

STATE OF MINNESOTA

EIGHTY-FIRST SESSION — 1999

 FIFTY-FOURTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 29, 1999

The House of Representatives convened at 10:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Pastor Paul Ratzloff, Crossroads Alliance Church, Brooklyn Park, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dempsey	Holberg	Leppik	Otremba	Storm
Abrams	Dorman	Holsten	Lieder	Ozment	Swenson
Anderson, B.	Dorn	Howes	Lindner	Paulsen	Sykora
Anderson, I.	Entenza	Huntley	Luther	Pawlenty	Tingelstad
Bakk	Erhardt	Jaros	Mares	Paymar	Tomassoni
Biernat	Erickson	Jennings	Mariani	Pelowski	Trimble
Bishop	Finseth	Johnson	Marko	Pugh	Tuma
Boudreau	Fuller	Juhnke	McCollum	Rest	Tunheim
Bradley	Gerlach	Kahn	McElroy	Reuter	Van Dellen
Broecker	Gleason	Kalis	McGuire	Rifenberg	Vandever
Buesgens	Goodno	Kelliher	Milbert	Rostberg	Wagenius
Carlson	Gray	Kielkucki	Molnau	Rukavina	Wejman
Carruthers	Greenfield	Knoblach	Mulder	Schumacher	Wenzel
Cassell	Greiling	Koskinen	Mullery	Seagren	Westerberg
Chaudhary	Gunther	Krinkie	Murphy	Seifert, J.	Westfall
Clark, J.	Haake	Kubly	Ness	Seifert, M.	Westrom
Clark, K.	Haas	Kuisle	Nornes	Skoe	Wilkin
Daggett	Hackbarth	Larsen, P.	Olson	Skoglund	Winter
Davids	Hasskamp	Larson, D.	Opatz	Smith	Wolf
Dawkins	Hausman	Leighton	Orfield	Solberg	Workman
Dehler	Hilty	Lenczewski	Osskopp	Stang	Spk. Sviggum

A quorum was present.

Harder, Peterson and Rhodes were excused.

Mahoney was excused until 11:00 a.m. Osthoff was excused until 11:30 a.m. Munger was excused until 12:35 p.m. Folliard was excused until 2:50 p.m. Stanek was excused until 3:25 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Luther moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 709 and H. F. No. 937, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Tunheim moved that the rules be so far suspended that S. F. No. 709 be substituted for H. F. No. 937 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 851 and H. F. No. 777, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 851 be substituted for H. F. No. 777 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1268 and H. F. No. 1658, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Goodno moved that S. F. No. 1268 be substituted for H. F. No. 1658 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1539 and H. F. No. 2021, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 1539 be substituted for H. F. No. 2021 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2044 and H. F. No. 686, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dehler moved that the rules be so far suspended that S. F. No. 2044 be substituted for H. F. No. 686 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Abrams from the Committee on Taxes to which was referred:

H. F. No. 176, A bill for an act relating to retirement; public employees retirement association; creating a local government correctional service retirement plan; modifying actuarial cost provision; providing a special property tax levy for certain county retirement contributions; amending Minnesota Statutes 1998, sections 3.85, subdivisions

11 and 12; 275.70, subdivision 5; 353.27, subdivisions 2 and 3; 356.19, by adding a subdivision; 356.20, subdivision 2; 356.30, subdivision 3; 356.302, subdivision 7; and 356.303, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 353E; repealing Minnesota Statutes 1998, section 353.33, subdivision 3a.

Reported the same back with the following amendments:

Page 5, after line 12, insert:

"Sec. 3. Minnesota Statutes 1998, section 273.1385, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON AID AND POTENTIAL FUTURE PERMANENT AID REDUCTIONS.] (a) The aid amount received by any jurisdiction in fiscal year 2000 or any year thereafter may not exceed the amount it received in fiscal year 1999. The commissioner may, from time to time, request the most recent fiscal year payroll information by jurisdiction to be certified by the executive director of the public employees retirement association. For any jurisdiction where newly certified public employees retirement association general plan payroll is significantly lower than the fiscal 1997 amount, as determined by the commissioner, the commissioner shall recalculate the aid amount based on the most recent fiscal year payroll information, certify the recalculated aid amount for the next distribution year, and permanently reduce the aid amount to that jurisdiction.

(b) Aid to a jurisdiction must not be reduced under this section due to a transfer of an employee from the general plan of the public employees retirement association to the local government correctional service plan administered by the public employees retirement association. The executive director of the public employees retirement association must provide the commissioner of revenue with any information requested by the commissioner to administer this paragraph.

Page 7, line 15, after "2" insert ", to the extent that the employer contribution exceeds 5.49 percent of total salary"

Page 17, line 5, delete "2.0" and insert "1.9"

Page 20, line 23, delete "7 and 9 to 18" and insert "8 and 10 to 19"

Page 20, line 24, delete "8" and insert "9"

Amend the title as follows:

Page 1, line 8, after "12;" insert "273.1385, subdivision 2;"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Abrams from the Committee on Taxes to which was referred:

H. F. No. 1024, A bill for an act relating to tax-exempt bond allocations; providing for certain eligibility, scoring system, income and purchase price limits, and reservation of authority; amending Minnesota Statutes 1998, sections 474A.02, subdivision 23a; 474A.045; 474A.061, subdivisions 2a, 2b, and 4; and 474A.091, subdivision 5.

Reported the same back with the following amendments:

Page 12, line 28, before the period, insert "and applies to loans made after the effective date"

With the recommendation that when so amended the bill pass.

The report was adopted.

Abrams from the Committee on Taxes to which was referred:

H. F. No. 2127, A bill for an act relating to public finance; imposing and modifying conditions and limitations on the use of public debt; amending Minnesota Statutes 1998, sections 126C.55, subdivision 7; 272.02, by adding a subdivision; 373.01, subdivision 3; 410.32; 412.301; 469.155, subdivision 4; 474A.04, subdivision 1a; 475.56; 475.58, subdivision 1; and 475.60, subdivisions 1 and 3.

Reported the same back with the following amendments:

Pages 2 to 6, delete sections 3 to 7 and insert:

"Sec. 3. Minnesota Statutes 1998, section 383D.41, subdivision 1, is amended to read:

Subdivision 1. [~~HOUSING AND REDEVELOPMENT AUTHORITY COMMUNITY DEVELOPMENT AGENCY.~~] There is hereby created in Dakota county a public body corporate and politic, to be known as the Dakota county housing and redevelopment authority community development agency, having all of the powers and duties of a housing and redevelopment authority under sections 469.001 to 469.047; ~~which act applies and all powers and duties of a county housing and redevelopment authority under any other provisions of Minnesota law.~~ Sections 469.001 to 469.047 and 469.090 to 469.1081 apply to the county of Dakota. For the purposes of applying the provisions of ~~the municipal housing and redevelopment act~~ sections 469.001 to 469.047 and 469.090 to 469.1081 to Dakota county, and subject to the provisions of this section, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chair of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Sec. 4. Minnesota Statutes 1998, section 383D.41, subdivision 2, is amended to read:

Subd. 2. This section shall not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. ~~The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~ A municipal housing and redevelopment authority may request the Dakota county housing and redevelopment authority community development agency to handle the housing duties of the authority and, in such an event, if the municipal authority makes the request, the Dakota county housing and redevelopment authority community development agency shall act and have exclusive jurisdiction for housing in the municipality pursuant to sections 469.001 to 469.047. A transfer of duties relating to housing ~~shall~~ does not transfer any duties relating to redevelopment.

Sec. 5. Minnesota Statutes 1998, section 383D.41, subdivision 3, is amended to read:

Subd. 3. If any housing ~~or project, development district, redevelopment project, or economic development project~~ is constructed in Dakota county pursuant to this authorization, and ~~such the~~ project is within the boundaries of any incorporated home rule charter or statutory city, the location of ~~such the~~ project ~~shall~~ must be approved by the governing body of the city, and:

(1) in the case of any housing project or housing development project, by the municipal housing and redevelopment authority established for the city if it has not previously requested that the Dakota county community development agency or its predecessor agency handle the housing duties of the authority; or

(2) in the case of any redevelopment project by the municipal housing and redevelopment authority established for the city.

Sec. 6. Minnesota Statutes 1998, section 383D.41, is amended by adding a subdivision to read:

Subd. 7. [DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY.] (a) After December 31, 1999, the Dakota county housing and redevelopment authority shall be known as the Dakota county community development agency. In addition to the other powers granted in this section, the Dakota county community development agency shall have the powers of an economic development authority under sections 469.090 to 469.1081 that are granted to the agency by resolution adopted by the Dakota county board of commissioners, except as provided in paragraph (b). The agency may exercise any of the powers granted to it under sections 469.001 to 469.047 and any of the powers of an economic development authority granted to it by the Dakota county board of commissioners for the purposes described in these sections.

(b) The Dakota county community development agency may not levy the tax described in section 469.107, but with the approval of the Dakota county board may increase its levy of the special tax described in section 469.033, subdivision 6, to an amount not exceeding 0.01813 percent of net tax capacity, or any higher limit authorized under section 469.107 or 469.033, subdivision 6.

Sec. 7. Minnesota Statutes 1998, section 383D.41, is amended by adding a subdivision to read:

Subd. 8. [OFFERS OF TAX-FORFEITED LANDS.] Notwithstanding any other law, Dakota county may offer to the Dakota county community development agency, under the conditions and policies established by the county, nonconservation tax-forfeited land prior to making the properties available to cities in Dakota county.

Sec. 8. Minnesota Statutes 1998, section 473.39, is amended by adding a subdivision to read:

Subd. 1g. [OBLIGATIONS; 2000-2002.] In addition to the authority in subdivisions 1a, 1b, 1c, 1d, and 1e, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$36,000,000, which may be used for capital expenditures, other than for construction, maintenance, or operation of light rail transit, as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. The funds must be proportionally spent on capital improvement projects as recommended by the regional transit capital evaluation committee.

Sec. 9. [APPLICATION.]

Section 8 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Pages 8 and 9, delete section 9

Page 11, after line 2, insert:

"Sec. 13. [CUYUNA RANGE JOINT POWERS ECONOMIC DEVELOPMENT AUTHORITY.]

The Cuyuna Range joint powers economic development authority, originally established by resolutions of the member cities, is authorized to act as an economic development authority and may exercise the powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.1081, that are delegated to it by the member cities, including, without limitation, the authority to own and operate a civic center facility that includes athletic and other public facilities.

Sec. 14. [CERTAIN TAXES.]

The provisions of Laws 1997, chapter 231, article 1, sections 4, 5, 6, 8, and 15, are reenacted.

Sec. 15. [TAX ABATEMENT.]

The provisions of Laws 1997, chapter 231, article 2, sections 45 to 48, inclusive, are reenacted.

Sec. 16. [TAX INCREMENT.]

The provisions of Laws 1997, chapter 231, article 10, are reenacted.

Sec. 17. [INSTRUCTION TO THE REVISOR.]

In the 2000 edition of Minnesota Statutes, the revisor of statutes shall change "Dakota county housing and redevelopment authority" to "Dakota county community development agency" wherever it appears."

Page 11, delete line 4 and insert:

"Sections 3 to 7 are effective upon compliance by the Dakota county board of commissioners with the provisions of Minnesota Statutes, section 645.021. The rest of this act is effective the day following final enactment."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to public administration; imposing and modifying conditions and limitations on the use of public debt; providing for the Dakota county community development agency and the Cuyuna Range joint powers economic development authority; reenacting certain provisions relating to taxes, abatements, and tax increments; clarifying the treatment of property of certain limited liability companies for certain property tax exemption purposes; amending Minnesota Statutes 1998, sections 126C.55, subdivision 7; 272.02, by adding a subdivision; 383D.41, subdivisions 1, 2, 3, and by adding subdivisions; 473.39, by adding a subdivision; 475.56; and 475.60, subdivisions 1 and 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Bishop from the Committee on Ways and Means to which was referred:

H. F. No. 2205, A bill for an act relating to public administration; authorizing spending for public purposes; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature; authorizing certain improvements and transfers between accounts; providing a procedure for political subdivisions' request for capital assistance; making technical corrections; amending earlier authorizations; authorizing bonds; providing for certain public pension associations' facilities; providing for storage and retention of certain documents; authorizing certain easements; providing for certain port authority leases or management contracts; requesting an investigation and report; authorizing a certain college project that will be funded from nonstate sources; appropriating money with certain conditions and directions; amending Minnesota Statutes 1998, sections 16A.69, subdivision 2; 16B.30; 136F.36, by adding a subdivision; 136F.60, by adding a subdivision; 353.03, subdivision 4; 354.06, subdivision 7; and 457A.04, by adding a subdivision; Laws 1998, chapter 404, sections 3, subdivision 17; 5, subdivision 4; 7, subdivisions 23 and 26; 13, subdivision 12; and 27, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 16A; and 356.

Reported the same back with the following amendments:

Page 2, line 6, delete "595,000" and insert "4,595,000"

Page 2, line 8, delete "5,800,000" and insert "5,950,000"

Page 2, delete lines 13 and 14 and insert:

"TOTAL	\$ 46,040,000
Bond Proceeds Fund	45,600,000
Transportation Fund	440,000"

Page 3, delete section 5 and insert:

"Sec. 5. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development for the purposes specified in this section	4,595,000
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Subd. 2. St. Paul Hoyt Avenue Area	595,000
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For a grant to the city of St. Paul to design and construct a day basin holding pond for flood mitigation in the Hoyt Avenue area of St. Paul.

Subd. 3. Phalen Corridor	4,000,000
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For a grant to the city of St. Paul Park authority to acquire a roadway right-of-way in the Phalen corridor. The city must consider the potential for connection with an adjoining transit hub and any connector roads."

Page 3, line 48, delete "5,800,000" and insert "5,950,000"

Page 4, after line 22, insert:

"Subd. 4. World War II Veterans Memorial	150,000
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For design and architectural drawings for a World War II veterans memorial. The design is subject to approval by the capitol area architectural and planning board. The commissioner of veterans affairs shall convene an advisory group, including members of veterans organizations to review and make recommendations about the design of the memorial."

Page 4, line 27, after "transportation" insert "from the transportation fund"

Page 4, line 34, delete everything after "funding"

Page 4, delete lines 35 to 38 and insert ". The loan shall be repaid to the commissioner of finance for return to the debt service fund at the time of Federal Highway Administration reimbursement to the city."

Page 4, line 57, delete "\$527,604,000" and insert "\$529,178,000"

Page 5, delete section 12 and insert:

"Sec. 12. [BOND SALE AUTHORIZATIONS.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$45,600,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the transportation fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$440,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund."

Page 20, after line 5, insert:

"Sec. 33. [BOND REAUTHORIZATIONS.]

An amount remaining of \$4,078,196.35 for appropriations from the state transportation fund for railroad assistance, authorized in Laws 1984, chapter 597, section 22 is reauthorized and does not cancel under the terms of Minnesota Statutes, section 16A.642, subdivision 1. For purposes of the next report required under Minnesota Statutes, section 16A.642, subdivision 1, the bonds reauthorized in this section shall be treated as authorized on the original date of authorization."

Adjust amounts accordingly

Re-number or reletter in sequence and correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Abrams from the Committee on Taxes to which was referred:

S. F. No. 1094, A bill for an act relating to probate; changing provisions of the Uniform Probate Code; changing nomination provisions for conservators and guardians; amending Minnesota Statutes 1998, sections 524.2-101; 524.2-702; 524.3-916; and 525.544, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1998, section 524.2-101, is amended to read:

524.2-101 [INTESTATE ESTATE.]

(a) ~~Any part of a decedent's estate not effectively~~ The intestate estate of the decedent consists of any part of the decedent's estate not allowed to the decedent's spouse or descendants under sections 524.2-402, 524.2-403, and 524.2-404, and not disposed of by will. The intestate estate passes by intestate succession to the decedent's heirs as prescribed in this chapter, except as modified by the decedent's will.

(b) A decedent by will may expressly exclude or limit the right of an individual or class to succeed to property of the decedent passing by intestate succession. If that individual or a member of that class survives the decedent, the share of the decedent's intestate estate to which that individual or class would have succeeded passes as if that individual or each member of that class had disclaimed an intestate share.

Sec. 2. Minnesota Statutes 1998, section 524.2-702, is amended to read:

524.2-702 [~~UNIFORM REQUIREMENT OF SURVIVAL FOR 120 HOURS FOR DEVISEES, BENEFICIARIES OF CERTAIN TRUSTS, AND APPOINTEES OF CERTAIN POWERS OF APPOINTMENT; SIMULTANEOUS DEATH ACT FOR OTHER CASES.~~]

~~Subdivision 1. [TITLE.]~~ (a) [REQUIREMENT OF SURVIVAL FOR 120 HOURS.] A beneficiary of a trust in which the grantor has reserved a power to alter, amend, revoke, or terminate the provisions of the trust who fails to survive the grantor by 120 hours, a devisee who fails to survive the testator by 120 hours, or an appointee of a power of appointment taking effect at the death of the holder of the power who fails to survive the holder of the power by 120 hours is deemed to have predeceased the grantor, testator, or holder of the power for purposes of determining title to property passing by the trust instrument, by the testator's will, or by the exercise of the power of appointment.

