUND CREATED; AUTHORIZED EXPENDITURES.] The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the commissioner of public safety representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to local service providers for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the reasonable administrative expenses of the commission ~~not to exceed \$25,000 annually~~, a portion of which may be used for periodic promotional activities, including, but not limited to, radio or newspaper advertisements, to inform eligible households of the availability of the telephone assistance program; and

(3) reimbursement of the statewide indirect cost of the commission.

Sec. 71. Minnesota Statutes 2004, section 239.011, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND POWERS.] To carry out the responsibilities in section 239.01 and subdivision 1, the director:

(1) shall take charge of, keep, and maintain in good order the standard of weights and measures of the state and keep a seal so formed as to impress, when appropriate, the letters "MINN" and the date of sealing upon the weights and measures that are sealed;

(2) has general supervision of the weights, measures, and weighing and measuring devices offered for sale, sold, or in use in the state;

(3) shall maintain traceability of the state standards to the national standards of the National Institute of Standards and Technology;

(4) shall enforce this chapter;

(5) shall grant variances from department rules, within the limits set by rule, when appropriate to maintain good commercial practices or when enforcement of the rules would cause undue hardship;

- (6) shall conduct investigations to ensure compliance with this chapter;
- (7) may delegate to division personnel the responsibilities, duties, and powers contained in this section;
- (8) shall test annually, and approve when found to be correct, the standards of weights and measures used by the division, by a town, statutory or home rule charter city, or county within the state, or by a person using standards to repair, adjust, or calibrate commercial weights and measures;
- (9) shall inspect and test weights and measures kept, offered, or exposed for sale;
- (10) shall inspect and test, to ascertain if they are correct, weights and measures commercially used to:
- (i) determine the weight, measure, or count of commodities or things sold, offered, or exposed for sale, on the basis of weight, measure, or count; and
 - (ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;
- (11) shall approve for use and mark weights and measures that are found to be correct;
- (12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:
- (i) are not corrected within the time specified by the director;
 - (ii) are used or disposed of in a manner not specifically authorized by the director; or
 - (iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;
- (13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";
- (14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;
- (15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;
- (16) shall inspect and test petroleum products in accordance with this chapter and chapter 296A;
- (17) shall distribute and post notices for used motor oil and used motor oil filters and lead acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115;
- (18) shall collect inspection fees in accordance with sections 239.10 and 239.101; and
- (19) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:
- (i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 9000, ~~Guide 25~~ 17025;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by a governing body appointed by the European Economic Community an internationally accepted accrediting body such as the National Voluntary Laboratory Accreditation Program (NVLAP); and

(iii) providing calibration and consultation services to metrology laboratories in government and private industry in the United States.

Sec. 72. Minnesota Statutes 2004, section 239.05, is amended by adding a subdivision to read:

Subd. 3a. [AUTOMOTIVE FUEL.] For the purpose of enforcing the gasoline octane requirements in section 239.792, "automotive fuel" has the meaning given it in Code of Federal Regulations, title 16, section 306.0.

Sec. 73. Minnesota Statutes 2004, section 239.05, subdivision 10b, is amended to read:

Subd. 10b. [OXYGENATE ETHANOL BLENDER.] "Oxygenate Ethanol blender" means a person who has registered with the division to blend and distribute, transport, sell, or offer blends and distributes, transports, sells, or offers to sell gasoline containing a minimum of 2.0 percent, and an average of 2.7 ten percent oxygen ethanol by weight volume.

Sec. 74. Minnesota Statutes 2004, section 239.09, is amended to read:

239.09 [SPECIAL POLICE POWERS.]

When necessary to enforce this chapter or rules adopted under the authority granted by section 239.06, the director is:

(1) authorized and empowered to arrest, without formal warrant, any violator of sections 325E.11 and 325E.115 or of the statute in relation to weights and measures;

(2) empowered to seize for use as evidence and without formal warrant, any false weight, measure, weighing or measuring device, package, or commodity found to be used, retained, or offered or exposed for sale or sold in violation of law;

(3) during normal business hours, authorized to enter commercial premises;

(4) if the premises are not open to the public, authorized to enter commercial premises only after presenting credentials and obtaining consent or after obtaining a search warrant;

(5) empowered to issue stop-use, hold, and removal orders with respect to weights and measures commercially used, and packaged commodities or bulk commodities kept, offered, or exposed for sale, that do not comply with the weights and measures laws; and

(6) empowered, upon reasonable suspicion of a violation of the weights and measures laws, to stop a commercial vehicle and, after presentation of credentials, inspect the contents of the vehicle, require that the person in charge of the vehicle produce documents concerning the contents, and require the person to proceed with the vehicle to some specified place for inspection; and

(7) empowered, after written warning, to issue citations of not less than \$100 and not more than \$500 to a person who violates any provision of this chapter, any provision of the rules adopted under the authority contained in this chapter, or any provision of statutes enforced by the division of weights and measures.

Sec. 75. Minnesota Statutes 2004, section 239.101, subdivision 3, is amended to read:

Subd. 3. [PETROLEUM INSPECTION FEE.] (a) An inspection fee is imposed (1) on petroleum products when received by the first licensed distributor, and (2) on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The petroleum inspection fee is \$1 for every 1,000 gallons received. The commissioner of revenue shall collect the fee. The revenue from 81 cents of the fee

~~must first be applied to cover the amounts appropriated. Fifteen cents of the inspection fee must be deposited in an account in the special revenue fund and is appropriated to the commissioner of commerce for the cost of petroleum product quality inspection expenses and for the inspection and testing of petroleum product measuring equipment operations of the Division of Weights and Measures, petroleum supply monitoring, and the oil burner retrofit program. The remainder of the fee must be deposited in the general fund.~~

(b) The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue.

(c) The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296A.

Sec. 76. Minnesota Statutes 2004, section 239.75, subdivision 1, is amended to read:

Subdivision 1. [INSPECTION TO BE MADE.] The director shall:

(1) take samples, free of charge, of petroleum products wherever processed, blended, held, stored, imported, transferred, offered for sale or use, or sold in Minnesota, limiting each sample to:

- ~~(i) two-tenths of one one-half gallon, except when an octane test is planned; or~~
- ~~(ii) seven-tenths of one gallon for an octane test;~~

(2) inspect and test petroleum product samples according to the methods of ASTM or other valid test methods adopted by rule, to determine whether the products comply with the specifications in section 239.761;

(3) inspect petroleum product storage tanks to ensure that the products are free from water and impurities;

(4) inspect and test samples submitted to the department by a licensed distributor, making the test results available to the distributor;

(5) inspect the labeling, price posting, and price advertising of petroleum product dispensers and advertising signs at businesses or locations where petroleum products are sold, offered for sale or use, or dispensed into motor vehicles;

(6) maintain records of all inspections and tests according to the records retention policies of the Department of Administration;

(7) delegate to division personnel, at the director's discretion, any or all of the responsibilities, duties, and powers in sections 239.75 to 239.80;

~~(8) publish octane test data and information to assist persons who use, produce and, distribute, or sell gasoline and gasoline-oxygenate blends petroleum-based heating and engine fuels;~~

~~(9) register gasoline-oxygenate blenders according to the requirements of the EPA;~~

~~(10) audit the records of any person responsible for the product to determine compliance with sections 239.75 to 239.792;~~

~~(11) (10) after consulting with the commissioner of the Pollution Control Agency, grant a temporary exemption from the oxygenated gasoline gasoline-ethanol blending requirements in section 239.791 if the supply of oxygenate ethanol is insufficient to produce gasoline-oxygenate gasoline-ethanol blends during an EPA-designated carbon monoxide control period; and~~

~~(12) (11) adopt, as an enforcement policy for the division, reasonable margins of uncertainty for the tests used to determine compliance with the specifications in section 239.761, the oxygen percentages in section 239.791, and the octane requirements in section 239.792 and apply the margins of uncertainty to only tests performed by the division, not by adding the margins to uncertainties in tests performed by any person responsible for the product.~~

Sec. 77. Minnesota Statutes 2004, section 239.75, subdivision 5, is amended to read:

Subd. 5. [PRODUCT QUALITY, RESPONSIBILITY.] After a ~~gasoline—product~~ petroleum-based engine fuel is purchased, transferred, or otherwise removed from a refinery or terminal, the person responsible for the product shall:

- (1) keep the product free from contamination with water and impurities;
- (2) not blend the product with dissimilar petroleum products, for example, gasoline must not be blended with diesel fuel;
- (3) not blend the product with any contaminant, dye, chemical, or additive, except:
 - (i) agriculturally derived, denatured ethanol that complies with the specifications in this chapter;
 - (ii) an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA; ~~or~~
 - (iii) a dye to distinguish heating fuel from low sulfur diesel fuel; ~~and~~ or
 - (iv) biodiesel fuel that complies with the specifications in this chapter; and
- (4) maintain a record of the name or chemical composition of the additive, with the product shipping manifest or bill of lading for one year after the date of the manifest or bill.

Sec. 78. Minnesota Statutes 2004, section 239.761, is amended to read:

239.761 [PETROLEUM PRODUCT SPECIFICATIONS.]

Subdivision 1. [APPLICABILITY.] A person responsible for the product must meet the specifications in this section. The specifications apply to petroleum products processed, held, stored, imported, transferred, distributed, offered for distribution, offered for sale or use, or sold in Minnesota.

Subd. 2. [COORDINATION WITH DEPARTMENTS OF REVENUE AND AGRICULTURE.] The petroleum product specifications in this section are intended to match the definitions and specifications in sections 41A.09 and 296A.01. Petroleum products named in this section are defined in section 296A.01.

Subd. 3. [GASOLINE.] (a) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with ASTM specification ~~D4814-01~~ D4814-04a. Gasoline that is not blended with ethanol must also comply with the volatility requirements in Code of Federal Regulations, title 40, part 80.

(b) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

- (1) may blend the gasoline with agriculturally derived ethanol as provided in subdivision 4;
- (2) shall not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;
- (3) shall not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;
- (4) shall not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and
- (5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Subd. 4. [GASOLINE BLENDED WITH ETHANOL.] (a) Gasoline may be blended with up to ten percent, by volume, agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 80;

(2) comply with ASTM specification ~~D4814-01~~ D4814-04a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-01~~ D4814-04a; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Subd. 5. [DENATURED ETHANOL.] Denatured ethanol that is to be blended with gasoline must be agriculturally derived and must comply with ASTM specification ~~D4806-01~~ D4806-04a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Subd. 6. [GASOLINE BLENDED WITH NONETHANOL OXYGENATE.] (a) A person responsible for the product shall comply with the following requirements:

(1) after July 1, 2000, gasoline containing in excess of one-third of one percent, in total, of nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale at any time in this state; and

(2) after July 1, 2005, gasoline containing any of the nonethanol oxygenates listed in paragraph (b) must not be sold or offered for sale in this state.

(b) The oxygenates prohibited under paragraph (a) are:

(1) methyl tertiary butyl ether, as defined in section 296A.01, subdivision 34;

(2) ethyl tertiary butyl ether, as defined in section 296A.01, subdivision 18; or

(3) tertiary amyl methyl ether.

(c) Gasoline that is blended with a nonethanol oxygenate must comply with ASTM specification ~~D4814-01~~ D4814-04a. Nonethanol oxygenates must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Subd. 7. [HEATING FUEL OIL.] Heating fuel oil must comply with ASTM specification ~~D396-01~~ D396-02a.

Subd. 8. [DIESEL FUEL OIL.] Diesel fuel oil must comply with ASTM specification ~~D975-01a~~ D975-04b, except that diesel fuel oil is not required to meet the diesel lubricity standard until the date that the biodiesel fuel requirement in section 239.77, subdivision 2, becomes effective or December 31, 2005, whichever comes first.

Subd. 9. [KEROSENE.] Kerosene must comply with ASTM specification ~~D3699-01~~ D3699-03.

Subd. 10. [AVIATION GASOLINE.] Aviation gasoline must comply with ASTM specification ~~D910-00~~ D910-04.

Subd. 11. [AVIATION TURBINE FUEL, JET FUEL.] Aviation turbine fuel and jet fuel must comply with ASTM specification ~~D1655-01~~ D1655-04.

Subd. 12. [GAS TURBINE FUEL OIL.] Fuel oil for use in nonaviation gas turbine engines must comply with ASTM specification ~~D2880-00~~ D2880-03.

Subd. 13. [E85.] A blend of ethanol and gasoline, containing at least 60 percent ethanol and not more than 85 percent ethanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification D5798-99 (2004).

Subd. 14. [M85.] A blend of methanol and gasoline, containing at least 85 percent methanol, produced for use as a motor fuel in alternative fuel vehicles as defined in section 296A.01, subdivision 5, must comply with ASTM specification D5797-96.

Sec. 79. Minnesota Statutes 2004, section 239.77, is amended by adding a subdivision to read:

Subd. 4. [DISCLOSURE.] A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended product, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, or gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Sec. 80. Minnesota Statutes 2004, section 239.79, subdivision 4, is amended to read:

Subd. 4. [SALE OF CERTAIN PETROLEUM PRODUCTS ON GROSS VOLUME BASIS.] A person responsible for the products listed in this subdivision shall transfer, ship, distribute, offer for distribution, sell, or offer to sell the products by volume. Volumetric measurement of the product must not be temperature compensated, or adjusted by any other factor. This subdivision applies to gasoline, number one and number two diesel fuel oils, number one and number two heating fuel oils, kerosene, denatured ethanol ~~that is to be blended into gasoline, and an oxygenate that is to be blended into gasoline, and biodiesel.~~ This subdivision does not apply to the measurement of petroleum products transferred, sold, or traded between refineries, between refineries and terminals, or between terminals.

Sec. 81. Minnesota Statutes 2004, section 239.791, subdivision 1, as amended by Laws 2005, chapter 52, section 1, subdivision 1, is amended to read:

Section 1. Minnesota Statutes 2004, section 239.791, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM ETHANOL CONTENT REQUIRED.] (a) Except as provided in subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least 10.0 percent denatured ethanol by volume.

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and permitted contaminants, comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol/ether content in ~~motor~~ engine fuels.