(b)(1) [TITLE TO PROPERTY IN OTHER CASES.] In cases not governed by section 524.2-104 or paragraph (a), where the title to property or the devolution thereof depends upon priority of death and there is no sufficient evidence that the persons have died otherwise than simultaneously, the property of each person shall be disposed of as if the person had survived, except as provided otherwise in this section paragraph.

~~Subd. 2. (2)~~ [DIVISION OF PROPERTY.] Where two or more beneficiaries are designated to take successively by reason of survivorship under another person's disposition of property and there is no sufficient evidence that these beneficiaries have died otherwise than simultaneously the property thus disposed of shall be divided into as many equal portions as there are successive beneficiaries and these portions shall be distributed respectively to those who would have taken in the event that each designated beneficiary had survived.

~~Subd. 3. (3)~~ [DIVISION OF PROPERTY.] Where there is no sufficient evidence that two joint tenants or tenants by the entirety have died otherwise than simultaneously the property so held shall be distributed one-half as if one had survived and one-half as if the other had survived. If there are more than two joint tenants and all of them have so died the property thus distributed shall be in the proportion that one bears to the whole number of joint tenants.

~~Subd. 4. (4)~~ [DIVISION OF PROPERTY.] Where the insured and the beneficiary in a policy of life or accident insurance have died and there is no sufficient evidence that they have died otherwise than simultaneously the proceeds of the policy shall be distributed as if the insured had survived the beneficiary.

~~Subd. 5. (c)~~ [NOT RETROACTIVE.] This section ~~shall~~ does not apply to the distribution of the property of a person who has died before it takes effect. Paragraph (a) applies only to persons who die on or after August 1, 1999.

~~Subd. 6. (d)~~ [APPLICATION.] This section ~~shall~~ does not apply in the case of wills, ~~living~~ trusts, deeds, ~~or~~ contracts of insurance, or documents exercising powers of appointment wherein provision has been made for distribution of property different from the provisions of this section. Paragraph (a) does not apply to trusts which are part of a qualified or nonqualified retirement plan or individual retirement accounts.

~~Subd. 7. [CITATION.]~~ This section may be cited as the Uniform Simultaneous Death Act.

Sec. 3. Minnesota Statutes 1998, section 524.3-916, is amended to read:

524.3-916 [APPORTIONMENT OF ESTATE TAXES AND GENERATION-SKIPPING TAX.]

(a) For purposes of this section:

(1) "estate" means the gross estate of a decedent as determined for the purpose of federal estate tax or the estate tax payable to this state;

(2) "decendent's generation-skipping transfers" means all generation-skipping transfers as determined for purposes of the federal generation-skipping tax which occur by reason of the decedent's death which relate to property which is included in the decedent's estate;

(3) "person" means any individual, partnership, association, joint stock company, corporation, limited liability company, government, political subdivision, governmental agency, or local governmental agency;

(4) "person interested in the estate" means any person entitled to receive, or who has received, from a decedent or by reason of the death of a decedent any property or interest therein included in the decedent's estate. It includes a personal representative, guardian, conservator, trustee, and custodian;

(5) "state" means any state, territory, or possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico;

(6) "estate tax" means the federal estate tax and the state estate tax determined by the commissioner of revenue pursuant to chapter 291 and interest and penalties imposed in addition to the tax;

(7) "decendent's generation-skipping tax" means the federal generation-skipping tax imposed on the decedent's generation-skipping transfers and interest and penalties imposed in addition to the tax;

(8) "fiduciary" means personal representative or trustee.

(b) Unless the will or other governing instrument otherwise provides:

(1) the estate tax shall be apportioned among all persons interested in the estate. The apportionment is to be made in the proportion that the value of the interest of each person interested in the estate bears to the total value of the interests of all persons interested in the estate. The values used in determining the tax are to be used for that purpose; and

(2) the decedent's generation-skipping tax shall be apportioned as provided by federal law. To the extent not provided by federal law, the decedent's generation-skipping tax shall be apportioned among all persons receiving the decedent's generation-skipping transfers whose tax apportionment is not provided by federal law in the proportion that the value of the transfer to each person bears to the total value of all such transfers.

If the decedent's will or other written instrument directs a method of apportionment of estate tax or of the decedent's generation-skipping tax different from the method described in this ~~code~~ section, the method described in the will or other written instrument controls provided, however, that:

(i) unless the decedent's will or other written instrument specifically indicates an intent to waive any right of recovery under section 2207A of the Internal Revenue Code of 1986, as amended, estate taxes must be apportioned under the method described in this section to property included in the decedent's estate under section 2044 of the Internal Revenue Code of 1986, as amended; and

(ii) unless the decedent's will or other written instrument specifically indicates an intent to waive any right of recovery under section 2207B of the Internal Revenue Code of 1986, as amended, estate taxes must be apportioned under the method described in this section to property included in the decedent's estate under section 2036 of the Internal Revenue Code of 1986, as amended.

(c)(1) The court in which venue lies for the administration of the estate of a decedent, on petition for the purpose may determine the apportionment of the estate tax or of the decedent's generation-skipping tax.

(2) If the court finds that it is inequitable to apportion interest and penalties in the manner provided in subsection (b), because of special circumstances, it may direct apportionment thereof in the manner it finds equitable.

(3) If the court finds that the assessment of penalties and interest assessed in relation to the estate tax or the decedent's generation-skipping tax is due to delay caused by the negligence of the fiduciary, the court may charge the fiduciary with the amount of the assessed penalties and interest.

(4) In any action to recover from any person interested in the estate the amount of the estate tax or of the decedent's generation-skipping tax apportioned to the person in accordance with this ~~code~~ section the determination of the court in respect thereto shall be prima facie correct.

(d)(1) The personal representative or other person in possession of the property of the decedent required to pay the estate tax or the decedent's generation-skipping tax may withhold from any property distributable to any person interested in the estate, upon its distribution, the amount of any taxes attributable to the person's interest. If the property in possession of the personal representative or other person required to pay any taxes and distributable to any person interested in the estate is insufficient to satisfy the proportionate amount of the taxes determined to be due from the person, the personal representative or other person required to pay any taxes may recover the deficiency from the person interested in the estate. If the property is not in the possession of the personal representative or the other person required to pay any taxes, the personal representative or the other person required to pay any taxes may recover from any person interested in the estate the amount of any taxes apportioned to the person in accordance with this section.

(2) If property held by the personal representative or other person in possession of the property of the decedent required to pay the estate tax or the decedent's generation-skipping tax is distributed prior to final apportionment of the estate tax or the decedent's generation-skipping tax, the distributee shall provide a bond or other security for the apportionment liability in the form and amount prescribed by the personal representative or other person, as the case may be.

(e)(1) In making an apportionment, allowances shall be made for any exemptions granted, any classification made of persons interested in the estate and for any deductions and credits allowed by the law imposing the tax.

(2) Any exemption or deduction allowed by reason of the relationship of any person to the decedent, by reason of the purposes of the gift, or by allocation to the gift (either by election by the fiduciary or by operation of federal law), inures to the benefit of the person bearing such relationship or receiving the gift; but if an interest is subject to a prior present interest which is not allowable as a deduction, the tax apportionable against the present interest shall be paid from principal.

(3) Any deduction for property previously taxed and any credit for gift taxes or death taxes of a foreign country paid by the decedent or the decedent's estate inures to the proportionate benefit of all persons liable to apportionment.

(4) Any credit for inheritance, succession or estate taxes or taxes in the nature thereof applicable to property or interests includable in the estate, inures to the benefit of the persons or interests chargeable with the payment thereof to the extent proportionately that the credit reduces the tax.

(5) To the extent that property passing to or in trust for a surviving spouse or any charitable, public or similar gift or devise is not an allowable deduction for purposes of the estate tax solely by reason of an estate tax imposed upon and deductible from the property, the property is not included in the computation provided for in subsection (b)(1) hereof, and to that extent no apportionment is made against the property. The sentence immediately preceding does not apply to any case if the result would be to deprive the estate of a deduction otherwise allowable under section 2053(d) of the Internal Revenue Code of 1986, as amended, of the United States, relating to deduction for state death taxes on transfers for public, charitable, or religious uses.

(f) No interest in income and no estate for years or for life or other temporary interest in any property or fund is subject to apportionment as between the temporary interest and the remainder. The estate tax on the temporary interest and the estate tax, if any, on the remainder is chargeable against the corpus of the property or funds subject to the temporary interest and remainder. The decedent's generation-skipping tax is chargeable against the property which constitutes the decedent's generation-skipping transfer.

(g) Neither the personal representative nor other person required to pay the tax is under any duty to institute any action to recover from any person interested in the estate the amount of the estate tax or of the decedent's generation-skipping tax apportioned to the person until the final determination of the tax. A personal representative or other person required to pay the estate tax or decedent's generation-skipping tax who institutes the action within a reasonable time after final determination of the tax is not subject to any liability or surcharge because any portion of the tax apportioned to any person interested in the estate was collectible at a time following the death of the decedent but thereafter became uncollectible. If the personal representative or other person required to pay the estate tax or decedent's generation-skipping tax cannot collect from any person interested in the estate the amount of the tax apportioned to the person, the amount not recoverable shall be equitably apportioned among the other persons interested in the estate who are subject to apportionment of the tax involved.

(h) A personal representative acting in another state or a person required to pay the estate tax or decedent's generation-skipping tax domiciled in another state may institute an action in the courts of this state and may recover a proportionate amount of the federal estate tax, of an estate tax payable to another state or of a death duty due by a decedent's estate to another state, or of the decedent's generation-skipping tax, from a person interested in the estate who is either domiciled in this state or who owns property in this state subject to attachment or execution. For the purposes of the action the determination of apportionment by the court having jurisdiction of the administration of the decedent's estate in the other state is prima facie correct.

Sec. 4. Minnesota Statutes 1998, section 525.544, subdivision 1, is amended to read:

Subdivision 1. [BY PROPOSED WARD OR CONSERVATEE.] (a) In the petition or in a written instrument executed before or after the petition is filed, the proposed ward or conservatee may, if acting with sufficient capacity to form an intelligent preference, nominate a conservator or guardian or give instructions to the conservator or guardian.

(b) The written instrument ~~shall~~ must either

(1) be executed and attested in the same manner as a will; or

(2) be signed by the proposed ward or conservatee, or in the proposed ward's or conservatee's name by some other individual in the presence of and at the direction of the proposed ward or conservatee, and acknowledged by the proposed ward or conservatee before a notary public who is not the nominated conservator or guardian.

(c) The court shall appoint the person so nominated as conservator or guardian and shall charge the person with the instructions, unless the court finds that the appointment of the nominee or the instructions are not in the best interests of the proposed ward or conservatee.

Sec. 5. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to remove the words "executor" and "administrator" or similar terms each place that the words appear in chapter 48 of Minnesota Statutes and replace those words with "personal representative" or similar terms, provided that any reference to the "administrator of veterans affairs" shall not be changed. The revisor of statutes is directed to add the word "conservator" or similar term to each section of chapter 48 of Minnesota Statutes where there appears the word "guardian," except where the word "guardian" is followed by the words "of a minor".

Delete the title and insert:

"A bill for an act relating to probate; changing provisions of the Uniform Probate Code; changing nomination provisions for conservators and guardians; amending Minnesota Statutes 1998, sections 524.2-101; 524.2-702; 524.3-916; and 525.544, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Abrams from the Committee on Taxes to which was referred:

S. F. No. 1572, A bill for an act relating to natural resources; modifying provisions for the exchange or sale of leased lakeshore lots; amending Laws 1998, chapter 389, article 16, section 31, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Page 3, line 8, after "lands" insert ", including state riparian land leased for a commercial use."

Page 3, line 13, before the period, insert ", or to dispose of state commercial riparian leases"

Page 3, line 20, after "section" insert a comma

Page 3, line 21, before the period, insert ", or to the lessee of a commercial lease"

Page 3, after line 21, insert:

"(g) In the event that commercial leased state land is proposed for exchange, the state and county must submit to the land exchange board prior to exchanges, without regard to the dates provided in this section, the reports, appraisals, and plan for exchange required by this section. The county is not required to sell the commercially leased lands it receives from the state within the times stated in this section."

Page 3, line 22, delete "(g)" and insert "(h)"

Page 3, line 32, delete "(h)" and insert "(i)"

Page 4, after line 29, insert:

"Scheduled lease rate increases shall be suspended for lots when the county certifies that the lessee has elected to purchase the lot within 90 days from the date of the offer by the county."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1024 and 2205 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 709, 851, 1268, 1539, 2044 and 1094 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Ozment, Peterson, Howes, Jennings and Wolf introduced:

H. F. No. 2427, A bill for an act relating to public safety; providing for creation of a propane education and research council.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Kahn; Murphy; McGuire; Larsen, P.; Greiling; Smith; Dawkins; Greenfield; Clark, K.; Mariani; Hilty; Gray; Pugh; Goodno; Rhodes; Carruthers; Leighton; Gleason; Solberg and Wagenius introduced:

H. F. No. 2428, A bill for an act relating to criminal procedure; creating a postconviction process for obtaining DNA or other forensic testing of evidence in order to permit a convicted person to demonstrate actual innocence; amending Minnesota Statutes 1998, section 590.01, subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on Crime Prevention.

Howes, Munger, Ozment, Holsten, Osthoff and Fuller introduced:

H. F. No. 2429, A bill for an act relating to water; providing for a task force to study surface water management.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Policy.

Davids introduced:

H. F. No. 2430, A bill for an act relating to financial institutions; changing requirements for relocation of a main office; amending Minnesota Statutes 1998, section 47.101, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce.

Anderson, I., introduced:

H. F. No. 2431, A bill for an act relating to capital improvements; authorizing bonds and appropriating money for a voyageurs' interpretive center.

The bill was read for the first time and referred to the Committee on Governmental Operations and Veterans Affairs Policy.

Biernat, Gray, Kahn, Orfield and Clark, K., introduced:

H. F. No. 2432, A bill for an act relating to education; providing for five elected and two mayor-appointed Minneapolis school board members; amending Minnesota Statutes 1998, section 128D.05.

The bill was read for the first time and referred to the Committee on Education Policy.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2380, A bill for an act relating to education; appropriating money for education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; modifying certain conditions for the Minnesota state colleges and universities; clarifying requirements for student conduct policy; modifying programs that promote college affordability; modifying provisions relating to regent selection and recruitment; authorizing board of regents to establish a branch campus in Rochester; clarifying and changing requirements for private career schools; providing for rulemaking; amending Minnesota Statutes 1998, sections 16B.465, subdivision 4; 135A.155; 136A.031, subdivision 3; 136A.121, subdivisions 5 and 6; 136A.125, subdivision 4; 136F.02, subdivision 2; 136F.04, subdivision 1; 136F.22, subdivision 1; 136F.32, subdivision 2, and by adding a subdivision; 137.0245, subdivision 4; 141.21, subdivisions 3, 5, 6, and by adding subdivisions; 141.22; 141.25, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12; 141.26, subdivision 2; 141.271, subdivisions 1, 2, 3, 4, 5, 6, and 12; 141.28, subdivisions 3 and 5; 141.29, subdivision 1; 141.31; 141.32; 141.35; and 471.59, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 137; and 141; repealing Minnesota Statutes 1998, sections 136A.1359; 136A.136; 141.25, subdivisions 9a, 9b, and 11; and 141.36.