(c) The provisions of this subdivision are suspended during any period of time that subdivision 1a, paragraph (a), is in effect.

Sec. 82. Minnesota Statutes 2004, section 239.791, subdivision 7, is amended to read:

Subd. 7. [~~OXYGENATE~~ ETHANOL RECORDS; STATE AUDIT.] The director shall audit the records of registered ~~oxygenate ethanol~~ blenders to ensure that each blender has met all requirements in this chapter. ~~Specific information or data relating to sales figures or to processes or methods of production unique to the blender or that would tend to adversely affect the competitive position of the blender must be only for the confidential use of the director, unless otherwise specifically authorized by the registered blender.~~

Sec. 83. Minnesota Statutes 2004, section 239.791, subdivision 8, is amended to read:

Subd. 8. [DISCLOSURE.] A refinery or terminal, shall provide, at the time gasoline is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the gasoline. For oxygenated gasoline, the bill of lading or shipping manifest must include the identity and the volume percentage or gallons of oxygenate included in the gasoline, and it must state: "This fuel contains an oxygenate. Do not blend this fuel with ethanol or with any other oxygenate." For nonoxygenated gasoline sold or transferred before October 1, 1997, the bill or manifest must state: "This fuel must not be sold at retail in a carbon monoxide control area." For nonoxygenated gasoline sold or transferred after September 30, 1997, the bill or manifest must state: "This fuel is not oxygenated. It must not be sold at retail in Minnesota." This subdivision does not apply to sales or transfers of gasoline between refineries, between terminals, or between a refinery and a terminal.

Sec. 84. Minnesota Statutes 2004, section 239.791, subdivision 15, as amended by Laws 2005, chapter 10, article 1, section 39, subdivision 15, is amended to read:

Sec. 39. Minnesota Statutes 2004, section 239.791, subdivision 15, is amended to read:

Subd. 15. [EXEMPTION FOR CERTAIN BLEND PUMPS.] (a) A person responsible for the product, who offers for sale, sells, or dispenses nonoxygenated premium gasoline under one or more of the exemptions in subdivisions 10 to 14, may sell, offer for sale, or dispense oxygenated gasoline that contains less than the minimum amount of ethanol required under subdivision 1 if all of the following conditions are met:

- (1) the blended gasoline has an octane rating of 88 or greater;
- (2) the gasoline is a blend of oxygenated gasoline meeting the requirements of subdivision 1 with nonoxygenated premium gasoline;
- (3) the blended gasoline contains not more than ten percent nonoxygenated premium gasoline;
- (4) the blending of oxygenated gasoline with nonoxygenated gasoline occurs within the gasoline dispenser; and
- (5) the gasoline station at which the gasoline is sold, offered for sale, or delivered is equipped to store gasoline in not more than two storage tanks.

(b) This subdivision applies only to those persons who met the conditions in paragraph (a), clauses (1) through (5), on August 1, 2004, and registered with the director by November 1, 2004 within three months of that date.

Sec. 85. Minnesota Statutes 2004, section 239.792, is amended to read:

239.792 [GASOLINE OCTANE AUTOMOTIVE FUEL RATINGS, CERTIFICATION, AND POSTING.]

Subdivision 1. [DISCLOSURE DUTIES OF REFINERS, IMPORTERS, AND PRODUCERS.] A manufacturer, hauler, blender, agent, jobber, consignment agent, refiner, importer, or distributor who sells, delivers, or distributes gasoline or gasoline-oxygenate blends, shall provide, at the time of delivery, a bill of lading or shipping manifest to the person who receives the gasoline. The bill or manifest must state the minimum octane of the gasoline delivered. The stated octane number must be the average of the "motor method" octane number and the "research method" octane number as determined by the test methods in ASTM specification D4814-01, or by a test method adopted by department rule. The producer of automotive fuel must comply with the automotive fuel rating, certification, and record-keeping requirements of Code of Federal Regulations, title 16, sections 306.5 to 306.7.

Subd. 2. [DISPENSER LABELING DUTIES OF DISTRIBUTORS.] A person responsible for the product shall clearly, conspicuously, and permanently label each gasoline dispenser that is used to sell gasoline or gasoline-oxygenate blends at retail or to dispense gasoline or gasoline-oxygenate blends into the fuel supply tanks of motor vehicles, with the minimum octane of the gasoline dispensed. The label must meet the following requirements:

(a) ~~The octane number displayed on the label must represent the average of the "motor method" octane number and the "research method" octane number as determined by the test methods in ASTM specification D4814-01, or by a test method adopted by department rule.~~

(b) ~~The label must be at least 2-1/2 inches high and three inches wide, with a yellow background, black border, and black figures and letters.~~

(c) ~~The number representing the octane of the gasoline must be at least one inch high.~~

(d) ~~The label must include the words "minimum octane" and the term "(R+M)/2" or "(RON+MON)/2." A licensed distributor of automotive fuel must comply with the certification and record-keeping provisions of Code of Federal Regulations, title 16, sections 306.8 and 306.9.~~

Subd. 3. [DUTIES OF RETAILERS.] A person responsible for the product who sells or transfers automotive fuel to a consumer must comply with the automotive fuel rating posting and record-keeping requirements, and the label specifications of Code of Federal Regulations, title 16, sections 306.10 to 306.12.

Subd. 4. [DUTIES OF DIRECTOR.] Upon request, the director shall provide any person with a copy of Code of Federal Regulations, title 16, part 306. Upon request, the director shall provide any distributor, retailer, or organization of distributors or retailers with the label specifications in Code of Federal Regulations, title 16, section 306.12.

Sec. 86. Minnesota Statutes 2004, section 296A.01, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL ALCOHOL GASOLINE.] "Agricultural alcohol gasoline" means a gasoline-ethanol blend of up to ten percent agriculturally derived fermentation ethanol derived from agricultural products, such as potatoes, cereal, grains, cheese whey, sugar beets, forest products, or other renewable resources, that:

(1) meets the specifications in ASTM specification ~~D4806-01~~ D4806-04a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 87. Minnesota Statutes 2004, section 296A.01, subdivision 7, is amended to read:

Subd. 7. [AVIATION GASOLINE.] "Aviation gasoline" means any gasoline that is capable of use for the purpose of producing or generating power for propelling internal combustion engine aircraft, that meets the specifications in ASTM specification ~~D910-00~~ D910-04, and that either:

(1) is invoiced and billed by a producer, manufacturer, refiner, or blender to a distributor or dealer, by a distributor to a dealer or consumer, or by a dealer to consumer, as "aviation gasoline"; or

(2) whether or not invoiced and billed as provided in clause (1), is received, sold, stored, or withdrawn from storage by any person, to be used for the purpose of producing or generating power for propelling internal combustion engine aircraft.

Sec. 88. Minnesota Statutes 2004, section 296A.01, subdivision 8, is amended to read:

Subd. 8. [AVIATION TURBINE FUEL AND JET FUEL.] "Aviation turbine fuel" and "jet fuel" mean blends of hydrocarbons derived from crude petroleum, natural gasoline, and synthetic hydrocarbons, intended for use in aviation turbine engines, and that meet the specifications in ASTM specification ~~D1655-01~~ D1655.04.