The Senate has appointed as such committee:

Senators Stumpf, Larson, Wiener, Solon and Kelley, S. P.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2234, A bill for an act relating to public administration; making deficiency appropriations for state government operations; transferring money; appropriating money.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Cohen, Langseth and Frederickson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bishop moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2234. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2223, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative and administrative expenses of state government with certain conditions; amending Minnesota Statutes 1998, sections 3.17; 3C.12, subdivision 2; 8.5, subdivisions 1, 2, and 3; 13.03, subdivision 2; 13.05, by adding a subdivision; 13.073, by adding a subdivision; 15.50, subdivision 2; 16A.102, subdivision 1; 16A.129, subdivision 3; 16A.45, subdivision 1; 16A.85, subdivision 1; 16B.03; 16B.104; 16B.24, subdivision 5; 16B.31, subdivision 2; 16B.32, subdivision 2; 16B.42, subdivision 1; 16B.465, subdivision 3; 16B.72; 16B.73; 16C.14, subdivision 1; 16D.04, subdivision 2; 16E.01, subdivision 1; 16E.02; 16E.08; 43A.047; 43A.22; 43A.23, subdivisions 1 and 2; 43A.30, by adding a subdivision; 43A.31, subdivision 2, and by adding a subdivision; 138.17, subdivisions 7 and 8; 192.49, subdivision 3; 197.79, subdivision 10; 204B.25, subdivision 2, and by adding a subdivision; 204B.27, by adding a subdivision; 204B.28, subdivision 1; 240A.09; 297F.08, by adding a subdivision; 325K.03, by adding a subdivision; 325K.04; 325K.05, subdivision 1; 325K.09, by adding a subdivision; 325K.10, subdivision 5; 325K.14, by adding a subdivision; 325K.15, by adding a subdivision; and 349.163, subdivision 4; Laws 1993, chapter 192, section 16; Laws 1994, chapter 643, section 69, subdivision 1; Laws 1995, First Special Session chapter 3, article 12, section 7, subdivision 1, as amended; Laws 1997, chapter 202, article 2, section 61; and Laws 1998, chapter 366, section 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 240A; and 325F; repealing Minnesota Statutes 1998, sections 16A.103, subdivision 3; 16E.11; 16E.12; and 16E.13; Laws 1991, chapter 235, article 5, section 3, as amended; Minnesota Rules, part 8275.0045, subpart 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Price, Metzen, Cohen, Frederickson and Stevens.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Krinkie moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2223. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2226, A bill for an act relating to state government; appropriating money for environmental, natural resource, and agricultural purposes; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 1998, sections 14.386; 16A.531, by adding a subdivision; 16B.171, as amended; 17.038; 17.102, subdivision 4; 17.109, subdivisions 1 and 3; 17.115, subdivision 3; 17.116, subdivision 3; 17.117, subdivision 3; 17.457, subdivision 10; 17.59, subdivision 5; 17.85; 17.982, subdivision 1; 17.983, subdivision 1; 17A.11; 17B.15, subdivision 1; 18B.05, subdivision 1; 18B.26, subdivision 5; 18C.131; 18E.02, subdivision 5; 18E.03, subdivision 1; 21.115; 21.116; 21.90, subdivision 3; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 28A.08, subdivision 3; 29.22, subdivision 5; 31.94; 31.95, subdivision 3a; 31B.06; 32.21, subdivision 4; 32.394, subdivision 9; 41B.044, subdivision 2; 84.027,

subdivision 15; 84.0855, subdivision 2, and by adding a subdivision; 84.81, by adding a subdivision; 84.8205, by adding a subdivision; 84.83, subdivisions 3 and 4; 84.86, subdivision 1; 84.862, subdivisions 1 and 2; 84.872, subdivision 1; 84.91, subdivision 1; 84.98, subdivision 6; 84A.55, subdivision 5; 85.015, subdivision 4, and by adding a subdivision; 85.019, subdivision 2, and by adding subdivisions; 85.40, subdivision 5; 85.41, subdivisions 1, 4, and 5; 85.42; 85.44; 85.45, subdivision 1; 88.067; 89A.01, by adding a subdivision; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07, subdivisions 3 and 5; 89A.10; 92.45; 92.46, subdivision 1; 97A.075, subdivision 1; 97B.020; 103G.271, subdivision 6; 115.55, subdivision 5a; 115A.908, subdivision 2; 115A.9651, subdivision 6; 115B.175, subdivision 2; 115B.39, subdivision 2; 115B.40, subdivisions 2, 3, 4, 5, 6, 7, and 8; 115B.405, subdivision 1; 115B.412, subdivision 3; 115B.42; 115B.43, subdivision 1; 115B.442, by adding a subdivision; 115B.445; 115B.48, subdivision 8; 116.072, subdivision 1; 116.073, subdivisions 1 and 2; 116O.09, subdivision 5; 169.121, subdivision 3; 169.1217, subdivisions 7a and 9; 169.123, subdivision 1; 171.07, subdivisions 12 and 13; 216C.41, subdivision 2; 223.17, subdivision 3; 231.16; 232.22, subdivision 3; 233.08; 236.02, subdivision 4; 290.431; 290.432; 446A.072, subdivision 4; 574.263; and 574.264, subdivision 1; Laws 1994, chapter 643, section 27, subdivision 2, as amended; Laws 1995, chapter 220, section 142, as amended; and Laws 1998, chapter 401, section 53; proposing coding for new law in Minnesota Statutes, chapters 18; 28A; 31B; 41B; 84; 85; 97C; 103G; 115B; and 116; repealing Minnesota Statutes 1998, sections 115A.981; 297H.13, subdivisions 3 and 6; and 473.845, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Krentz, Laidig, Lessard, Anderson and Sams.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Holsten moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2226. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 233, 84 and 2052.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 233, A bill for an act relating to real property; providing for definite and specific descriptions for certain easements; applying the requirement retroactively to all easements whenever created; providing that certain deficiency judgment requirements do not apply to property that is not used for agricultural production by the mortgagor; amending Minnesota Statutes 1998, sections 300.045; and 582.30, subdivision 1.

The bill was read for the first time.

Bishop moved that S. F. No. 233 and H. F. No. 160, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 84, A bill for an act relating to government; providing for protection of public officials and employees; prohibiting the filing of fraudulent liens; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 514.

The bill was read for the first time.

Skoglund moved that S. F. No. 84 and H. F. No. 578, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2052, A bill for an act relating to claims against the state; providing for payment of various claims; clarifying certain language concerning claims; authorizing determination of a lake control elevation; appropriating money; amending Minnesota Statutes 1998, sections 3.738, subdivision 2; and 3.739, subdivision 2a.

The bill was read for the first time and referred to the Committee on Ways and Means.

FISCAL CALENDAR

Pursuant to rule 1.22, Abrams requested immediate consideration of H. F. No. 2420.

H. F. No. 2420 was reported to the House.

Abrams moved to amend H. F. No. 2420, the first engrossment, as follows:

Page 5, line 28, delete "68.08" and insert "73.181"

Page 28, line 16, after the period, insert "The credit must be claimed in a manner prescribed by the commissioner."

Page 139, line 5, after the period, insert "Property qualifying under item (i)(A), that is located outside of a city of the first class, permanently qualifies for the transit zone reduced class rate."

Page 139, line 8, after "issued" insert ", or an irrevocable letter of credit with a housing and redevelopment authority was signed."

Page 224, line 13, delete everything after "to" and insert "(1) expenditures made before January 1, 2000; (2) expenditures made under a binding contract entered before January 1, 2000; or (3) expenditures made under a binding contract entered pursuant to a letter of intent with the developer or contractor entered before January 1, 2000."

Page 224, delete line 14

The motion prevailed and the amendment was adopted.

Mariani moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 3, line 25, after "(a)" insert "The following individuals are eligible for a sales tax rebate:

(1)"

Page 3, line 31, delete ", or" and insert "; (2) an individual"

Page 3, line 36, before the period insert, "; and (3) an individual who was a resident of Minnesota in calendar year 1997, who was not claimed as a dependent, as defined in sections 151 and 152 of the Internal Revenue Code, disregarding section 152(b)(3), as amended through December 31, 1998, and who files for the rebate within two months of the date the rebate is enacted, in a manner prescribed by the commissioner of revenue"

Page 4, line 6, delete "\$380" and insert "\$378"

Page 4, line 7, delete "\$497" and insert "\$495"

Page 4, line 8, delete "\$532" and insert "\$529"

Page 4, line 9, delete "\$582" and insert "\$579"

Page 4, line 10, delete "\$641" and insert "\$638"

Page 4, line 11, delete "\$680" and insert "\$677"

Page 4, line 12, delete "\$732" and insert "\$728"

Page 4, line 13, delete "\$808" and insert "\$804"

Page 4, line 14, delete "\$869" and insert "\$865"

Page 4, line 15, delete "\$927" and insert "\$923"

Page 4, line 16, delete "\$977" and insert "\$972"

Page 4, line 17, delete "\$1,028" and insert "\$1,023"

Page 4, line 18, delete "\$1,136" and insert "\$1,130"

Page 4, line 19, delete "\$1,232" and insert "\$1,226"

Page 4, line 20, delete "\$1,353" and insert "\$1,347"

Page 4, line 21, delete "\$1,503" and insert "\$1,496"

Page 4, line 22, delete "\$1,628" and insert "\$1,620"

Page 4, line 23, delete "\$1,783" and insert "\$1,775"

Page 4, line 24, delete "\$1,928" and insert "\$1,918"

Page 4, line 25, delete "\$2,064" and insert "\$2,054"

Page 4, line 26, delete "\$2,193" and insert "\$2,182"

Page 4, line 27, delete "\$2,804" and insert "\$2,791"

Page 4, line 28, delete "\$3,690" and insert "\$3,672"

Page 4, line 29, delete "\$4,427" and insert "\$4,406"

Page 5, line 1, delete "\$217" and insert "\$216"

Page 5, line 2, delete "\$264" and insert "\$263"

Page 5, line 3, delete "\$318" and insert "\$316"

Page 5, line 4, delete "\$432" and insert "\$430"

Page 5, line 5, delete "\$492" and insert "\$489"

Page 5, line 6, delete "\$526" and insert "\$524"

Page 5, line 7, delete "\$546" and insert "\$543"

Page 5, line 8, delete "\$604" and insert "\$602"

Page 5, line 9, delete "\$688" and insert "\$685"

Page 5, line 10, delete "\$823" and insert "\$819"

Page 5, line 11, delete "\$1,016" and insert "\$1,011"

Page 5, line 12, delete "\$1,224" and insert "\$1,218"

Page 5, line 13, delete "\$1,478" and insert "\$1,471"

Page 5, line 14, delete "\$2,004" and insert "\$1,994"

Page 5, line 28, delete "68.08" and insert "72.83"

Page 10, after line 15, insert:

"Sec. 5. [REPEALER.]

H. F. No. 878, article 2, if enacted during the 1999 legislative session, is repealed."

Page 10, line 17, delete "4" and insert "5"

ReNUMBER the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Mariani amendment and the roll was called. There were 62 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abeler	Carlson	Dawkins	Gleason	Hasskamp	Jaros
Anderson, I.	Carruthers	Dorn	Gray	Hausman	Jennings
Bakk	Chaudhary	Entenza	Greenfield	Hilty	Johnson
Biernat	Clark, K.	Fuller	Greiling	Huntley	Juhnke

Kahn	Lenczewski	McGuire	Paymar	Skoglund	Wenzel
Kalis	Lieder	Milbert	Pelowski	Solberg	Westerberg
Kelliher	Luther	Mullery	Pugh	Tomassoni	Winter
Koskinen	Mahoney	Murphy	Rest	Trimble	
Kubly	Mariani	Opatz	Rukavina	Tunheim	
Larson, D.	Marko	Orfield	Schumacher	Wagenius	
Leighton	McCollum	Otremba	Skoe	Wejcman	

Those who voted in the negative were:

Abrams	Dempsey	Holberg	Molnau	Rostberg	Van Dellen
Anderson, B.	Dorman	Holsten	Mulder	Seagren	Vandever
Bishop	Erhardt	Kielkucki	Ness	Seifert, J.	Westfall
Boudreau	Erickson	Knoblach	Nornes	Seifert, M.	Westrom
Bradley	Finseth	Krinkie	Olson	Smith	Wilkin
Broecker	Gerlach	Kuisle	Osskopp	Stang	Wolf
Buesgens	Goodno	Larsen, P.	Ozment	Storm	Workman
Cassell	Gunther	Leppik	Paulsen	Swenson	Spk. Sviggum
Clark, J.	Haake	Lindner	Pawlenty	Sykora	
Davids	Haas	Mares	Reuter	Tingelstad	
Dehler	Hackbarth	McElroy	Rifenberg	Tuma	

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

CALL OF THE HOUSE

On the motion of Abrams and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dempsey	Holsten	Lieder	Paulsen	Sykora
Abrams	Dorman	Howes	Lindner	Pawlenty	Tingelstad
Anderson, B.	Dorn	Huntley	Luther	Paymar	Tomassoni
Anderson, I.	Entenza	Jaros	Mahoney	Pelowski	Trimble
Bakk	Erhardt	Jennings	Mariani	Pugh	Tuma
Biernat	Erickson	Johnson	Marko	Rest	Tunheim
Bishop	Finseth	Juhnke	McCollum	Reuter	Van Dellen
Boudreau	Fuller	Kahn	McElroy	Rifenberg	Vandever
Bradley	Gerlach	Kalis	McGuire	Rostberg	Wagenius
Broecker	Gleason	Kelliher	Milbert	Rukavina	Wejcman
Buesgens	Goodno	Kielkucki	Molnau	Schumacher	Wenzel
Carlson	Greenfield	Knoblach	Mulder	Seagren	Westerberg
Carruthers	Greiling	Koskinen	Mullery	Seifert, J.	Westfall
Cassell	Gunther	Krinkie	Murphy	Seifert, M.	Westrom
Chaudhary	Haake	Kubly	Ness	Skoe	Wilkin
Clark, J.	Haas	Kuisle	Nornes	Skoglund	Winter
Clark, K.	Hackbarth	Larsen, P.	Olson	Smith	Wolf
Daggett	Hasskamp	Larson, D.	Opatz	Solberg	Workman
Davids	Hausman	Leighton	Orfield	Stang	
Dawkins	Hilty	Lenczewski	Osskopp	Storm	
Dehler	Holberg	Leppik	Otremba	Swenson	

Pawlenty moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Kelliher and Gleason moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 130, lines 10 and 13, delete "\$78,000" and insert "\$95,000"

Page 137, line 3, delete the new language and reinstate the stricken language

Page 149, line 14, delete the new language and reinstate the stricken language

Page 149, line 31, delete "96" and insert "99"

A roll call was requested and properly seconded.

The question was taken on the Kelliher and Gleason amendment and the roll was called. There were 63 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Johnson	Luther	Otremba	Trimble
Bakk	Gray	Juhnke	Mahoney	Paymar	Tuma
Biernat	Greenfield	Kahn	Mariani	Pelowski	Tunheim
Carlson	Greiling	Kalis	Marko	Pugh	Wagenius
Carruthers	Hasskamp	Kelliher	McCollum	Rest	Wejzman
Chaudhary	Hausman	Koskinen	McGuire	Rukavina	Wenzel
Clark, K.	Hilty	Kubly	Milbert	Schumacher	Westerberg
Dawkins	Howes	Larson, D.	Mullery	Skoe	Winter
Dorn	Huntley	Leighton	Murphy	Skoglund	
Entenza	Jaros	Lenczewski	Opatz	Solberg	
Fuller	Jennings	Lieder	Orfield	Tomassoni	

Those who voted in the negative were:

Abeler	Davids	Haas	Mares	Reuter	Tingelstad
Abrams	Dehler	Hackbarth	McElroy	Rifenberg	Van Dellen
Anderson, B.	Dempsey	Holberg	Molnau	Rostberg	Vandever
Bishop	Dorman	Holsten	Mulder	Seagren	Westfall
Boudreau	Erhardt	Kielkucki	Ness	Seifert, J.	Westrom
Bradley	Erickson	Knoblach	Nornes	Seifert, M.	Wilkin
Broecker	Finseth	Krinkie	Olson	Smith	Wolf
Buesgens	Gerlach	Kuisele	Osskopp	Stang	Workman
Cassell	Goodno	Larsen, P.	Ozment	Storm	Spk. Sviggum
Clark, J.	Gunther	Leppik	Paulsen	Swenson	
Daggett	Haake	Lindner	Pawlenty	Sykora	

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

Rest offered an amendment to H. F. No. 2420, the first engrossment, as amended.

POINT OF ORDER

Pawlenty raised a point of order pursuant to rule 3.21 that the Rest amendment was not in order. The Speaker ruled the point of order well taken and the Rest amendment out of order.

Pugh appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called.

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

There were 68 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Abeler	Dehler	Hackbarth	McElroy	Rostberg	Vandever
Abrams	Dempsey	Holberg	Molnau	Seagren	Westerberg
Anderson, B.	Dorman	Holsten	Mulder	Seifert, J.	Westfall
Bishop	Erhardt	Howes	Ness	Seifert, M.	Westrom
Boudreau	Erickson	Kielkucki	Nornes	Smith	Wilkin
Bradley	Finseth	Knoblach	Olson	Stang	Wolf
Broecker	Fuller	Krinkie	Osskopp	Storm	Workman
Buesgens	Gerlach	Kuisle	Ozment	Swenson	Spk. Sviggum
Cassell	Goodno	Larsen, P.	Paulsen	Sykora	
Clark, J.	Gunther	Leppik	Pawlenty	Tingelstad	
Daggett	Haake	Lindner	Reuter	Tuma	
Davids	Haas	Mares	Rifenberg	Van Dellen	

Those who voted in the negative were:

Anderson, I.	Gleason	Johnson	Lieder	Opatz	Skoglund
Bakk	Gray	Juhnke	Luther	Orfield	Solberg
Biernat	Greenfield	Kahn	Mahoney	Otremba	Tomassoni
Carlson	Greiling	Kalis	Mariani	Paymar	Trimble
Carruthers	Hasskamp	Kelliher	Marko	Pelowski	Tunheim
Chaudhary	Hausman	Koskinen	McCollum	Pugh	Wagenius
Clark, K.	Hilty	Kubly	McGuire	Rest	Wejcman
Dawkins	Huntley	Larson, D.	Milbert	Rukavina	Wenzel
Dorn	Jaros	Leighton	Mullery	Schumacher	Winter
Entenza	Jennings	Lenczewski	Murphy	Skoe	

So it was the judgment of the House that the decision of the Speaker should stand.

Greenfield was excused between the hours of 11:50 a.m. and 1:40 p.m.

Orfield moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Pages 17 to 19, delete section 4

Page 21, lines 23 to 36, reinstate the stricken language

Page 22, lines 1 to 8, reinstate the stricken language

Page 22, line 9, delete "(11)" and insert "(14)"

Page 22, line 15, delete "(12)" and insert "(15)"

Pages 22 to 24, delete section 6

Page 25, line 25, delete "5.5" and insert "5.35"

Page 25, line 28, delete "8" and reinstate the stricken "8.5"

Page 25, line 36, delete "5.5" and insert "5.35"

Page 26, line 3, delete "8" and reinstate the stricken "8.5"

Page 26, line 8, delete "5.5" and insert "5.35"

Page 26, line 11, delete "8" and reinstate the stricken "8.5"

Page 28, delete section 11

Page 29, line 26, strike everything after "to"

Page 29, line 27, strike everything before "under" and insert "40 percent of the credit for which the taxpayer is eligible"

Page 29, strike lines 29 to 36

Page 30, strike lines 1 to 10

Page 30, line 11, strike "(e)" and insert "(b)"

Page 30, line 12, before "must" insert "determined under section 32 of the Internal Revenue Code"

Page 30, line 14, strike "(f)" and insert "(c)"

Page 30, line 19, delete "(g)" and insert "(d)"

Pages 30 to 31, delete section 14

Page 33, line 12, delete "6.5" and insert "6"

Page 34, lines 14 to 31, delete the new language and reinstate the stricken language

Page 35, line 1, delete "6.5" and insert "6"

Page 35, line 35, delete "6.5" and insert "6"

Page 36, lines 4 to 17, delete the new language and reinstate the stricken language

Pages 42 to 45, delete sections 25 to 28

Page 50, after line 9, insert:

"Sec. 35. [REPEALER.]

(a) Minnesota Statutes 1998, section 290.0671, subdivision 1a, is repealed.

(b) H. F. 878, article 4, if enacted during the 1999 legislative session, is repealed."

Page 50, line 24, before "14" insert ", 13, paragraphs (a) to (c)"

Page 50, line 27, after "13" insert ", paragraph (d)"

Page 51, after line 2, insert:

"(i) Section 35 is effective for tax years beginning after December 31, 1998."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Pawlenty raised a point of order pursuant to section 124 of "Mason's Manual of Legislative Procedure," relating to Personalities Not Permitted in Debate. The Speaker ruled the point of order not well taken.

The Speaker called Molnau to the Chair.

The question was taken on the Orfield amendment and the roll was called.

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

There were 53 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Entenza	Jennings	Mahoney	Osthoff	Solberg
Bakk	Gleason	Johnson	Mariani	Otremba	Tomassoni
Biernat	Gray	Juhnke	Marko	Paymar	Trimble
Carlson	Greiling	Kalis	McCollum	Pelowski	Tunheim
Carruthers	Hasskamp	Koskinen	Milbert	Pugh	Wagenius
Chaudhary	Hausman	Kubly	Mullery	Rukavina	Wejzman
Clark, K.	Hilty	Leighton	Munger	Schumacher	Wenzel
Dawkins	Huntley	Lieder	Murphy	Skoe	Winter
Dorn	Jaros	Luther	Orfield	Skoglund	

Those who voted in the negative were:

Abeler	Cassell	Erickson	Hackbarth	Kuisle	McGuire
Abrams	Clark, J.	Finseth	Holberg	Larsen, P.	Molnau
Anderson, B.	Daggett	Fuller	Holsten	Larsen, D.	Mulder
Bishop	Davids	Gerlach	Howes	Lenczewski	Ness
Boudreau	Dehler	Goodno	Kelliher	Leppik	Nornes
Bradley	Dempsey	Gunther	Kielkucki	Lindner	Olson
Broecker	Dorman	Haake	Knoblach	Mares	Opatz
Buesgens	Erhardt	Haas	Krinkie	McElroy	Osskopp

Ozment	Rifenberg	Smith	Tingelstad	Westfall	Spk. Sviggum
Paulsen	Rostberg	Stang	Tuma	Westrom	
Pawlenty	Seagren	Storm	Van Dellen	Wilkin	
Rest	Seifert, J.	Swenson	Vandevier	Wolf	
Reuter	Seifert, M.	Sykora	Westerberg	Workman	

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

The Speaker resumed the Chair.

Pugh; Anderson, I.; Lieder; Milbert and McCollum moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 22, line 14, delete "and"

Page 22, line 19, before the period, insert "; and

(13) to the extent included in federal taxable income, the first \$3,000 of compensation for personal services in the armed forces of the United States or the United Nations, and the next \$2,000 of compensation for personal services wholly performed outside of the state of Minnesota"

Page 25, line 28, after the comma, insert "but not over \$500,000," and before the period, insert ";

(4) On all over \$500,000, 8.1 percent"

Page 26, line 3, after the comma, insert "but not over \$250,000," and before the period, insert ";

(4) On all over \$250,000, 8.1 percent"

Page 26, line 11, after the comma, insert "but not over \$375,000," and before the period, insert ";

(4) On all over \$375,000, 8.1 percent"

Page 50, after line 9, insert:

"Sec. 35. [REPEALER.]

H. F. No. 878, article 4, if enacted during the 1999 legislative session, is repealed."

Page 51, after line 2, insert:

"(i) Section 35 is effective following final enactment."

A roll call was requested and properly seconded.

The question was taken on the Pugh et al amendment and the roll was called. There were 62 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Biernat	Chaudhary	Dorn	Gleason	Hasskamp
Anderson, I.	Carlson	Clark, K.	Entenza	Gray	Hausman
Bakk	Carruthers	Dawkins	Fuller	Greiling	Hilty

Howes	Kubly	Marko	Orfield	Rukavina	Wagenius
Huntley	Larson, D.	McCollum	Osthoff	Schumacher	Wejcman
Jaros	Leighton	McGuire	Otremba	Skoe	Wenzel
Jennings	Lenczewski	Milbert	Paymar	Skoglund	Winter
Johnson	Lieder	Mullery	Pelowski	Solberg	
Juhnke	Luther	Munger	Pugh	Tomassoni	
Kalis	Mahoney	Murphy	Rest	Trimble	
Koskinen	Mariani	Opatz	Rostberg	Tunheim	

Those who voted in the negative were:

Abeler	Dehler	Hackbarth	Mares	Reuter	Tuma
Abrams	Dempsey	Holberg	McElroy	Rifenberg	Van Dellen
Bishop	Dorman	Holsten	Molnau	Seagren	Vandever
Boudreau	Erhardt	Kelliher	Mulder	Seifert, J.	Westerberg
Bradley	Erickson	Kielkucki	Ness	Seifert, M.	Westfall
Broecker	Finseth	Knoblach	Nornes	Smith	Westrom
Buesgens	Gerlach	Krinkie	Olson	Stang	Wilkin
Cassell	Goodno	Kuisle	Osskopp	Storm	Wolf
Clark, J.	Gunther	Larsen, P.	Ozment	Swenson	Workman
Daggett	Haake	Leppik	Paulsen	Sykora	Spk. Sviggum
Davids	Haas	Lindner	Pawlenty	Tingelstad	

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

McCollum moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 292, line 14, strike "; then" and insert a period

Page 292, lines 15 to 18, delete the new language and strike the existing language

Pages 292 and 293, delete sections 2 and 3 and insert:

"Sec. 2. Minnesota Statutes 1998, section 297A.02, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as otherwise provided in this chapter, there is imposed an excise tax of equal to the difference between 6.5 percent and the sum of all percent reductions calculated under subdivision 1a. of the gross receipts from sales at retail made by any person in this state.

Sec. 3. Minnesota Statutes 1998, section 297A.02, is amended by adding a subdivision to read:

Subd. 1a. [GENERAL SALES TAX RATE REDUCTION.] If, on the basis of a forecast of general fund revenues and expenditures in November of an even-numbered year or February of an odd-numbered year, the commissioner of finance projects that there will be a positive unrestricted budgetary general fund balance at the close of the biennium that exceeds one-half of one percent of total general fund biennial revenues, the general sales tax rate must be permanently reduced by a percentage, calculated by the commissioner of finance, that would reduce projected sales tax and motor vehicle sales tax revenues in the following biennium by an amount equal to the amount of the projected unrestricted general fund balance for the current biennium. The reduction percentage must be calculated to the nearest one-half of one percent, with the projected revenue reduction in the next biennium not to exceed the projected unrestricted general fund balance for the current biennium. The reduction is effective for purchases made beginning on the first day of the next state fiscal year."

Page 294, delete line 25 and insert:

"Section 1 is effective September 1, 1999, except the portion of section 1 striking clauses (2) and (3) of Minnesota Statutes, section 16A.152, subdivision 2, and sections 2 and 3, are effective beginning with the November 2003 forecast."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the McCollum amendment and the roll was called.

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

There were 61 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Fuller	Juhnke	Mariani	Otremba	Trimble
Bakk	Gleason	Kalis	Marko	Paymar	Tunheim
Biernat	Gray	Kelliher	McCollum	Pelowski	Wagenius
Carlson	Greiling	Koskinen	McGuire	Pugh	Wejcman
Carruthers	Hasskamp	Kubly	Milbert	Rest	Wenzel
Chaudhary	Hausman	Larson, D.	Mullery	Rukavina	Winter
Clark, K.	Hilty	Leighton	Munger	Schumacher	
Dawkins	Huntley	Lenczewski	Murphy	Skoe	
Dorman	Jaros	Lieder	Opatz	Skoglund	
Dorn	Jennings	Luther	Orfield	Solberg	
Entenza	Johnson	Mahoney	Osthoff	Tomassoni	

Those who voted in the negative were:

Abeler	Davids	Hackbarth	Mares	Reuter	Tingelstad
Abrams	Dehler	Holberg	McElroy	Rifenberg	Tuma
Anderson, B.	Dempsey	Holsten	Molnau	Rostberg	Van Dellen
Bishop	Erhardt	Howes	Mulder	Seagren	Vandever
Boudreau	Erickson	Kielkucki	Ness	Seifert, J.	Westerberg
Bradley	Finseth	Knoblach	Nornes	Seifert, M.	Westfall
Broecker	Gerlach	Krinkie	Olson	Smith	Westrom
Buesgens	Goodno	Kuisle	Osskopp	Stang	Wilkin
Cassell	Gunther	Larsen, P.	Ozment	Storm	Wolf
Clark, J.	Haake	Leppik	Paulsen	Swenson	Workman
Daggett	Haas	Lindner	Pawlenty	Sykora	Spk. Sviggum

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

Juhnke moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Pages 57 to 59, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1998, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the following governmental entities are exempt:

(1) the United States and its agencies and instrumentalities;

(2) the University of Minnesota, state universities, community colleges, technical colleges, state academies, and the Lola and Rudy Perpich Minnesota center for arts education; an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools, school districts;

(3) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, the state library under section 480.09, and the legislative reference library are exempt; and

(4) political subdivisions of a state and their agencies and instrumentalities.

~~As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, including, without limitation, school districts, intermediate school districts, education districts, service cooperatives, secondary vocational cooperative centers, special education cooperatives, joint purchasing cooperatives, telecommunication cooperatives, regional management information centers, and any instrumentality of a school district, as defined in section 471.59.~~

Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f).

~~Sales to hospitals and nursing homes owned and operated by political subdivisions of the state are exempt under this subdivision.~~

~~Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care. Sales to a political subdivision of repair and replacement parts for emergency rescue vehicles and fire trucks and apparatus are exempt under this subdivision.~~

~~Sales to a political subdivision of machinery and equipment, except for motor vehicles, used directly for mixed municipal solid waste management services at a solid waste disposal facility as defined in section 115A.03, subdivision 10, are exempt under this subdivision.~~

~~Sales to political subdivisions of chore and homemaking services to be provided to elderly or disabled individuals are exempt.~~

Sales to a county or town of gravel and of machinery, equipment, and accessories, except motor vehicles, used exclusively for road and bridge maintenance, and leases of motor vehicles exempt from tax under section 297B.03, clause (10), are exempt.

Sales of telephone services to the department of administration that are used to provide telecommunications services through the intertechnologies revolving fund are exempt under this subdivision.

This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for:

- (1) leases entered into by the United States or its agencies or instrumentalities; and
- (2) leases of motor vehicles by political subdivisions that are exempt from tax under chapter 297B.

~~The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding section 115A.69, subdivision 6, 116A.25, 360.035, 458A.09, 458A.30, 458D.23, 469.101, subdivision 2, 469.127, 473.448, 473.545, or 473.608 or any other law to the contrary enacted before 1992.~~

Sales exempted by this subdivision include sales made to other states ~~or political subdivisions of other states~~, if the sale would be exempt from taxation if it occurred in that state, but do not include sales under section 297A.01, subdivision 3, paragraphs (c) and (e)."

Page 63, after line 33, insert:

"Sec. 16. Minnesota Statutes 1998, section 297A.47, is amended to read:

297A.47 [REPORTING OF SALES TAX ON MINNESOTA GOVERNMENTS.]

The commissioner shall estimate the amount of revenues derived from imposing the tax under this chapter and chapter 297B on state agencies and political subdivisions for each fiscal year and shall report this amount to the commissioner of finance before the time for filing reports for the fiscal year with the United States Department of Commerce. The commissioner of finance in reporting the sales tax and sales tax on motor vehicles collections to the United States Department of Commerce shall exclude this amount from the sales and motor vehicle collections. ~~Sales tax and~~ Sales tax on motor vehicles revenues received from political subdivisions must be reported as intergovernmental grants or similar intergovernmental revenue. The amount of the sales tax and sales tax on motor vehicles paid by state agencies must be reported as reduced state expenditures."

Page 69, line 17, delete "6,"

Page 69, after line 29, insert:

"The portion of section 6 related to county purchases of items used exclusively for road and bridge maintenance and the leasing of vehicles that are exempt from tax under section 297B.03, clause (10) is effective for sales and purchases made after June 30, 1999. The remainder of section 6 and section 16 are effective for sales and purchases made after June 30, 2001."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Juhnke amendment and the roll was called. There were 61 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Carlson	Clark, K.	Entenza	Greenfield	Hausman
Bakk	Carruthers	Dawkins	Gleason	Greiling	Hilty
Biernat	Chaudhary	Dorn	Gray	Hasskamp	Huntley

Jaros	Larson, D.	McCollum	Osthoff	Skoe	Wenzel
Jennings	Leighton	McGuire	Otremba	Skoglund	Westrom
Johnson	Lenczewski	Milbert	Paymar	Solberg	Winter
Juhnke	Lieder	Mullery	Pelowski	Tomassoni	
Kalis	Luther	Munger	Pugh	Trimble	
Kelliher	Mahoney	Murphy	Rest	Tunheim	
Koskinen	Mariani	Opatz	Rukavina	Wagenius	
Kubly	Marko	Orfield	Schumacher	Wejcman	

Those who voted in the negative were:

Abeler	Dehler	Hackbarth	McElroy	Rostberg	Vandever
Abrams	Dempsey	Holberg	Molnau	Seagren	Westerberg
Anderson, B.	Dorman	Holsten	Mulder	Seifert, J.	Westfall
Bishop	Erhardt	Howes	Ness	Seifert, M.	Wilkin
Boudreau	Erickson	Kielkucki	Nornes	Smith	Wolf
Bradley	Finseth	Knoblach	Olson	Stang	Workman
Broecker	Fuller	Krinkie	Osskopp	Storm	Spk. Sviggum
Buesgens	Gerlach	Kuisle	Ozment	Swenson	
Cassell	Goodno	Larsen, P.	Paulsen	Sykora	
Clark, J.	Gunther	Leppik	Pawlenty	Tingelstad	
Daggett	Haake	Lindner	Reuter	Tuma	
Davids	Haas	Mares	Rifenberg	Van Dellen	

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

Lieder moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 19, line 6, strike "and"

Page 19, line 10, before the period, insert "; and

(7) the amount of tax imposed under section 168.013, subdivision 1a, and taken as credit under section 290.06, subdivision 28, to the extent allowed as a deduction in determining federal taxable income"

Page 22, after line 19, insert:

"Sec. 6. Minnesota Statutes 1998, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. [CORPORATIONS; ADDITIONS TO FEDERAL TAXABLE INCOME.] For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 of the Internal Revenue Code;

(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(8) the amount of any charitable contributions deducted for federal income tax purposes under section 170 of the Internal Revenue Code;

(9) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

(10) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(11) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;

(12) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g);

(13) the amount of any environmental tax paid under section 59(a) of the Internal Revenue Code; ~~and~~

(14) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code; and

(15) the amount of tax imposed under section 168.013, subdivision 1a, and taken as a credit under section 290.06, subdivision 26, to the extent allowed as a deduction in determining federal taxable income."