Sec. 89. Minnesota Statutes 2004, section 296A.01, subdivision 14, is amended to read:

Subd. 14. [DIESEL FUEL OIL.] "Diesel fuel oil" means a petroleum distillate or blend of petroleum distillate and residual fuels, intended for use as a motor fuel in internal combustion diesel engines, that meets the specifications in ASTM specification ~~D975-01A~~ D975-04b, except that diesel fuel oil is not required to meet the diesel lubricity standard until the date that the biodiesel fuel requirement in section 239.77, subdivision 2, becomes effective or December 31,

2005, whichever comes first. Diesel fuel includes number 1 and number 2 fuel oils. K-1 kerosene is not diesel fuel unless it is blended with diesel fuel for use in motor vehicles.

Sec. 90. Minnesota Statutes 2004, section 296A.01, subdivision 19, is amended to read:

Subd. 19. [E85.] "E85" means a petroleum product that is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline that typically contains 85 percent ethanol by volume, but at a minimum must contain 60 percent ethanol by volume. For the purposes of this chapter, the energy content of E85 will be considered to be 82,000 BTUs per gallon. E85 produced for use as a motor fuel in alternative fuel vehicles as defined in subdivision 5 must comply with ASTM specification D5798-99 (2004).

Sec. 91. Minnesota Statutes 2004, section 296A.01, subdivision 20, is amended to read:

Subd. 20. [ETHANOL, DENATURED.] "Ethanol, denatured" means ethanol that is to be blended with gasoline, has been agriculturally derived, and complies with ASTM specification ~~D4806-01~~ D4806-04a. This includes the requirement that ethanol may be denatured only as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 92. Minnesota Statutes 2004, section 296A.01, subdivision 22, is amended to read:

Subd. 22. [GAS TURBINE FUEL OIL.] "Gas turbine fuel oil" means fuel that contains mixtures of hydrocarbon oils free of inorganic acid and excessive amounts of solid or fibrous foreign matter, intended for use in nonaviation gas turbine engines, and that meets the specifications in ASTM specification ~~D2880-00~~ D2880-03.

Sec. 93. Minnesota Statutes 2004, section 296A.01, subdivision 23, is amended to read:

Subd. 23. [GASOLINE.] (a) "Gasoline" means:

(1) all products commonly or commercially known or sold as gasoline regardless of their classification or uses, except casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline that under the requirements of section 239.761, subdivision 3, must not be blended with gasoline that has been sold, transferred, or otherwise removed from a refinery or terminal; and

(2) any liquid prepared, advertised, offered for sale or sold for use as, or commonly and commercially used as, a fuel in spark-ignition, internal combustion engines, and that when tested by the Weights and Measures Division meets the specifications in ASTM specification ~~D4814-01~~ D4814-04a.

(b) Gasoline that is not blended with ethanol must not be contaminated with water or other impurities and must comply with both ASTM specification ~~D4814-01~~ D4814-04a and the volatility requirements in Code of Federal Regulations, title 40, part 80.

(c) After gasoline is sold, transferred, or otherwise removed from a refinery or terminal, a person responsible for the product:

(1) may blend the gasoline with agriculturally derived ethanol, as provided in subdivision 24;

(2) must not blend the gasoline with any oxygenate other than denatured, agriculturally derived ethanol;

(3) must not blend the gasoline with other petroleum products that are not gasoline or denatured, agriculturally derived ethanol;

(4) must not blend the gasoline with products commonly and commercially known as casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline; and

(5) may blend the gasoline with a detergent additive, an antiknock additive, or an additive designed to replace tetra-ethyl lead, that is registered by the EPA.

Sec. 94. Minnesota Statutes 2004, section 296A.01, subdivision 24, is amended to read:

Subd. 24. [GASOLINE BLENDED WITH NONETHANOL OXYGENATE.] "Gasoline blended with nonethanol oxygenate" means gasoline blended with ETBE, MTBE, or other alcohol or ether, except denatured ethanol, that is approved as an oxygenate by the EPA, and that complies with ASTM specification ~~D4814-01~~ D4814-04a. Oxygenates, other than denatured ethanol, must not be blended into gasoline after the gasoline has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 95. Minnesota Statutes 2004, section 296A.01, subdivision 25, is amended to read:

Subd. 25. [GASOLINE BLENDED WITH ETHANOL.] "Gasoline blended with ethanol" means gasoline blended with up to ten percent, by volume, agriculturally derived, denatured ethanol. The blend must comply with the volatility requirements in Code of Federal Regulations, title 40, part 80. The blend must also comply with ASTM specification ~~D4814-01~~ D4814-04a, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification ~~D4814-01~~ D4814-04a; and the gasoline-ethanol blend must not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal. The blend need not comply with ASTM specification ~~D4814-01~~ D4814-04a if it is subjected to a standard distillation test. For a distillation test, a gasoline-ethanol blend is not required to comply with the temperature specification at the 50 percent liquid recovery point, if the gasoline from which the gasoline-ethanol blend was produced complies with all of the distillation specifications.

Sec. 96. Minnesota Statutes 2004, section 296A.01, subdivision 26, is amended to read:

Subd. 26. [HEATING FUEL OIL.] "Heating fuel oil" means a petroleum distillate, blend of petroleum distillates and residuals, or petroleum residual heating fuel that meets the specifications in ASTM specification ~~D396-01~~ D396-02a.

Sec. 97. Minnesota Statutes 2004, section 296A.01, subdivision 28, is amended to read:

Subd. 28. [KEROSENE.] "Kerosene" means a refined petroleum distillate consisting of a homogeneous mixture of hydrocarbons essentially free of water, inorganic acidic and basic compounds, and excessive amounts of particulate contaminants and that meets the specifications in ASTM specification ~~D3699-01~~ D3699-03.

Sec. 98. Minnesota Statutes 2004, section 298.22, is amended by adding a subdivision to read:

Subd. 10. [SALE OR PRIVATIZATION OF FUNCTIONS.] The commissioner of Iron Range resources and rehabilitation may not sell or privatize any project area or function of the agency without prior approval by a majority vote of the board.

Sec. 99. Minnesota Statutes 2004, section 325E.311, subdivision 6, is amended to read:

Subd. 6. [TELEPHONE SOLICITATION.] "Telephone solicitation" means any voice communication over a telephone line for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, whether the communication is made by a live operator, through the use of an automatic dialing-announcing device as defined in section 325E.26, subdivision 2, or by other means. Telephone solicitation does not include communications:

(1) to any residential subscriber with that subscriber's prior express invitation or permission; or

(2) by or on behalf of any person or entity with whom a residential subscriber has a prior or current business or personal relationship;

Telephone solicitation also does not include communications where the caller is identified by a caller identification system and the call is:

(3) (i) by or on behalf of an organization that is identified as a nonprofit organization under state or federal law; ~~or~~

(4) (ii) by a person soliciting without the intent to complete, and who does not in fact complete, the sales presentation during the call, but who will complete the sales presentation at a later face-to-face meeting between the solicitor who makes the call and the prospective purchaser; or

(iii) by a political party as defined under section 200.02, subdivision 6.

Sec. 100. [325F.991] [911 EMERGENCY PHONE SERVICE REPRESENTATIONS.]

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

(a) "911 emergency telecommunications system" means a dedicated emergency telecommunications system required by section 403.025.

(b) "Person" means an individual, corporation, firm, or other legal entity.

(c) "Service provider" means a person doing business in Minnesota who provides real time, two-way voice service interconnected with the public switched telephone network using numbers allocated for Minnesota by the North American Numbering Plan Administration.

Subd. 2. [REPRESENTATIONS OF 911 SERVICE.] A person shall not advertise, market, or otherwise represent that the person furnishes a service capable of providing access to emergency services by dialing 911 unless the person provides a service that routes 911 calls through the 911 emergency telecommunications system.

Subd. 3. [DISCLOSURE.] A service provider that does not provide 911 dialing that routes 911 calls through the 911 emergency telecommunications system must disclose that fact in all advertisements, marketing materials, and contracts. The disclosure must be in capital letters, in 12-point font, and on the front page of the advertisement, marketing materials, and contracts. The disclosure must state: "THIS SERVICE DOES NOT ROUTE 911 CALLS THROUGH THE 911 EMERGENCY SYSTEM."

Subd. 4. [CERTAIN CALLS NOT 911 CALLS.] For purposes of this section, 911 calls routed to the general access number at a public safety answering point do not qualify as being routed through a 911 emergency telecommunications system.

Sec. 101. [354B.33] [IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.]

(a) Notwithstanding any law to the contrary, the commissioner of Iron Range resources and rehabilitation, in consultation with the commissioner of employee relations, may offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years and have at least five years of allowable service credit under chapter 352, or who have received credit for at least 30 years of allowable service under the provisions of chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.

(c) The commissioner of Iron Range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of Iron Range Resources and Rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must

be in writing. The incentive may only be offered at the sole discretion of the commissioner of Iron Range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of Iron Range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section expires June 30, 2006.

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

Sec. 102. Minnesota Statutes 2004, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. [TRANSMITTAL OF FEES TO COMMISSIONER OF FINANCE.] (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the commissioner of finance for deposit in the state treasury and credit to the general fund. \$30 of each fee collected in a dissolution action under subdivision 2, clause (1), must be deposited by the commissioner of finance in the special revenue fund to be appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the commissioner of finance for deposit in the state treasury and credited to the general fund. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the commissioner of finance for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or in a proceeding under section 484.702;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapter 260;

(6) forfeiture of property under sections 169A.63 and 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, 260B.331, and 260C.331, or other sections referring to other forms of public assistance;

(8) restitution under section 611A.04; or

(9) actions seeking monetary relief in favor of the state pursuant to section 16D.14, subdivision 5.

(d) The fees collected for child support modifications under subdivision 2, clause (13), must be

transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 103. Minnesota Statutes 2004, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, including any case arising under the tax laws of the state that could be transferred or appealed to the Tax Court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~\$235~~ \$240, except in marriage dissolution actions the fee is \$270.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~\$235~~ \$240, except in marriage dissolution actions the fee is \$270.

The party requesting a trial by jury shall pay \$75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$10, and \$5 for an uncertified copy.

(3) Issuing a subpoena, \$12 for each name.

(4) Filing a motion or response to a motion in civil, family, excluding child support, and guardianship cases, \$55.

(5) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$40.

(6) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$30.

(7) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(8) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(9) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(10) For the filing of each partial, final, or annual account in all trusteeships, \$40.

(11) For the deposit of a will, \$20.

(12) For recording notary commission, \$100, of which, notwithstanding subdivision 1a, paragraph (b), \$80 must be forwarded to the commissioner of finance to be deposited in the state treasury and credited to the general fund.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the Supreme Court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

(15) In addition to any other filing fees under this chapter, a surcharge in the amount of \$75 must be assessed in accordance with section 259.52, subdivision 14, for each adoption petition filed in district court to fund the fathers' adoption registry under section 259.52.

The fees in clauses (3) and (5) need not be paid by a public authority or the party the public authority represents.

Sec. 104. [446A.083] [METHAMPHETAMINE LABORATORY CLEANUP REVOLVING FUND.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) "clandestine lab site" has the meaning given in section 152.0275, subdivision 1, paragraph (a);

(2) "property" has the meaning given in section 152.0275, subdivision 2, paragraph (a), but does not include motor vehicles; and

(3) "remediate" has the meaning given to remediation in section 152.0275, subdivision 1, paragraph (a).

Subd. 2. [FUND ESTABLISHED.] The authority shall establish a methamphetamine laboratory cleanup revolving fund to provide loans to counties and cities to remediate clandestine lab sites. The fund must be credited with repayments.

Subd. 3. [APPLICATIONS.] Applications by a county or city for a loan from the fund must be made to the authority on the forms prescribed by the authority. The application must include, but is not limited to:

(1) the amount of the loan requested and the proposed use of the loan proceeds;

(2) the source of revenues to repay the loan; and

(3) certification by the county or city that it meets the loan eligibility requirements of subdivision 4.

Subd. 4. [LOAN ELIGIBILITY.] A county or city is eligible for a loan under this section if the county or city:

(1) identifies a site or sites designated by a local public health department or law enforcement as a clandestine lab site;

(2) has required the site's property owner to remediate the site at cost, under a local public health nuisance ordinance that addresses clandestine lab remediation;

(3) certifies that the property owner cannot pay for the remediation immediately;

(4) certifies that the property owner has not properly remediated the site; and

(5) issues a revenue bond payable to the authority to secure the loan.

Subd. 5. [USE OF LOAN PROCEEDS; REIMBURSEMENT BY PROPERTY OWNER.] (a) A loan recipient shall use the loan to remediate the clandestine lab site or if this has already been done to reimburse the applicable county or city fund for costs paid by the recipient to remediate the clandestine lab site.

(b) A loan recipient shall seek reimbursement from the owner of the property containing the clandestine lab site for the costs of the remediation. In addition to other lawful means of seeking reimbursement, the loan recipient may recover its costs through a property tax assessment by following the procedures specified in section 145A.08, subdivision 2, paragraph (c).

Subd. 6. [AWARD AND DISBURSEMENT OF FUNDS.] The authority shall award loans to

recipients on a first-come, first-served basis, provided that the recipient is able to comply with the terms and conditions of the authority loan, which must be in conformance with this section. The authority shall make a single disbursement of the loan upon receipt of a payment request that includes a list of remediation expenses and evidence that a second-party sampling was undertaken to ensure that the remediation work was successful or a guarantee that such a sampling will be undertaken.

Subd. 7. [LOAN CONDITIONS AND TERMS.] (a) When making loans from the revolving fund, the authority shall comply with the criteria in paragraphs (b) to (e).

(b) Loans must be made at a two percent per annum interest rate for terms not to exceed ten years unless the recipient requests a 20-year term due to financial hardship.

(c) The annual principal and interest payments must begin no later than one year after completion of the clean up. Loans must be amortized no later than 20 years after completion of the clean up.

(d) A loan recipient must identify and establish a source of revenue for repayment of the loan and must undertake whatever steps are necessary to collect payments within one year of receipt of funds from the authority.