Page 25, line 28, restore the stricken "8.5" and delete "8"

Page 26, line 3, restore the stricken "8.5" and delete "8"

Page 26, line 11, restore the stricken "8.5" and delete "8"

Page 29, after line 21, insert:

"Sec. 14. Minnesota Statutes 1998, section 290.06, is amended by adding a subdivision to read:

Subd. 28. [CREDIT FOR PASSENGER AUTOMOBILE LICENSE TAX.] (a) A taxpayer is allowed a credit against the tax under this chapter for all taxes paid or incurred during the taxable year under section 168.013, subdivision 1a, in excess of \$220 on passenger automobiles in the first year of vehicle life and in excess of \$75 on passenger automobiles in the second or subsequent year of vehicle life. If the amount of credit that a taxpayer would be eligible to receive under this subdivision exceeds the taxpayer's tax liability under this chapter, the commissioner shall refund the excess amount of the credit to the taxpayer.

(b) An amount sufficient to pay the refunds required by this subdivision is appropriated from the general fund to the commissioner."

Page 50, after line 9, insert:

"Sec. 37. [REPEALER.]

House File No. 878, article 4, if enacted in the 1999 legislative session, is repealed."

Page 50, line 24, delete "Sections 4" and insert "Section 4, except for clause (7), 5 to"

Page 50, after line 26, insert:

"(d) Section 4, clause (7), and sections 6 and 14 are effective for taxable years beginning after December 31, 1999."

Page 50, line 27, to page 51, line 1, reletter paragraphs

Page 51, line 1, delete "Section 34 is" and insert "Sections 36 and 37 are"

Renumber sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lieder amendment and the roll was called. There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Gleason	Juhnke	Mariani	Otremba	Trimble
Anderson, I.	Gray	Kahn	Marko	Paymar	Tunheim
Bakk	Greiling	Kalis	McCollum	Pelowski	Wagenius
Biernat	Hackbarth	Kelliher	McGuire	Pugh	Wejzman
Carlson	Hasskamp	Koskinen	Milbert	Rukavina	Wenzel
Carruthers	Hausman	Kubly	Mullery	Schumacher	Winter
Chaudhary	Hilty	Larson, D.	Munger	Seifert, J.	
Clark, K.	Huntley	Leighton	Murphy	Skoe	
Dawkins	Jaros	Lieder	Opatz	Skoglund	
Dorn	Jennings	Luther	Orfield	Solberg	
Entenza	Johnson	Mahoney	Osthoff	Tomassoni	

Those who voted in the negative were:

Abrams	Clark, J.	Finseth	Holberg	Lenczewski	Nornes
Anderson, B.	Daggett	Fuller	Holsten	Leppik	Olson
Bishop	Dauids	Gerlach	Howes	Lindner	Osskopp
Boudreau	Dehler	Goodno	Kielkucki	Mares	Ozment
Bradley	Dempsey	Greenfield	Knoblach	McElroy	Paulsen
Broecker	Dorman	Gunther	Krinkie	Molnau	Pawlenty
Buesgens	Erhardt	Haake	Kuisle	Mulder	Rest
Cassell	Erickson	Haas	Larsen, P.	Ness	Reuter

Rifenberg	Smith	Sykora	Vandev eer	Wilkin
Rostberg	Stang	Tingelstad	Westerberg	Wolf
Seagren	Storm	Tuma	Westfall	Workman
Seifert, M.	Swenson	Van Dellen	Westrom	Spk. Sviggum

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

Rukavina moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 137, line 2, delete "2.25" and insert "two"

Page 137, line 3, delete "3.25" and insert "3.3"

Page 149, line 14, delete "3.25" and insert "3.3"

Pages 305 to 307, delete sections 15 and 16

Page 312, delete lines 33 to 35

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Rukavina amendment and the roll was called.

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

There were 56 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Johnson	Mahoney	Otremba	Tomassoni
Bakk	Gray	Juhnke	Mariani	Paymar	Trimble
Biernat	Greenfield	Kahn	McCollum	Pelowski	Wagenius
Carlson	Greiling	Kalis	McGuire	Pugh	Wejzman
Carruthers	Hasskamp	Kelliher	Milbert	Rest	Wenzel
Chaudhary	Hausman	Koskinen	Mullery	Rukavina	Winter
Clark, K.	Hilty	Kubly	Munger	Schumacher	
Dawkins	Huntley	Leighton	Murphy	Skoe	
Dorn	Jaros	Lieder	Orfield	Skoglund	
Entenza	Jennings	Luther	Osthoff	Solberg	

Those who voted in the negative were:

Abeler	Boudreau	Cassell	Dehler	Erickson	Goodno
Abrams	Bradley	Clark, J.	Dempsey	Finseth	Gunther
Anderson, B.	Broecker	Daggett	Dorman	Fuller	Haake
Bishop	Buesgens	Davids	Erhardt	Gerlach	Haas

Hackbarth	Larsen, P.	Mulder	Pawlenty	Stang	Vandever
Holberg	Larson, D.	Ness	Reuter	Storm	Westerberg
Holsten	Lenczewski	Nornes	Rifenberg	Swenson	Westfall
Howes	Leppik	Olson	Rostberg	Sykora	Westrom
Kielkucki	Lindner	Opatz	Seagren	Tingelstad	Wilkin
Knoblach	Mares	Osskopp	Seifert, J.	Tuma	Wolf
Krinkie	McElroy	Ozment	Seifert, M.	Tunheim	Workman
Kuisle	Molnau	Paulsen	Smith	Van Dellen	Spk. Sviggum

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

Milbert moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 110, delete lines 7 to 26 and insert:

"Subd. 1a. [LIMITED MARKET VALUE.] ~~In the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or noncommercial seasonal recreational residential, the assessor shall compare the value with that determined in the preceding assessment. The amount of the increase entered in the current assessment shall not exceed the greater of (1) ten percent of the value in the preceding assessment, or (2) one-fourth of the difference between the current assessment and the preceding assessment. (a) Property classified under section 273.13 may not have a market value for property tax purposes greater than the sum of:~~

(1) its estimated market value for the previous assessment year or, if applicable, its limited market value for the previous assessment year, plus

(2) an amount obtained by multiplying the market value in clause (1) by the lesser of (i) five percent or (ii) the percentage rate of increase in the Consumer Price Index for the 12-month period ending October of the preceding assessment year.

This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "~~assessment~~" "market value" means the value prior to any exclusion under subdivision 16.

~~The provisions of this subdivision shall be in effect only for assessment years 1993 through 2001.~~

(b) For the first assessment year after the sale or conveyance of property for which the assessor's estimated market value is greater than the market value determined under this subdivision, the value of the property for property tax purposes shall be increased to the assessor's estimated market value.

(c) For purposes of this subdivision, "Consumer Price Index" means the Consumer Price Index of all urban consumers as determined by the United States Department of Labor, Bureau of Labor Statistics.

(d) For purposes of the assessment/sales ratio study conducted under section 127A.48, and the computation of state aids paid under chapters 122A, 123A, 123B, 124D, 125A, 126C, 127A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used."

Page 166, line 23, after "\$113,296,000" insert ", less the amount of money to fund additional state costs resulting from page 1, lines 4 to 24 and page 2, lines 1 to 17 of this amendment."

Page 167, line 3, delete everything after "assessment" and insert "year 1999, payable in 2000, and thereafter."

Page 167, delete line 4

A roll call was requested and properly seconded.

Hasskamp moved to amend the Milbert amendment to H. F. No. 2420, the first engrossment, as amended, as follows:

Page 1, line 4, after the headnote insert "(a)" and restore the stricken language

Page 1, lines 5 and 6, restore the stricken language

Page 1, line 7, restore the stricken language up to and including the comma

Page 1, line 12, delete the new language

Page 1, line 13, delete everything before "market" and insert "its"

Page 1, line 14, after "purposes" insert "shall not be"

Page 2, delete lines 4 to 8

Page 2, line 9, delete "(c)" and insert "(b)"

Page 2, line 13, delete "(d)" and insert "(c)"

Page 2, delete lines 18 to 21

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called.

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

There were 31 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Entenza	Juhnke	Murphy	Rukavina	Wenzel
Bakk	Gleason	Kahn	Orfield	Schumacher	
Carlson	Hasskamp	Leighton	Osthoff	Solberg	
Carruthers	Hausman	Luther	Otremba	Tomassoni	
Dawkins	Jaros	Mahoney	Pugh	Trimble	
Dorn	Johnson	McGuire	Rest	Tunheim	

Those who voted in the negative were:

Abeler	Broecker	Davids	Fuller	Haas	Jennings
Abrams	Buesgens	Dehler	Gerlach	Hackbarth	Kalis
Anderson, B.	Cassell	Dempsey	Goodno	Hilty	Kelliher
Biernat	Chaudhary	Dorman	Greenfield	Holberg	Kielkucki
Bishop	Clark, J.	Erhardt	Greiling	Holsten	Knoblach
Boudreau	Clark, K.	Erickson	Gunther	Howes	Koskinen
Bradley	Daggett	Finseth	Haake	Huntley	Krinkie

Kubly	Mariani	Olson	Rifenberg	Storm	Westerberg
Kuisle	Marko	Opatz	Rostberg	Swenson	Westfall
Larsen, P.	McElroy	Osskopp	Seagren	Sykora	Westrom
Larsen, D.	Milbert	Ozment	Seifert, J.	Tingelstad	Wilkin
Lenczewski	Molnau	Paulsen	Seifert, M.	Tuma	Winter
Leppik	Mulder	Pawlenty	Skoe	Van Dellen	Wolf
Lieder	Munger	Paymar	Skoglund	Vandever	Workman
Lindner	Ness	Pelowski	Smith	Wagenius	Spk. Sviggum
Mares	Nornes	Reuter	Stang	Wejcmán	

The motion did not prevail and the amendment to the amendment was not adopted.

Hausman was excused between the hours of 3:00 p.m. and 5:00 p.m.

The question recurred on the Milbert amendment and the roll was called.

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

There were 46 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abeler	Gleason	Johnson	Marko	Paymar	Tomassoni
Bakk	Haake	Juhnke	McCollum	Pugh	Tuma
Biernat	Hasskamp	Kalis	McGuire	Rukavina	Tunheim
Carlson	Hilty	Koskinen	Milbert	Schumacher	Vandever
Carruthers	Howes	Larsen, D.	Munger	Seifert, J.	Wenzel
Chaudhary	Huntley	Leighton	Murphy	Skoe	Westerberg
Entenza	Jaros	Lenczewski	Osskopp	Solberg	
Fuller	Jennings	Luther	Osthoff	Storm	

Those who voted in the negative were:

Abrams	Dehler	Haas	Lindner	Paulsen	Tingelstad
Anderson, B.	Dempsey	Hackbarth	Mares	Pawlenty	Van Dellen
Anderson, I.	Dorman	Holberg	Mariani	Pelowski	Wagenius
Bishop	Dorn	Holsten	McElroy	Rest	Wejcmán
Boudreau	Erhardt	Kahn	Molnau	Reuter	Westfall
Bradley	Erickson	Kelliher	Mulder	Rifenberg	Westrom
Broecker	Finseth	Kielkucki	Mullery	Rostberg	Wilkin
Buesgens	Folliard	Knoblach	Ness	Seagren	Winter
Cassell	Gerlach	Krinkie	Nornes	Seifert, M.	Wolf
Clark, J.	Goodno	Kubly	Olson	Skoglund	Workman
Clark, K.	Gray	Kuisle	Opatz	Smith	Spk. Sviggum
Daggett	Greenfield	Larsen, P.	Orfield	Stang	
Davids	Greiling	Leppik	Otremba	Swenson	
Dawkins	Gunther	Lieder	Ozment	Sykora	

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

The Speaker called Dempsey to the Chair.

Larson, D., moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 149, line 31, before "and" insert ", 82 percent for taxes payable in 2000,"

Page 149, line 32, strike "2000" and insert "2001"

Page 149, line 36, before "and" insert ", \$390 for taxes payable in 2000,"

Page 150, line 1, strike "2000" and insert "2001"

Page 166, line 36, delete "16, 17, 18, paragraphs (a) and"

Page 167, line 1, delete "(b), 20 except for paragraph (f), 21,"

Page 167, after line 21, insert:

"Those portions of sections 16, 17, 18, paragraphs (a) and (b), 20, except for paragraph (f), and 21 pertaining to changes in class rates and market value tiers are effective for taxes levied in 2000, payable in 2001 and thereafter. The remaining portions of these sections are effective for taxes levied in 1999, payable in 2000 and thereafter."

Pages 168 to 170, delete sections 1 to 3

Page 174, delete section 9

Page 174, line 25, delete "2000" and insert "2001"

Page 174, line 31, delete "1999" and insert "2000"

Page 175, line 2, delete "2000" and insert "2001"

Page 175, line 3, delete "2001" and insert "2002"

Page 175, line 7, delete "2000 and 2001" and insert "2001 and 2002"

Page 175, delete section 12

Page 176, line 27, delete "1999, payable in 2000" and insert "2000, payable in 2001"

Page 176, line 32, delete "2000"

Page 176, line 33, delete "and 2004" and insert "2004 and 2005"

Page 178, delete line 2

Page 178, line 3, delete "1999 and 2000, payable in 2000 and 2001."

Page 178, line 10, delete "2000" and insert "2001"

Page 178, line 11, delete "2000" and insert "2001"

Page 178, line 12, delete "2001" and insert "2002"

Page 313, after line 3, insert:

"ARTICLE 15

PROPERTY TAX FREEZE

Section 1. Minnesota Statutes 1998, section 254B.02, subdivision 3, is amended to read:

Subd. 3. [RESERVE ACCOUNT.] The commissioner shall allocate money from the reserve account to counties that, during the current fiscal year, have met or exceeded the base level of expenditures for eligible chemical dependency services from local money. ~~The commissioner shall establish the base level for fiscal year 1988 as the amount of local money used for eligible services in calendar year 1986. In later years, the base level must be increased in the same proportion as state appropriations to implement Laws 1986, chapter 394, sections 8 to 20, are increased. The base level must be decreased if the fund balance from which allocations are made under section 254B.02, subdivision 1, is decreased in later years.~~ The base level of expenditures for each county is defined as 15 percent of the funds allocated to the county under subdivisions 1 and 2. The local match rate for the reserve account is the same rate as applied to the initial allocation. Reserve account payments must not be included when calculating the county adjustments made according to subdivision 2. For counties providing medical assistance or general assistance medical care through managed care plans on January 1, 1996, the base year is fiscal year 1995. For counties beginning provision of managed care after January 1, 1996, the base year is the most recent fiscal year before enrollment in managed care begins. For counties providing managed care, the base level will be increased or decreased in proportion to changes in the fund balance from which allocations are made under subdivision 2, but will be additionally increased or decreased in proportion to the change in county adjusted population made in subdivision 1, paragraphs (b) and (c).

Sec. 2. [EDUCATION FINANCE FOR THE 2000-2001 SCHOOL YEAR.]

Subdivision 1. [ADJUSTED TAX CAPACITY FOR SCHOOL YEAR 2000-2001.] Notwithstanding any other law to the contrary, for purposes of any levy authorized under Minnesota Statutes, chapter 126C or 136D, the adjusted net tax capacity of a school district, education district, or intermediate school district under Minnesota Statutes, section 127A.48, for the 2000-2001 school year shall equal the adjusted net tax capacity used for computation of its levy limits for the 1999-2000 school year.