(e) The fund must be credited with all payments of principal and interest on all loans, except the costs as permitted under section 446A.04, subdivision 5, paragraph (a).

(f) Loans must be made only to recipients with a local public health nuisance ordinance that addresses clandestine lab remediation.

Subd. 8. [AUTHORITY TO INCUR DEBT.] Counties and cities may incur debt under this section by resolution of the board or council authorizing issuance of a revenue bond to the authority.

[EFFECTIVE DATE.] This section is effective July 1, 2005.

Sec. 105. Minnesota Statutes 2004, section 469.050, subdivision 5, is amended to read:

Subd. 5. [PAY.] A commissioner, including the president, must be paid \$35 \$55 for each regular or special port authority meeting attended and shall receive reimbursement for expenses incurred while performing duties. The advisory members of the Duluth authority from the legislature must not be paid for their service to the authority.

Sec. 106. Minnesota Statutes 2004, section 469.1082, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO CREATE.] A county ~~located outside the metropolitan area~~ may form a county economic development authority or grant a housing and redevelopment authority the powers specified in subdivision 4, clause (2), if it receives a recommendation to do so from a committee formed under subdivision 2. An economic development authority established under this section has all the powers and rights of an authority under sections 469.090 to 469.1081, except the authority granted under section 469.094 if so limited under subdivision 4. This section is in addition to any other authority to create a county economic development authority or service provider.

Sec. 107. Minnesota Statutes 2004, section 469.310, subdivision 11, is amended to read:

Subd. 11. [QUALIFIED BUSINESS.] (a) "~~Qualified business~~" means A person carrying on a trade or business at a place of business located within a job opportunity building zone ~~is~~ a qualified business for the purposes of sections 469.310 to 469.320 according to the criteria in paragraphs (b) to (f).

(b) A person is a qualified business only on those parcels of land for which the person has entered into a business subsidy agreement, as required under section 469.313, with the appropriate local government unit in which the parcels are located.

(c) Prior to execution of the business subsidy agreement, the local government unit must consider the following factors:

- (1) how wages compare to the regional industry average;
- (2) the number of jobs that will be provided relative to overall employment in the community;
- (3) the economic outlook for the industry the business will engage in;
- (4) sales that will be generated from outside the state of Minnesota;
- (5) how the business will build on existing regional strengths or diversify the regional economy;
- (6) how the business will increase capital investment in the zone; and
- (7) any other criteria the commissioner deems necessary.

(b) (d) A person that relocates a trade or business from outside a job opportunity building zone into a zone is not a qualified business, unless the business meets all of the requirements of paragraphs (b) and (c) and:

(1)(i) increases full-time employment in the first full year of operation within the job opportunity building zone by at least a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; or

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

(2) enters a binding written agreement with the commissioner that:

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

(ii) provides for repayment of all tax benefits enumerated under section 469.315 to the business under the procedures in section 469.319, if the requirements of clause (1) are not met for the taxable year or for taxes payable during the year in which the requirements were not met; and

(iii) contains any other terms the commissioner determines appropriate.

(e) The commissioner may waive the requirements under paragraph (d), clause (1), if the commissioner determines that the qualified business will substantially achieve the factors under this subdivision.

(f) A business is not a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

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

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies to any business entering a business subsidy agreement for a job opportunity development zone after that date, except that paragraph (b) is effective retroactively from June 9, 2003.

Sec. 108. Minnesota Statutes 2004, section 469.319, subdivision 1, is amended to read:

Subdivision 1. [REPAYMENT OBLIGATION.] A business must repay the amount of the total tax reduction listed in section 469.315 and any refund under section 469.318 in excess of tax liability, received during the two years immediately before it ceased to operate in the zone, if the business:

(1) received tax reductions authorized by section 469.315; and

(2)(i) did not meet the goals specified in an agreement entered into with the applicant that states any obligation the qualified business must fulfill in order to be eligible for tax benefits. The commissioner of employment and economic development may extend for up to one year the period for meeting any goals provided in an agreement. The applicant may extend the period for meeting other goals by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the commissioner of employment and economic development; or

(ii) ceased to operate its facility located within the job opportunity building zone or otherwise ceases to be or is not a qualified business.

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

Sec. 109. Minnesota Statutes 2004, section 469.319, is amended by adding a subdivision to read:

Subd. 6. [RECONCILIATION.] Where this section is inconsistent with section 116J.994, subdivision 3, paragraph (e), or 6, or any other provisions of sections 116J.993 to 116J.995, this section prevails.

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

Sec. 110. Minnesota Statutes 2004, section 469.320, subdivision 3, is amended to read:

Subd. 3. [REMEDIES.] If the commissioner determines, based on a report filed under subdivision 1 or other available information, that a zone or subzone is failing to meet its performance goals, the commissioner may take any actions the commissioner determines appropriate, including modification of the boundaries of the zone or a subzone or termination of the zone or a subzone. Before taking any action, the commissioner shall consult with the applicant and the affected local government units, including notifying them of the proposed actions to be taken. ~~The commissioner shall publish any order modifying a zone in the State Register and on the Internet.~~ The applicant may appeal the commissioner's order under the contested case procedures of chapter 14.

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

Sec. 111. Minnesota Statutes 2004, section 469.330, subdivision 11, is amended to read:

Subd. 11. [QUALIFIED BUSINESS.] (a) "Qualified business" means a person carrying on a trade or business at a biotechnology and health sciences industry facility located within a biotechnology and health sciences industry zone. A person is a qualified business only on those parcels of land for which it has entered into a business subsidy agreement, as required under section 469.333, with the appropriate local government unit in which the parcels are located.

(b) A person that relocates a biotechnology and health sciences industry facility from outside a biotechnology and health sciences industry zone into a zone is not a qualified business, unless the business:

(1)(i) increases full-time employment in the first full year of operation within the biotechnology and health sciences industry zone by at least 20 percent measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; or

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

(2) enters a binding written agreement with the commissioner that:

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

(ii) provides for repayment of all tax benefits enumerated under section 469.336 to the business under the procedures in section 469.340, if the requirements of clause (1) are not met; and

(iii) contains any other terms the commissioner determines appropriate.

[EFFECTIVE DATE.] This section is effective retroactively from June 9, 2003.

Sec. 112. Minnesota Statutes 2004, section 469.340, subdivision 1, is amended to read:

Subdivision 1. **[REPAYMENT OBLIGATION.]** A business must repay the amount of the tax reduction listed in section 469.336 and any refunds under sections 469.338 and 469.339 in excess of tax liability, received during the two years immediately before it ceased to operate in the zone, if the business:

(1) received tax reductions authorized by section 469.336; and

(2)(i) did not meet the goals specified in an agreement entered into with the applicant that states any obligation the qualified business must fulfill in order to be eligible for tax benefits. The commissioner of employment and economic development may extend for up to one year the period for meeting any goals provided in an agreement. The applicant may extend the period for meeting other goals by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the commissioner of employment and economic development; or

(ii) ceased to operate its facility located within the biotechnology and health sciences industry zone or otherwise ceases to be or is not a qualified business.