Subd. 2. [LOCAL EFFORT TAX RATE AND EQUALIZING FACTOR.] Notwithstanding any other law to the contrary, the local effort tax rates computed under Minnesota Statutes, section 126C.13, for the 2000-2001 school year shall equal the local effort tax rates established at the time of levy limit certification for the 1999-2000 school year. Notwithstanding any other law to the contrary, the equalizing factor under Minnesota Statutes, section 126C.01, for the 2000-2001 school year shall equal the equalizing factor for the 1999-2000 school year.

Subd. 3. [COMPUTATION OF PUPIL UNITS FOR LEVY LIMITS.] Notwithstanding Minnesota Statutes, section 126C.05, or any other law to the contrary, the number of pupil units and AFDC pupil units for a school district, education district, or intermediate school district for use in computing the levy limits of the district or technical college for the 2000-2001 school year shall be the pupil units and AFDC pupil units used for the levy limit computation of the school district, education district, intermediate school district, or technical college for the 1999-2000 school year. For purposes of computing the revenue entitlement of a school district under Minnesota Statutes, chapter 126C or 136D, for the 2000-2001 school year, the pupil units or AFDC pupil units shall be as otherwise provided under Minnesota Statutes, section 126C.05. If any section of Minnesota Statutes, chapter 126C, provides that an aid entitlement is equal to the difference between the revenue entitlement and the authorized levy, then the aid entitlement for the 2000-2001 school year shall equal the difference between the revenue entitlement and authorized levies computed under this section and sections 7 to 45. If any section of Minnesota Statutes, chapter 126C, provides that the aid entitlement will be reduced if a district fails to exercise its full levy authority and the district failed to levy its full authority for the 1999-2000 school year, the commissioner shall assume that, absent the provisions of this act, the district would have elected to exercise the same portion of its levy authority for the 2000-2001 school year as it did in the prior year and determine the district's aid under the applicable section and the prior sentence.

Sec. 3. [TRANSITIONAL LEVIES.]

Notwithstanding Minnesota Statutes, sections 123A.41, subdivision 4, and 123A.76, a school district's levy under those sections for taxes payable in 2000 shall be no greater than it was for the prior year.

Sec. 4. [BONDS.]

(a) Notwithstanding Minnesota Statutes, section 123B.59, after July 31, 1999, no school district can sell bonds under that section the debt service payments of which would require a levy first becoming payable in 2000 or authorize a levy under Minnesota Statutes, section 123B.59, subdivision 5, clause (b), that is not pursuant to a plan adopted prior to August 1, 1999. This restriction shall not apply to (1) refunding bonds sold to refund bonds originally sold before August 1, 1999, or (2) bonds for which the amount of the levy first becoming due in 2000 would not exceed the amount by which the school district's total levy for debt service on bonds for taxes payable in 2000 prior to issuance of those bonds is less than the municipality's total levy for debt service for bonds for taxes payable in 1999.

(b) For purposes of this section, bonds will be deemed to have been sold before August 1, 1999, if:

(1) an agreement has been entered into between the school district and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing school district is a party to a contract or letter of understanding entered into before August 1, 1999, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before August 1. Debt service payments due on bonds described in this paragraph during calendar year 2000 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 2001. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 5. [LEVY FOR ADULT BASIC EDUCATION AID.]

Notwithstanding Minnesota Statutes, section 124D.53, school districts which did not levy for adult basic education for taxes payable in 1999 may not levy for that purpose for taxes payable in 2000.

Sec. 6. [EARLY CHILDHOOD FAMILY EDUCATION AND HOME VISITING LEVY.]

Notwithstanding Minnesota Statutes, section 124D.135, subdivisions 3 and 6, a school district's levy for early childhood family education and home visiting under Minnesota Statutes, section 124D.135, subdivision 6, for school year 2000-2001 shall be no greater than it was for the prior year.

Sec. 7. [COMMUNITY EDUCATION LEVY.]

Notwithstanding Minnesota Statutes, section 124D.20, subdivisions 5 and 6, the community education levy of a school district for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 8. [LEVY FOR ADDITIONAL COMMUNITY EDUCATION REVENUE.]

Notwithstanding Minnesota Statutes, section 124D.21, a school district's levy under that section for school year 2000-2001 shall be no greater than it was for the prior year.

Sec. 9. [PROGRAMS FOR ADULTS WITH DISABILITIES; LEVY.]

Notwithstanding Minnesota Statutes, section 124D.56, subdivision 3, a school district's levy for community education programs for adults with disabilities for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 10. [EXTENDED DAY LEVY.]

Notwithstanding Minnesota Statutes, section 124D.22, a school district's levy under that section for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 11. [EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 123A.39, subdivision 3, a school district's levy for the 2000-2001 school year for severance pay or early retirement incentives for licensed and nonlicensed staff who retire early as the result of combination or cooperation shall be no greater than it was for the prior year.

Sec. 12. [CONSOLIDATION; RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 123A.485, subdivision 3, a school district's levy for retirement incentives under Minnesota Statutes, section 123A.48, subdivision 23, for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 13. [DISTRICT COOPERATION LEVY.]

Notwithstanding Minnesota Statutes, section 126C.22, subdivisions 2 and 5, a school district's levy for district cooperation for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 14. [SPECIAL EDUCATION EQUALIZATION LEVY.]

Notwithstanding Minnesota Statutes, section 125A.77, subdivisions 3 and 5, a school district's special education equalization levy for the 2000-2001 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 125A.77, subdivisions 3 and 5, the district shall receive additional aid equal to the difference.

Sec. 15. [JOINT POWERS BOARD; EARLY RETIREMENT AND SEVERANCE LEVY.]

Notwithstanding Minnesota Statutes, section 123A.444, a school district's levy for the 2000-2001 school year for severance pay and early retirement incentives to a teacher as defined in Minnesota Statutes, section 122A.40, subdivision 1, who is placed on unrequested leave as the result of a cooperative secondary facility agreement shall be no greater than it was for the prior year.

Sec. 16. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.]

Notwithstanding Minnesota Statutes, section 123B.63, subdivision 3, no facilities down payment levy referendum held after August 1, 1999, may authorize a levy first becoming payable in 2000.

Sec. 17. [HEALTH AND SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 123B.57, subdivisions 4 and 7, a school district's levy for a health and safety program under Minnesota Statutes, section 123B.57, for the 2000-2001 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 123B.57, subdivisions 4 and 7, the district shall receive additional aid equal to the difference.

Sec. 18. [HANDICAPPED ACCESS AND FIRE SAFETY LEVY.]

Notwithstanding Minnesota Statutes, section 123B.58, subdivisions 3 and 4, a school district's levy for purposes of Minnesota Statutes, section 123B.58, subdivisions 1 and 2, for the 2000-2001 school year shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under Minnesota Statutes, section 123B.58, subdivision 3, the district may levy the difference in the subsequent year notwithstanding the eight year limitation in Minnesota Statutes, section 123B.58, subdivision 3.

Sec. 19. [LEVY TO RENT OR LEASE BUILDING OR LAND.]

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, after August 1, 1999, the commissioner of education shall not authorize any school district to make any additional capital expenditure levy to rent or lease a building or land for instructional purposes if the levy for that purpose first becomes due and payable in 2000 unless the district's capital expenditure levy for taxes payable in 2000, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1999.

Sec. 20. [LEVY FOR LEASE PURCHASE OR INSTALLMENT BUYS.]

(a) Except as provided in paragraph (b), after July 31, 1999, no school district may enter into an installment contract or a lease purchase agreement the levy for which would first become payable in 2000 unless the district's total levy for installment contracts and lease purchase agreements for taxes payable in 2000, including the levy for the new obligation, would not exceed its levy for that purpose for taxes payable in 1999.

(b) For purposes of this section, installment contracts or lease purchase agreements will be deemed to have been entered into before August 1, 1999, if:

(1) an agreement has been entered into between the school district and a lessor or seller by that date;

(2) the school district is a party to contract or letter of understanding entered into before August 1, 1999, with the federal government that requires the school district to pay for a project, and the project will be funded with the proceeds of the installment contracts or lease purchase agreements; or

(3) the installment contracts or lease purchase agreements will be used to fund a project or acquisition with respect to which the school district has entered into a contract with a builder or supplier before August 1, 1999. Payments due on installment contracts or lease purchase agreements described in this paragraph during calendar year 2000 will be paid by the state. The amount of those payments must be repaid by the school district to the state in three equal annual installments beginning in 2001. No interest will be due on those payments if timely paid by June 15 of the year due.

Sec. 21. [COOPERATING DISTRICTS; CAPITAL LEVY.]

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 3, a school district's levy under that subdivision for the 1999-2000 school year shall be no greater than it was for the prior year.

Sec. 22. [LEVY FOR INTERACTIVE TELEVISION.]

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 4, a school district's levy for interactive television for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 23. [ENERGY CONSERVATION LEVY.]

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 5, a school district may not enter into a loan under Minnesota Statutes, section 216C.37, or sections 298.292 to 298.298, after July 31, 1999, if the levy for repayment of the loan would first become payable in 2000.

Sec. 24. [LEVY FOR STATUTORY OBLIGATIONS.]

Notwithstanding Minnesota Statutes, section 126C.43, subdivision 1, a school district's levy as otherwise authorized under that subdivision for the 2000-2001 school year shall be no greater than it was for the prior year. To the extent that the portion of the resulting levy for the school district's obligation under Minnesota Statutes, sections 268.052, subdivision 1, 268.085, and 268.087, is less than the school district would have been otherwise authorized to levy under Minnesota Statutes, section 126C.43, subdivision 1, the school district shall receive additional aid equal to the difference. To the extent that the portion of the resulting levy for judgments under Minnesota Statutes, section 126C.47, is less than the school district would have been authorized to levy under Minnesota Statutes, section 126C.43, subdivision 1, for this purpose, the school district may levy the difference in the subsequent year.

Sec. 25. [LEVY FOR CRIME-RELATED COSTS.]

Notwithstanding Minnesota Statutes, section 126C.44, a school district's levy as otherwise authorized under that section for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 26. [ICE ARENA LEVY.]

Notwithstanding Minnesota Statutes, section 126C.45, a school district's levy as otherwise authorized under that section for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 27. [ABATEMENT LEVY.]

Notwithstanding Minnesota Statutes, section 126C.46, a school district's levy as otherwise authorized under that section for the 2000-2001 school year shall be no greater than it was for the prior year. To the extent the portion of the resulting levy otherwise authorized under Minnesota Statutes, section 126C.46, is less than the school district would have been authorized to levy under that section, the district shall receive additional aid equal to the difference. The remaining portion of the resulting levy that is less than the school district would have been authorized to levy under the remainder of Minnesota Statutes, section 126C.46, may be levied over a four-year period notwithstanding the three-year limitation of Minnesota Statutes, section 126C.46, paragraph (b).

Sec. 28. [OPERATING DEBT LEVIES.]

Notwithstanding Minnesota Statutes, section 123A.73, subdivision 9; 126C.42; or Laws 1992, chapter 499, article 7, sections 13 and 14, a school district's levy as otherwise authorized under those provisions of law for the 2000-2001 school year shall be no greater than it was for the prior year. To the extent this prevents a district from amortizing its reorganization operating debt as defined in Minnesota Statutes, section 123B.82, in five years, the district shall be permitted to levy the remainder in a subsequent year.

Sec. 29. [HEALTH INSURANCE BENEFITS LEVY.]

Notwithstanding Minnesota Statutes, section 126C.41, subdivision 1, or Laws 1993, chapter 224, article 8, section 18, a school district's levy for retired employees' health insurance as otherwise authorized under those provisions of law for the taxes payable in 2000 shall be no greater than it was for the prior year.

Sec. 30. [RETIREMENT LEVY.]

Notwithstanding Minnesota Statutes, section 126C.41, subdivision 3, a school district's levy as otherwise authorized under that subdivision for taxes payable in 2000 shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have been authorized to levy under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 31. [MINNEAPOLIS HEALTH INSURANCE SUBSIDY.]

Notwithstanding Minnesota Statutes, section 126C.41, subdivision 4, the levy of special school district No. 1, Minneapolis, as otherwise authorized under that section for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 32. [LEVY FOR TACONITE PAYMENT.]

Notwithstanding Minnesota Statutes, section 126C.48, subdivision 8, a school district's levy reduction as otherwise authorized under that subdivision for the 2000-2001 school year shall be no less than it was for the prior year. General education aid reduction for the 2000-2001 school year shall be governed by Minnesota Statutes, section 126C.21, subdivision 4, and the levy reduction as required by this section.

Sec. 33. [EQUALIZED DEBT SERVICE LEVY.]

Notwithstanding Minnesota Statutes, section 123B.53, subdivision 5, a school district's levy as otherwise authorized under that subdivision, except for any increase authorized by a referendum under Minnesota Statutes, section 126C.17, subdivision 9, after August 1, 1999, for the 2000-2001 school year taxes payable in 2000 shall be based on the actual pupil units in the district for the 1995-1996 school year and the 1996 adjusted net tax of the district.

Sec. 34. [UNEQUALIZED REFERENDUM LEVY.]

Notwithstanding Minnesota Statutes, section 126C.17, subdivision 8, a school district's unequalized referendum levy for the 2000-2001 school year, except for any increase authorized by a referendum under Minnesota Statutes, section 126C.17, subdivision 9, after August 1, 1999, shall be no greater than it was for the prior year. If the resulting levy is less than the school district would have levied under that subdivision, the school district shall receive additional aid equal to the difference.

Sec. 35. [REFERENDUM TO CONTINUE AN EXPIRING REFERENDUM BASED ON NET TAX CAPACITY.]

Notwithstanding Minnesota Statutes, section 126C.17, subdivisions 9 and 10, if a referendum enacted after August 1, 1999, provides for continuation of a referendum levy that terminates beginning with taxes payable in 2000, and the terminated levy had been based on net tax capacity, the referendum relating to taxes payable in 2000 must be based on net tax capacity and the ballot shall state the estimated referendum tax rate based on net tax capacity for taxes levied in 1999. To the extent the referendum relates to taxes payable in 2001 and subsequent years, the levies for those years are subject to Minnesota Statutes, sections 126C.17, subdivision 10, and 126C.18, subdivision 3, and the ballot shall also state the estimated referendum tax rate as a percentage of market value for taxes levied in 2001.

Sec. 36. [REFERENDUM AUTHORITY; CONVERSION.]

Notwithstanding Minnesota Statutes, section 126C.18, subdivisions 2 and 3, no school district may convert its referendum authority currently authorized to be levied against net tax capacity to referendum authority authorized to be levied against referendum market value effective for taxes payable in 2000. If a school district has adopted a plan for phasing in the conversion of a referendum levy authority levied against net tax capacity to a referendum authority levied against market value, the amount of the levy authority levied against market value for taxes payable in 2000, notwithstanding the plan, may not exceed the amount levied against market value for taxes payable in 1999.

Sec. 37. [SUPPLEMENTAL AND TRANSITION LEVIES.]

Notwithstanding Minnesota Statutes, section 126C.10, subdivisions 10 and 18, a school district's supplemental levy or transition levy adjustment for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 38. [GENERAL EDUCATION LEVY; OFF-FORMULA DISTRICTS.]

Notwithstanding Minnesota Statutes, section 126C.13, subdivision 3, an off-formula school district's levy for general education for the 2000-2001 school year shall be no greater than it was for the prior year. An off-formula school district's aid reduction for general education levy equity under Minnesota Statutes, section 126C.14, shall be computed using the levy computed under this section. If off-formula district payments pursuant to Minnesota Statutes, section 126C.21, subdivision 3, are reduced from that received in the prior school year, the district shall receive additional aid equal to the difference.

Sec. 39. [STAFF DEVELOPMENT LEVY.]

Notwithstanding Minnesota Statutes, section 122A.62, subdivision 3, a school district's levy for staff development for the 2000-2001 school year shall be no greater than it was for the prior year.

Sec. 40. [LEVY ADJUSTMENT.]

Notwithstanding any other law to the contrary, any adjustment of a school district's levy authority other than for debt redemption fund excesses under Minnesota Statutes, section 475.61, for taxes payable in 2000 shall not result in a levy that is greater than it was in 1999. If the resulting levy adjustments reduce the district's revenues below the amount the district would have otherwise received in the absence of this section, the district will receive additional aid equal to the difference.

Sec. 41. [OTHER LEVY AUTHORITY.]

A school district's levy under any special law or any authority other than that contained in Minnesota Statutes, chapters 123B, 124D, 126C, 127A, and 136D, shall not be greater for taxes payable in 2000 than it was for taxes payable in 1999 except for any debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments issued prior to April 30, 1999, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to April 30, 1999.

Sec. 42. [BENEFIT RATIO FOR RURAL SERVICE DISTRICTS.]

Notwithstanding Minnesota Statutes, section 272.67, subdivision 6, the benefit ratio used for apportioning levies to a rural service district for taxes payable in 2000 shall not be greater than that in effect for taxes payable in 1999.