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

Sec. 113. Minnesota Statutes 2004, section 474A.061, subdivision 2c, is amended to read:

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

Sec. 114. Minnesota Statutes 2004, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **[TERM OF LICENSE; FEE; PREMARITAL EDUCATION.]** (a) The local registrar shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, on being satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. Except as provided in paragraph (b), the local registrar shall collect from the applicant a fee of ~~\$85~~ \$100 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

(b) The marriage license fee for parties who have completed at least 12 hours of premarital education is ~~\$20~~ \$30. In order to qualify for the reduced fee, the parties must submit a signed and dated statement from the person who provided the premarital education confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, (name of educator), confirm that (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

(d) If section 259.13 applies to the request for a marriage license, the local registrar shall grant the marriage license without the requested name change. Alternatively, the local registrar may delay the granting of the marriage license until the party with the conviction:

(1) certifies under oath that 30 days have passed since service of the notice for a name change upon the prosecuting authority and, if applicable, the attorney general and no objection has been filed under section 259.13; or

(2) provides a certified copy of the court order granting it. The parties seeking the marriage license shall have the right to choose to have the license granted without the name change or to delay its granting pending further action on the name change request.

Sec. 115. Minnesota Statutes 2004, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. [DISPOSITION OF LICENSE FEE.] (a) Of the marriage license fee collected pursuant to subdivision 1b, paragraph (a), \$15 must be retained by the county. The local registrar must pay ~~\$70~~ \$85 to the commissioner of finance to be deposited as follows:

(1) \$50 in the general fund;

(2) \$3 in the special revenue fund to be appropriated to the commissioner of education for parenting time centers under section 119A.37;

(3) \$2 in the special revenue fund to be appropriated to the commissioner of health for developing and implementing the MN ENABL program under section 145.9255;

(4) ~~\$10~~ \$25 in the special revenue fund to be appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96; and

(5) \$5 in the special revenue fund to be appropriated to the commissioner of human services for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under section 256.742.

(b) Of the ~~\$20~~ \$30 fee under subdivision 1b, paragraph (b), \$15 must be retained by the county. The local registrar must pay ~~\$5~~ \$15 to the commissioner of finance to be ~~distributed~~ deposited as follows:

(1) \$5 as provided in paragraph (a), clauses (2) and (3); and

(2) \$10 in the special revenue fund to be appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96.

(c) The increase in the marriage license fee under paragraph (a) provided for in Laws 2004, chapter 273, and disbursement of the increase in that fee to the special fund for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under paragraph (a), clause (5), is contingent upon the receipt of federal funding under United States Code, title 42, section 1315, for purposes of the initiative.

Sec. 116. Laws 1999, chapter 224, section 7, as amended by Laws 2004, chapter 261, article 6, section 3, is amended to read:

Sec. 7. [SUNSET.]

Sections 2 and 4 expire on August 1, 2005 2006, and Minnesota Statutes 1998, sections 237.63, 237.65, and 237.68, expire on December 31, 2004.

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

Sec. 117. [TRANSITION PERIOD FOR CHIROPRACTOR AND PHYSICAL THERAPIST WORKERS' COMPENSATION FEE MAXIMUMS.]

The requirement that the maximum fees for chiropractors and physical therapists under Minnesota Statutes, section 176.136, subdivision 1a, be the same as for medical physicians must be phased in over three years commencing January 1, 2006. On January 1, 2006, the difference in those maximum fees must be reduced by one-third, on January 1, 2007, by another one-third, and on January 1, 2008, the difference must be eliminated and the maximum fees made the same.

To ensure that the fee adjustments mandated by this section do not increase costs to the workers' compensation system, the commissioner of labor and industry shall on October 1, 2005, 2006, and 2007, reduce the annual adjustment in the conversion factors under Minnesota Statutes, section 176.136, subdivision 1a, so that savings in medical fee costs caused by the reduction approximately equal the increase in costs caused by the increased maximum fees provided by this section. The actual fees shall be determined without application of any scaling factors, but shall not exceed the provider's uniform, customary, and reasonable fee.

Sec. 118. [SESQUICENTENNIAL COMMISSION.]

Subdivision 1. [COMMISSION; PURPOSE.] The Minnesota Sesquicentennial Commission is established to plan for activities relating to Minnesota's 150th anniversary of statehood. The commission shall create a plan for capital improvements, celebratory activities, and public engagement in every county in the state of Minnesota.

Subd. 2. [MEMBERSHIP.] The commission shall consist of 17 members who shall serve until the completion of the sesquicentennial year of statehood, appointed as follows:

(1) nine members appointed by the governor, representing major corporate, nonprofit, and public sectors of the state, selected from all parts of the state;

(2) two members appointed by the speaker of the house of representatives;

(3) two members appointed by the minority leader of the house of representatives;

(4) two members from the majority party in the senate, appointed by the Subcommittee on Committees; and

(5) two members from the minority party in the senate, appointed by the Subcommittee on Committees.

Subd. 3. [COMPENSATION; OPERATION.] The governor shall appoint a chair from the membership of the commission. The chair shall convene the first meeting and set the agenda for the commission. The Minnesota Historical Society shall provide office space and staff support for the commission, and shall cooperate with the University of Minnesota and Minnesota State Colleges and Universities to support the programs of the commission. Meetings shall be at the call of the chair and must be convened at least quarterly. The commission may appoint an advisory

council to advise and assist the commission with its duties. Members shall receive no compensation for service on the Sesquicentennial Commission. Members appointed by the governor may be reimbursed for expenses under Minnesota Statutes, section 15.059, subdivision 3.

Subd. 4. [DUTIES.] The commission shall have the following duties:

(1) to present to the governor, senate and house of representatives committees with jurisdiction over the Minnesota Historical Society, and the Minnesota Historical Society a plan for grants to pay for capital improvements on Minnesota's historic public and private buildings, to be known as sesquicentennial grants;

(2) to seek funding for activities to celebrate the 150th anniversary of statehood, and to form partnerships with private parties to further this mission; and

(3) to present an annual report to the governor, legislative committees identified in clause (1), and the Minnesota Historical Society outlining progress made towards the celebration of the sesquicentennial.

Subd. 5. [EXPIRATION.] The commission shall continue to operate until January 30, 2009, at which time it shall expire.

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

Sec. 119. [EXTENDED EMPLOYMENT PROGRAM WAGE RATES.]

The commissioner of employment and economic development must study the issue of the appropriate level of wages to be paid to participants in extended employment programs under Minnesota Statutes, chapter 268A. The commissioner must consult with employers, rehabilitation facilities, program participants and their parents or legal guardians, advocacy groups, other involved government agencies, and others the commissioner determines necessary. The commissioner shall report the results of the study along with any recommendations by February 1, 2006, to the chairs of the legislative committees with fiscal or policy jurisdiction over those extended employment programs.

Sec. 120. [REVISOR'S INSTRUCTION.]

(a) The revisor of statutes shall insert a first grade headnote prior to Minnesota Statutes, section 181.722, that reads "MISREPRESENTATION OF EMPLOYMENT RELATIONSHIPS."

(b) The revisor of statutes shall renumber Minnesota Statutes, section 239.05, as section 239.051, alphabetize the definitions, and correct any cross-references to that section accordingly.