Sec. 43. [PROHIBITION AGAINST INCURRING NEW DEBT.]

Subdivision 1. [GENERALLY.] (a) After July 31, 1999, no municipality as defined in Minnesota Statutes, section 475.51, or any special taxing district as defined under Minnesota Statutes, section 275.066, may sell obligations, certificates of indebtedness, or capital notes under Minnesota Statutes, chapter 475, section 412.301, or any other law authorizing obligations, certificates of indebtedness, capital notes, or other debt instruments or enter into installment purchase contracts or lease purchase agreements under Minnesota Statutes, section 465.71, or any other law authorizing installment purchase contracts or lease purchase agreements if issuing those debt instruments or entering into those contracts would require a levy first becoming due in 2000. This restriction does not apply to (1) refunding bonds sold to refund bonds originally sold before August 1, 1999, or (2) obligations for which the amount of the levy first becoming due in 2000 would not exceed the amount by which the municipality's total debt service levy for taxes payable in 2000 prior to issuance of those obligations is less than the municipality's total debt service levy for taxes payable in 1999. As used in clause (2), "obligations" includes certificates of indebtedness, capital notes, or other debt instruments or installment purchase contracts or lease purchase agreements.

(b) For purposes of this section, bonds will be deemed to have been sold before August 1, 1999, if:

(1) an agreement has been entered into between the municipality and a purchaser or underwriter for the sale of the bonds by that date;

(2) the issuing municipality is a party to contract or letter of understanding entered into before August 1, 1999, with the federal government or the state government that requires the municipality to pay for a project, and the project will be funded with the proceeds of the bonds; or

(3) the proceeds of the bonds will be used to fund a project or acquisition with respect to which the municipality has entered into a contract with a builder or supplier before August 1, 1999. Debt service payments due on bonds described in this paragraph during calendar year 2000 will be paid by the state. The amount of those payments must be repaid by the municipality to the state in three equal annual installments beginning in 2001. No interest will be due on those payments if they are timely paid by June 15 of the year due.

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, certificates of indebtedness, capital notes, installment purchase contracts, lease purchase agreements, or any other debt instruments, and the debt service levies for the obligations shall, for purposes of this act, be treated as if sold prior to August 1, 1999, if:

(1) the municipality or other governmental authority has satisfied any one of the following conditions prior to August 1, 1999:

(i) it has adopted a resolution or ordinance authorizing the issuance of the obligations;

(ii) it has declared official intent to issue the obligations under federal tax laws and regulations; or

(iii) it has entered into a binding agreement to design or construct a project or acquire property to be financed with the obligations; and

(2) the municipality makes a finding at the time of the sale of the bonds that no levy will be required for taxes payable in 2000 to pay the debt service on the obligations because sufficient funds are available from nonproperty tax sources to pay the debt service.

Sec. 44. [1999 ASSESSMENT LIMITATIONS.]

Notwithstanding any other law to the contrary, the value of property for the 1999 assessment shall not exceed the lesser of its limited market value determined for the 1998 assessment pursuant to Minnesota Statutes, section 273.11, subdivision 1a, or its market value as otherwise determined for the 1998 assessment provided that any value attributable to new construction or improvements to the extent it does not qualify for deferral under Minnesota Statutes, section 273.11, subdivision 16, shall be added to the prior year's value used to determine its tax capacity. The assessment of previously tax exempt property that loses its tax exempt status pursuant to Minnesota Statutes, section 272.02, subdivision 4, is not limited in any way under this subdivision.

Sec. 45. [LEVY LIMITATION TAXES PAYABLE IN 2000.]

Subdivision 1. [TAXES PAYABLE IN 2000 PROPOSED LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.065, subdivision 1, in 1999, no taxing authority other than a school district shall certify to the county auditor a proposed property tax levy or in the case of a township, a final property tax levy, greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 3, 4, and 5.

Subd. 2. [TAXES PAYABLE IN 2000 FINAL LEVY.] Notwithstanding any other law to the contrary, for purposes of the certification required by Minnesota Statutes, section 275.07, subdivision 1, in 1999, no taxing authority other than a school district shall certify to the county auditor a property tax levy greater than the amount certified to the county auditor pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year except as provided in subdivisions 4 to 7.

Subd. 3. [SCHOOL DISTRICTS.] School district levies shall be governed by sections 6 to 45.

Subd. 4. [DEBT SERVICE EXCEPTION.] If a payable 2000 levy for debt service on obligations, certificates of indebtedness, capital notes, or other debt instruments sold prior to August 1, 1999, or to make payments on installment purchase contracts or lease purchase agreements entered into prior to August 1, 1999, exceeds the levy a taxing authority certified pursuant to Minnesota Statutes, section 275.07, subdivision 1, for taxes payable in 1999 for the same purpose, the excess may be levied notwithstanding the limitations of subdivisions 1 and 2.

Subd. 5. [ANNEXATION EXCEPTION.] The city tax rate for taxes payable in 2000 on any property annexed under Minnesota Statutes, chapter 414, may not be increased over the city or township tax rate in effect on the property in 1999, notwithstanding any law, municipal board order, or ordinance to the contrary. The limit on the annexing city's levy under subdivisions 1 and 2 may be increased in excess of that limit by an amount equal to the net tax capacity of the property annexed times the city or township tax rate in effect on that property for taxes payable in 1999. The levy limit of the city or township from which the property was annexed shall be reduced by the same amount.

Subd. 6. [INCREASE AUTHORIZED.] Notwithstanding the limitation of subdivision 1, a taxing authority other than a school district may increase its levy for taxes payable in 2000 over that certified to the county pursuant to Minnesota Statutes, section 275.07, subdivision 1, in the prior year by an amount equal to the taxing authority's net tax capacity pursuant to section 645.48 times its tax rate for taxes payable in 1999 less the taxing authority's levy under subdivision 1.

Subd. 7. [REFERENDA.] (a) A taxing authority other than a school district or an education district may increase its levy above the limits provided in subdivisions 2 and 3 by the amount approved by the voters residing in the jurisdiction of the authority at a referendum called for the purpose. The referendum may be called by the governing body or shall be called by the governing body upon written petition of qualified voters of the jurisdiction. The referendum shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy and the estimated referendum tax rate as a percentage of taxable net tax capacity in the year it is to be levied. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the governing body of be approved?"

(b) The governing body shall prepare and deliver by first class mail, at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer, a notice of the referendum and the proposed levy increase. The governing body need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the jurisdiction of the taxing authority.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A petition authorized by paragraph (a) is effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the jurisdiction of the taxing authority on the day the petition is filed with the governing body. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(e) A bond authorization under Minnesota Statutes, section 475.59, is deemed to meet the requirements of this subdivision provided the ballot includes the information required in paragraph (a) and the notice required in paragraph (b) is distributed.

Sec. 46. [FREEZE ON LOCAL MATCH REQUIREMENTS.]

Notwithstanding any other law to the contrary, the local funding or local match required from any city, town, or county for any state grant or program shall not be increased for calendar year 2000 above the dollar amount of the local funding or local match required for the same grant or program in 1999, regardless of the level of state funding provided. Any new local match or local funding requirements for new or amended state grants or programs is not effective until calendar year 2001. Nothing in this section shall affect the eligibility of a city, town, or county for the receipt of state grants or program funds in 2000 or reduce the amount of state funding a city, town, or county would otherwise receive in 2000 if the local match requirements of the state grant or program were met in 1999.

Sec. 47. [SUSPENSION OF SALARY AND BUDGET APPEAL AUTHORIZATION.]

After March 11, 1999, no county sheriff may exercise the authority granted under Minnesota Statutes, section 387.20, subdivision 7, and no county attorney may exercise the authority granted under Minnesota Statutes, section 388.18, subdivision 6, to the extent that the salary or budget increase sought in the appeal would result in an increase in county expenditures in calendar year 2000.

Sec. 48. [SUSPENSION OF PUBLICATION AND HEARING REQUIREMENTS.]

A local taxing authority is not required to comply with the public advertisement notice of Minnesota Statutes, section 275.065, subdivision 5a, or the public hearing requirement of Minnesota Statutes, section 275.065, subdivision 6, with respect to taxes levied in 1999, payable in 2000, only.

Sec. 49. [FISCAL DISPARITIES FREEZE.]

Notwithstanding Minnesota Statutes, section 473F.08, subdivision 2, clause (a), the amount to be deducted from a governmental unit's net tax capacity for taxes payable in 2000 under that clause shall equal the amount deducted for taxes payable in 1999. Notwithstanding Minnesota Statutes, sections 276A.06, subdivision 2, clause (b), and 473F.08, subdivision 2, clause (b), the amount to be added to a governmental unit's net tax capacity for taxes payable in 2000 under clause (b) of the applicable section shall equal the same amount added for taxes payable in 1999. Notwithstanding Minnesota Statutes, sections 276A.06, subdivision 3, and 473F.08, subdivision 3, the areawide portion of the levy for each governmental unit shall be determined using the local tax rate for the 1997 levy year. Notwithstanding Minnesota Statutes, sections 276A.06, subdivision 7, and 473F.08, subdivision 6, the portion of commercial-industrial property within a municipality subject to the areawide tax rate shall be computed using the amount determined under Minnesota Statutes, sections 276A.04, 276A.05, 473F.06, and 473F.07, for taxes payable in 1999.

Sec. 50. [TAX RATE FREEZE.]

Subdivision 1. [REDUCTION OF LEVY; PAYMENT.] In the course of determining local tax rates for taxes payable in 2000 after reductions for disparity reduction aid under Minnesota Statutes, section 275.08, subdivisions 1c and 1d, if the county auditor finds the local tax rate exceeds the rate in effect for taxes payable in 1999, except for increases authorized by referendum under Minnesota Statutes section 126C.17, subdivisions 9 and 11, the county auditor shall reduce the local government's levy so the local tax rate, before inclusion of any levy increase authorized by referendum, does not exceed that in effect for taxes payable in 1999. The difference between the levy as originally certified by the local government and the reduced levy shall be certified to the commissioner of revenue at the time the abstracts are submitted under Minnesota Statutes, section 275.29. That amount shall be paid to the local government on or before August 31, 2000.

Subd. 2. [APPROPRIATION.] An amount sufficient to pay the aid provided under this section is appropriated from the general fund to the commissioner of revenue for payment to counties, cities, townships, and special taxing districts. An amount sufficient to pay the aid provided under this section is appropriated from the general fund to the commissioner of children, families, and learning for payment to school districts.

Sec. 51. [PENSION LIABILITIES.]

Notwithstanding any other law or charter provision to the contrary, no levy for taxes payable in 2000 for a local police and fire relief association for the purpose of amortizing an unfunded pension liability may exceed the levy for that purpose for taxes payable in 1999.

Sec. 52. [DUTIES OF TOWNSHIP BOARD OF SUPERVISORS.]

Notwithstanding Minnesota Statutes, section 365.10, in 1999 the township board of supervisors shall adjust the levy and in 2000 the township board of supervisors may adjust the expenditures of a township below the level authorized by the electors to adjust for any reduction in the previously authorized levy of the township pursuant to section 49.

Sec. 53. [PROPERTY TAX AND EDUCATION AIDS REFORM.]

Subdivision 1. [RECOMMENDED PROGRAM.] The legislative commission on planning and fiscal policy shall prepare and recommend to the legislature a property tax reform and education aids reform program that includes:

- (1) a property tax classification and class rate system;
- (2) elementary and secondary education aids and levies; and
- (3) aids to local government.

Subd. 2. [STANDARDS.] (a) The recommended program must provide for accountability, equity, revenue adequacy, and efficiency as provided in paragraphs (b) to (e).

(b) The recommended program must provide accountability by being understandable to the taxpayer, by linking the costs of services to the taxes paid for those services, and by correlating the responsibility for raising revenues with the ability to make spending decisions.

(c) The recommended program must provide equity by minimizing large, short-term shifts in tax burdens, and by ensuring that tax burdens and aids are progressive and related to the ability to pay or raise revenue.

(d) The recommended program must provide for adequate revenue by controlling costs and the need for increased revenue, minimizing reductions or shifts in revenues available to local governments to provide needed services, and directing aids to meet needs and fund services based on established funding priorities.

(e) The program must promote efficiency by providing stable predictable property taxes and local government revenues that are competitive with those of other states and areas so that property taxes and aids have minimal impact on the economic decisions of taxpayers.

Subd. 3. [TASK FORCE.] The commission may designate a task force to advise the commission in carrying out its duties under this section. The task force may include legislators, agency and legislative staff, state and local governmental officials, educators, and taxpayers and members of the public. The task force expires on January 1, 2001.

Subd. 4. [SERVICES.] The commission may enter into contracts for the professional and other services necessary to carry out its duties under this section.

Subd. 5. [REPORT.] The commission shall report its recommendations to the legislature by January 1, 2001. The report shall include proposed legislation to implement the recommendations of the commission.

Sec. 54. [UNFUNDED MANDATE PROHIBITION.]

Subdivision 1. [DEFINITION.] As used in this section, "state mandates" has the meaning given in Minnesota Statutes, section 3.989.

Subd. 2. [FUNDING OF THE COST OF MANDATES.] If the fiscal note prepared by the commissioner of finance under Minnesota Statutes, section 3.987, indicates that a new or expanded mandate on a political subdivision in a bill introduced in the legislature will impose a statewide cost on counties in excess of \$200,000 or a statewide cost on cities or townships in excess of \$200,000, in calendar year 2000, the political subdivisions are not required to implement the mandate in calendar year 2000 unless the legislature, by appropriation enacted before the mandate is required to be implemented, provides reimbursement to the political subdivisions for the costs incurred.

Sec. 55. [SAVINGS CLAUSE.]

Notwithstanding any other provision in this act to the contrary, nothing in this act constitutes an impairment of any obligations, certificates of indebtedness, capital notes, or other debt instruments, including installment purchase contracts or lease purchase agreements, issued before the date of final enactment of this act, by a municipality as defined in Minnesota Statutes, section 469.174, subdivision 6, or a special taxing district as defined in Minnesota Statutes, section 275.066."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Larson, D., amendment and the roll was called.

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

There were 57 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Gleason	Johnson	Mahoney	Otremba	Tuma
Bakk	Gray	Kalis	Marko	Pelowski	Tunheim
Biernat	Greenfield	Kelliher	McCollum	Pugh	Vandever
Carlson	Greiling	Koskinen	McGuire	Rukavina	Wagenius
Carruthers	Haake	Kubly	Milbert	Skoe	Wenzel
Chaudhary	Hasskamp	Larson, D.	Mullery	Skoglund	Westerberg
Dorn	Hilty	Leighton	Munger	Solberg	Westrom
Entenza	Huntley	Lenczewski	Murphy	Storm	
Folliard	Jaros	Lieder	Orfield	Tomassoni	
Fuller	Jennings	Luther	Osthoff	Trimble	

Those who voted in the negative were:

Abeler	Bishop	Broecker	Clark, J.	Davids	Dempsey
Abrams	Boudreau	Buesgens	Clark, K.	Dawkins	Dorman
Anderson, B.	Bradley	Cassell	Daggett	Dehler	Erhardt

Erickson	Howes	Lindner	Opatz	Schumacher	Tingelstad
Finseth	Juhnke	Mares	Osskopp	Seagren	Van Dellen
Gerlach	Kahn	Mariani	Ozment	Seifert, J.	Westfall
Goodno	Kielkucki	McElroy	Paulsen	Seifert, M.	Wilkin
Gunther	Knoblach	Molnau	Pawlenty	Smith	Winter
Haas	Krinkie	Mulder	Rest	Stanek	Wolf
Hackbarth	Kuisle	Ness	Reuter	Stang	Workman
Holberg	Larsen, P.	Nornes	Rifenberg	Swenson	Spk. Sviggum
Holsten	Leppik	Olson	Rostberg	Sykora	

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

Osthoff and Wagenius offered an amendment to H. F. No. 2420, the first engrossment, as amended.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 3.21 that the Osthoff and Wagenius amendment was not in order. Speaker pro tempore Dempsey ruled the point of order well taken and the Osthoff and Wagenius amendment out of order.

The Speaker resumed the Chair.

Winter moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 178, line 14, delete "; REVERSE REFERENDA "

Page 178, line 19, delete "17" and reinstate "24"

Page 187, lines 34 and 35, delete the new language and reinstate the stricken language

Page 188, lines 30 and 32, delete the new language and reinstate the stricken language

Page 189, lines 1 to 8, delete the new language and reinstate the stricken language

Page 189, lines 34 to 35, delete the new language and reinstate the stricken language

Pages 192 to 194, delete sections 4 to 6

Page 195, line 12, delete "1, 3, and 4" and insert "1 and 3"

Page 195, line 14, delete everything after the period

Page 195, delete lines 15 and 16

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Winter amendment and the roll was called.