Sec. 121. [REPEALER.]

(a) Minnesota Statutes 2004, sections 116J.573; 178.12; and 239.05, subdivisions 6a and 6b, are repealed.

(b) Laws 1999, chapter 125, section 4, as amended by Laws 2002, chapter 398, section 7, is repealed.

Sec. 122. [EFFECTIVE DATE.]

Sections 12 to 22 and 25 are effective January 1, 2006, and apply to service contracts issued on or after that date. A provider transacting business in this state on or before the date of the enactment of this chapter, which submits an application for registration as a provider under Minnesota Statutes, section 59B.03, subdivision 3, within 30 days after the commissioner makes the application available, may continue to transact business in this state until final agency action is taken by the commissioner regarding the registration application and all rights to administrative and judicial review related to that final agency action have been exhausted or have expired."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for economic development purposes; providing for regulation of certain activities and practices; providing for accounts, assessment, and fees; amending Minnesota Statutes 2004, sections 11A.24, subdivision 6; 13.635, by adding a subdivision; 41A.09, subdivision 2a; 60A.14, subdivision 1; 60K.55, subdivision 2; 72A.20, by adding a subdivision; 72B.04, subdivision 10; 82B.09, subdivision 1; 115C.07, subdivision 3; 115C.09, subdivisions 3h, 3j; 115C.13; 116J.571; 116J.572; 116J.574; 116J.575, subdivision 1, as amended; by adding subdivisions; 116L.20, subdivision 1; 116L.30, subdivisions 1, 2, by adding subdivisions; 129D.02, subdivision 3; 161.1419, subdivision 2, by adding a subdivision; 176.136, subdivision 1a; 183.41, by adding a subdivision; 183.411, subdivisions 2a, 3; 183.42; 183.44, subdivision 1; 183.51, subdivision 2, by adding a subdivision; 183.545; 183.57; 216B.2424, subdivisions 1, 2, 5a, 6, 8, by adding a subdivision; 237.11; 237.295, subdivisions 1, 2; 237.701, subdivision 1; 239.011, subdivision 2; 239.05, subdivision 10b, by adding a subdivision; 239.09; 239.101, subdivision 3; 239.75, subdivisions 1, 5; 239.761; 239.77, by adding a subdivision; 239.79, subdivision 4; 239.791, subdivision 1, as amended; subdivisions 7, 8; subdivision 15, as amended; 239.792; 296A.01, subdivisions 2, 7, 8, 14, 19, 20, 22, 23, 24, 25, 26, 28; 298.22, by adding a subdivision; 325E.311, subdivision 6; 357.021, subdivisions 1a, 2; 469.050, subdivision 5; 469.1082, subdivision 1; 469.310, subdivision 11; 469.319, subdivision 1, by adding a subdivision; 469.320, subdivision 3; 469.330, subdivision 11; 469.340, subdivision 1; 474A.061, subdivision 2c; 517.08, subdivisions 1b, 1c; Laws 1999, chapter 224, section 7; proposing coding for new law in Minnesota Statutes, chapters 45; 59B; 116P; 181; 219; 237; 325F; 354B; 446A; repealing Minnesota Statutes 2004, sections 116J.573; 178.12; 239.05, subdivisions 6a, 6b; Laws 1999, chapter 125, section 4, as amended."

The motion prevailed. So the amendment was adopted.

H.F. No. 1976 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Koering	Murphy	Skoe
Bakk	Foley	Kubly	Neuville	Skoglund
Belanger	Frederickson	Langseth	Pappas	Solon
Berglin	Gaither	Larson	Ranum	Sparks
Betzold	Higgins	Lourey	Robling	Stumpf
Chaudhary	Johnson, D.E.	Marty	Rosen	Tomassoni
Cohen	Jungbauer	McGinn	Ruud	Vickerman
Day	Kelley	Metzen	Saxhaug	Wergin
Dibble	Kierlin	Michel	Scheid	Wiger
Dille	Kiscaden	Moua	Senjem	

Those who voted in the negative were:

Bachmann	Hottinger	LeClair	Olson	Pariseau
Gerlach	Johnson, D.J.	Limmer	Ortman	Reiter
Hann	Kleis	Nienow	Ourada	Rest

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 5.1, Senator Pariseau, chief author, moved that S.F. No. 1539 be withdrawn from the Committee on Environment and Natural Resources, given a second reading, and placed on General Orders.

CALL OF THE SENATE

Senator Betzold imposed a call of the Senate for the balance of the proceedings on S.F. No. 1539. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Pariseau motion.

Senator Johnson, D.E. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 30 and nays 34, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Dille	Kubly	Pappas	Solon
Bakk	Foley	Langseth	Ranum	Sparks
Berglin	Higgins	Lourey	Rest	Stumpf
Betzold	Hottinger	Marty	Saxhaug	Tomassoni
Chaudhary	Johnson, D.E.	Metzen	Scheid	Vickerman
Cohen	Kelley	Moua	Skoe	Wiger
Dibble	Kiscaden	Murphy	Skoglund	

The motion did not prevail.

RECESS

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

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

APPOINTMENTS

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

H.F. No. 42: Senators Marty, Koering and Saxhaug.

Senator Johnson, D.E. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Senator Michel was excused from the Session of today from 8:00 to 9:45 a.m. and from 10:35 to 10:55 a.m. Senator Betzold was excused from the Session of today from 9:15 to 9:45 a.m. Senators Langseth, Larson and Ranum were excused from the Session of today from 9:15 to 9:55 a.m. Senator Pogemiller was excused from the Session of today from 9:15 to 9:55 a.m. and from 12:00 noon to 1:00 p.m. Senator Murphy was excused from the Session of today from 9:15 to 10:35 a.m. Senator Pariseau was excused from the Session of today from 9:45 to 10:05 a.m. Senators Gerlach and Senjem were excused from the Session of today from 10:40 to 10:50 a.m. Senator Sams was excused from the Session of today at 11:50 a.m. Senator Saxhaug was excused from the Session of today from 12:15 to 12:25 p.m.

ADJOURNMENT

Senator Johnson, D.E. moved that the Senate do now adjourn until 9:30 a.m., Friday, May 13, 2005.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 37 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kierlin	Ourada	Sparks
Bakk	Fischbach	Kiscaden	Ranum	Stumpf
Belanger	Foley	Kubly	Rest	Tomassoni
Berglin	Frederickson	Langseth	Saxhaug	Vickerman
Betzold	Higgins	Lourey	Scheid	Wiger
Chaudhary	Hottinger	Marty	Skoe	
Cohen	Johnson, D.E.	Metzen	Skoglund	
Dibble	Kelley	Moua	Solon	

Those who voted in the negative were:

Bachmann	Johnson, D.J.	Limmer	Olson	Rosen
Day	Jungbauer	McGinn	Ortman	Ruud
Gaither	Kleis	Michel	Pariseau	Senjem
Gerlach	Larson	Neuville	Reiter	Wergin
Hann	LeClair	Nienow	Robling	

The motion prevailed. So the Senate was adjourned.

Patrick E. Flahaven, Secretary of the Senate

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