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

There were 61 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Fuller	Jaros	Mahoney	Pelowski	Tomassoni
Bakk	Gleason	Jennings	Mariani	Pugh	Trimble
Biernat	Gray	Johnson	Marko	Rest	Tunheim
Carlson	Greenfield	Juhnke	McGuire	Rostberg	Wejcman
Cassell	Greiling	Kalis	Mullery	Rukavina	Wenzel
Clark, K.	Gunther	Knoblach	Munger	Schumacher	Winter
Dawkins	Haake	Koskinen	Murphy	Skoe	
Dorman	Hilty	Kubly	Opatz	Skoglund	
Dorn	Holberg	Leighton	Osskopp	Solberg	
Entenza	Howes	Lieder	Otremba	Storm	
Folliard	Huntley	Luther	Paymar	Swenson	

Those who voted in the negative were:

Abeler	Davids	Kahn	Milbert	Rifenberg	Wagenius
Abrams	Dehler	Kelliher	Molnau	Seagren	Westerberg
Anderson, B.	Dempsey	Kielkucki	Mulder	Seifert, J.	Westfall
Bishop	Erhardt	Krinkie	Ness	Seifert, M.	Westrom
Boudreau	Erickson	Larsen, P.	Nornes	Smith	Wilkin
Bradley	Finseth	Larson, D.	Olson	Stanek	Wolf
Broecker	Gerlach	Lenczewski	Orfield	Stang	Workman
Buesgens	Goodno	Leppik	Osthoff	Sykora	Spk. Sviggum
Carruthers	Haas	Lindner	Ozment	Tingelstad	
Chaudhary	Hackbarth	Mares	Paulsen	Tuma	
Clark, J.	Hasskamp	McCollum	Pawlenty	Van Dellen	
Daggett	Holsten	McElroy	Reuter	Vandev eer	

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

Clark, K., moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 55, after line 26, insert:

"Sec. 5. Minnesota Statutes 1998, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of and storage, use, or consumption of the following items are exempt:

(1) prescribed drugs, prescribed medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with;

(2) prescription glasses;

(3) fever thermometers;

(4) therapeutic; and prosthetic devices;

(5) nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicylic acid, ibuprofen, ketoprofen, naproxen, and other nonprescription analgesics that are approved by the United States Food and Drug Administration for internal use by human beings, or a combination thereof; and

(6) vitamin, mineral, and whole food supplements intended for use by human beings.

"Prescribed drugs" or "prescribed medicine" includes over-the-counter drugs or medicine prescribed by a licensed physician. "Therapeutic devices" includes reusable finger pricking devices for the extraction of blood, blood glucose monitoring machines, and other diagnostic agents used in diagnosing, monitoring, or treating diabetes. ~~Nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicylic acid, ibuprofen, ketoprofen, naproxen, and other nonprescription analgesics that are approved by the United States Food and Drug Administration for internal use by human beings, or a combination thereof, are exempt~~ "Vitamin, mineral, and whole food supplements" means dietary supplements in encapsulated, tablet, powdered, liquid or other form, including but not limited to enzymes, herbs, probiotics and homeopathics.

Medical supplies purchased by a licensed health care facility or licensed health care professional to provide medical treatment to residents or patients are exempt. The exemption does not apply to medical equipment or components of medical equipment, laboratory supplies, radiological supplies, and other items used in providing medical services. For purposes of this subdivision, "medical supplies" means adhesive and nonadhesive bandages, gauze pads and strips, cotton applicators, antiseptics, nonprescription drugs, eye solution, and other similar supplies used directly on the resident or patient in providing medical services."

Page 69, after line 20, insert:

"Section 5 is effective for sales after June 30, 2001."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Clark, K., amendment and the roll was called. There were 62 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Juhnke	Mahoney	Osthoff	Tomassoni
Anderson, I.	Folliard	Kahn	Mariani	Otremba	Trimble
Bakk	Gleason	Kalis	Marko	Paymar	Tunheim
Biernat	Gray	Kelliher	McCollum	Pelowski	Wagenius
Carlson	Greenfield	Koskinen	McGuire	Pugh	Wejman
Carruthers	Greiling	Kubly	Milbert	Rest	Wenzel
Chaudhary	Hasskamp	Larson, D.	Mullery	Rostberg	Winter
Clark, K.	Hilty	Leighton	Munger	Rukavina	
Dawkins	Jaros	Lenczewski	Murphy	Schumacher	
Dehler	Jennings	Lieder	Opatz	Skoe	
Dorn	Johnson	Luther	Orfield	Solberg	

Those who voted in the negative were:

Abrams	Dorman	Holsten	Molnau	Seifert, J.	Vanderveer
Anderson, B.	Erhardt	Howes	Mulder	Seifert, M.	Westerberg
Bishop	Erickson	Huntley	Ness	Skoglund	Westfall
Boudreau	Finseth	Kielkucki	Nornes	Smith	Westrom
Bradley	Fuller	Knoblach	Olson	Stanek	Wilkin
Broecker	Gerlach	Krinkie	Osskopp	Stang	Wolf
Buesgens	Goodno	Kuisle	Ozment	Storm	Workman
Cassell	Gunther	Larsen, P.	Paulsen	Swenson	Spk. Sviggum
Clark, J.	Haake	Leppik	Pawlenty	Sykora	
Daggett	Haas	Lindner	Reuter	Tingelstad	
Davids	Hackbarth	Mares	Rifenberg	Tuma	
Dempsey	Holberg	McElroy	Seagren	Van Dellen	

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

Carruthers moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 25, line 28, delete "8" and reinstate the stricken "8.5"

Page 26, line 3, delete "8" and reinstate the stricken "8.5"

Page 26, line 11, delete "8" and reinstate the stricken "8.5"

Page 55, after line 26, insert:

"Sec. 5. Minnesota Statutes 1998, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of and storage, use, or consumption of ~~prescribed~~ drugs, ~~prescribed~~ medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with prescription glasses, fever thermometers, therapeutic, and prosthetic devices. "~~Prescribed~~ Drugs" or "~~prescribed~~ medicine" includes over-the-counter drugs ~~or~~ and medicines as well as medicine prescribed by a licensed physician. "Therapeutic devices" includes reusable finger pricking devices for the extraction of blood, blood glucose monitoring machines, and other diagnostic agents used in diagnosing, monitoring, or treating diabetes. ~~Nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicylic acid, ibuprofen, ketoprofen, naproxen, and other nonprescription analgesics that are approved by the United States Food and Drug Administration for internal use by human beings, or a combination thereof, are exempt.~~

Medical supplies purchased by a licensed health care facility or licensed health care professional to provide medical treatment to residents or patients are exempt. The exemption does not apply to medical equipment or components of medical equipment, laboratory supplies, radiological supplies, and other items used in providing medical services. For purposes of this subdivision, "medical supplies" means adhesive and nonadhesive bandages, gauze pads and strips, cotton applicators, antiseptics, nonprescription drugs, eye solution, and other similar supplies used directly on the resident or patient in providing medical services."

Page 59, after line 20, insert:

"Sec. 8. Minnesota Statutes 1998, section 297A.25, subdivision 23, is amended to read:

Subd. 23. [RESIDENTIAL ~~HEATING~~ FUELS.] The gross receipts from the sale of and the storage, use, or consumption of residential ~~heating~~ fuels are exempt in the following manner:

(1) all fuel oil, coal, wood, steam, hot water, propane gas, and L.P. gas sold to residential customers for residential use;

(2) natural gas sold for residential use to customers who are metered and billed as residential users ~~and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;~~

(3) electricity sold for residential use to customers who are metered and billed as residential users ~~and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April."~~

Page 69, line 17, after "4," insert "5,"

Page 69, line 17, after "6," insert "8,"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Carruthers amendment and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Bakk	Gleason	Juhnke	Mahoney	Osthoff	Storm
Biernat	Gray	Kahn	Mariani	Otremba	Tomassoni
Carlson	Greenfield	Kalis	Marko	Paymar	Trimble
Carruthers	Greiling	Kelliher	McCollum	Pelowski	Tunheim
Chaudhary	Hasskamp	Koskinen	McGuire	Pugh	Wagenius
Clark, K.	Hilty	Kubly	Milbert	Rest	Wejman
Dawkins	Howes	Larson, D.	Mullery	Rukavina	Wenzel
Dorn	Huntley	Leighton	Munger	Schumacher	Winter
Entenza	Jaros	Lenczewski	Murphy	Skoe	
Folliard	Jennings	Lieder	Opatz	Skoglund	
Fuller	Johnson	Luther	Orfield	Solberg	

Those who voted in the negative were:

Abeler	Davids	Hackbarth	Molnau	Seagren	Westerberg
Abrams	Dehler	Holberg	Mulder	Seifert, J.	Westfall
Anderson, B.	Dempsey	Holsten	Ness	Seifert, M.	Westrom
Anderson, I.	Dorman	Kielkucki	Nornes	Smith	Wilkin
Bishop	Erhardt	Knoblach	Olson	Stanek	Wolf
Boudreau	Erickson	Krinkie	Osskopp	Stang	Workman
Bradley	Finseth	Kuisle	Ozment	Swenson	Spk. Sviggum
Broecker	Gerlach	Larsen, P.	Paulsen	Sykora	
Buesgens	Goodno	Leppik	Pawlenty	Tingelstad	
Cassell	Gunther	Lindner	Reuter	Tuma	
Clark, J.	Haake	Mares	Rifenberg	Van Dellen	
Daggett	Haas	McElroy	Rostberg	Vandever	

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

Rest and Abrams moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 3, line 25, after "who" insert ": (1)"

Page 3, line 31, delete "or who" and insert "(2)"

Page 3, line 36, after the comma, insert "or (3) had their property taxes payable for 1997 on their homestead abated to zero under Laws 1997, chapter 321, article 2, section 64;"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Munger was excused for the remainder of today's session.

Carruthers, Luther, Haas, Milbert, Paulsen, Jennings and Larson, D., moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 130, after line 2, insert:

"Sec. 16. Minnesota Statutes 1998, section 273.126, subdivision 1, is amended to read:

Subdivision 1. [QUALIFYING RULES.] The market value of a rental housing unit qualifies for assessment under class 4d if:

(1) it is occupied by individuals meeting the income limits under subdivision 2;

(2) a rent restriction agreement under subdivision 3 applies;

(3) the unit meets the minimum housing quality standards under subdivision 4; ~~and~~

(4) the Minnesota housing finance agency certifies to the local assessor that the unit qualifies; and

(5)(i) the unit was classified as class 4d for property taxes payable in 2000 or (ii) the unit was newly constructed or substantially rehabilitated after January 2, 1999.

Sec. 17. Minnesota Statutes 1998, section 273.126, is amended by adding a subdivision to read:

Subd. 7. [SUBSTANTIALLY REHABILITATED.] "Substantially rehabilitated" means, for purposes of this section and section 462A.071, that \$5,000 or more was spent on improving the unit or the unit's proportionate share of the building."

Page 167, after line 21, insert:

"Sections 16 and 17 are effective for taxes levied in 2000, payable in 2001, and thereafter."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Carruthers et al amendment and the roll was called.

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

There were 36 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Carruthers	Haas	Knoblach	Mares	Osskopp	Solberg
Chaudhary	Hasskamp	Larson, D.	Marko	Paulsen	Tingelstad
Dorn	Huntley	Leighton	McCollum	Pelowski	Trimble
Greenfield	Jennings	Lenczewski	McGuire	Pugh	Tuma
Gunther	Johnson	Luther	Milbert	Rukavina	Vandever
Haake	Kalis	Mahoney	Murphy	Smith	Winter

Those who voted in the negative were:

Abeler	Davids	Greiling	Leppik	Pawlenty	Swenson
Anderson, B.	Dawkins	Hackbarth	Lieder	Paymar	Sykora
Anderson, I.	Dehler	Hilty	Lindner	Rest	Tomassoni
Bakk	Dempsey	Holsten	Mariani	Reuter	Van Dellen
Biernat	Dorman	Howes	McElroy	Rifenberg	Wagenius
Bishop	Entenza	Jaros	Molnau	Rostberg	Wejzman
Boudreau	Erhardt	Juhnke	Mulder	Schumacher	Wenzel
Bradley	Erickson	Kahn	Mullery	Seagren	Westerberg
Broecker	Finseth	Kelliher	Ness	Seifert, J.	Westfall
Buesgens	Folliard	Kielkucki	Nornes	Seifert, M.	Westrom
Carlson	Fuller	Koskinen	Olson	Skoe	Wilkin
Cassell	Gerlach	Krinkie	Opatz	Skoglund	Wolf
Clark, J.	Gleason	Kubly	Orfield	Stanek	Workman
Clark, K.	Goodno	Kuisle	Otremba	Stang	Spk. Sviggum
Daggett	Gray	Larsen, P.	Ozment	Storm	

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

Rukavina moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 47, after line 33, insert:

"Sec. 31. Minnesota Statutes 1998, section 290A.04, is amended by adding a subdivision to read:

Subd. 2k. [SENIOR CITIZEN PROPERTY TAX REFUND.] Effective beginning for taxes payable in 2000, a claimant who is a homeowner is allowed a credit equal to the excess of the claimant's net property taxes over six percent of the claimant's household income. In order to qualify for a credit under this subdivision, the claimant or the spouse of the claimant must be at least 65 years of age on December 31 of the year prior to the year in which the taxes are payable and must have resided in the homestead for at least ten consecutive years ending on December 31 of the year prior to the year in which the taxes are payable. No payment is allowed if the claimant's household income exceeds the maximum income for which a claimant may receive a refund under subdivision 2. The commissioner of revenue may require claimants to certify eligibility for the credit in a form the commissioner prescribes. For purposes of this subdivision, "net property taxes" means property taxes payable after reduction for all state paid aids or credits and after deduction of the refund for which the claimant qualifies under subdivisions 2 and 2h."

Page 51, after line 2, insert:

"(i) Section 31 is effective for credits paid in 2001, based on taxes payable in 2000, and thereafter."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Rukavina amendment and the roll was called.

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

There were 64 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Folliard	Jaros	Lenczewski	Opatz	Solberg
Anderson, I.	Fuller	Jennings	Lieder	Orfield	Storm
Bakk	Gleason	Johnson	Luther	Otremba	Tomassoni
Biernat	Gray	Juhnke	Mahoney	Paymar	Trimble
Carlson	Greenfield	Kahn	Mariani	Pelowski	Tunheim
Carruthers	Greiling	Kalis	Marko	Pugh	Wagenius
Chaudhary	Hasskamp	Kelliher	McCollum	Rest	Wejzman
Clark, K.	Hausman	Koskinen	McGuire	Rukavina	Wenzel
Dawkins	Hilty	Kubly	Milbert	Schumacher	Winter
Dorn	Howes	Larson, D.	Mullery	Skoe	
Entenza	Huntley	Leighton	Murphy	Skoglund	

Those who voted in the negative were:

Abrams	Dehler	Hackbarth	McElroy	Rifenberg	Tuma
Anderson, B.	Dempsey	Holberg	Molnau	Rostberg	Van Dellen
Bishop	Dorman	Holsten	Mulder	Seagren	Vandever
Boudreau	Erhardt	Kielkucki	Ness	Seifert, J.	Westerberg
Bradley	Erickson	Knoblach	Nornes	Seifert, M.	Westfall
Broecker	Finseth	Krinkie	Olson	Smith	Westrom
Buesgens	Gerlach	Kuisele	Osskopp	Stanek	Wilkin
Cassell	Goodno	Larsen, P.	Ozment	Stang	Wolf
Clark, J.	Gunther	Leppik	Paulsen	Swenson	Workman
Daggett	Haake	Lindner	Pawlenty	Sykora	Spk. Sviggum
Davids	Haas	Mares	Reuter	Tingelstad	

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

Pugh moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 25, lines 25 and 26, delete \$34,500" and insert "\$40,000"

Page 25, line 28, delete "8" and insert "8.25"

Page 25, line 36, delete "\$17,250" and insert "\$20,000"

Page 26, line 1, delete "\$17,250" and insert "\$20,000"

Page 26, line 3, delete "8" and insert "8.25"

Page 26, lines 8 and 9, delete "\$25,870" and insert "\$30,000"

Page 26, line 11, delete "8" and insert "8.25"

Page 50, after line 9, insert:

"Sec. 35. [REPEALER.]

H. F. No. 878, article 4, if enacted during the 1999 legislative session, is repealed."

Page 51, after line 2, insert:

"(i) Section 35 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Pugh amendment and the roll was called.

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

There were 65 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Abeler	Folliard	Huntley	Lenczewski	Opatz	Skoglund
Anderson, I.	Fuller	Jaros	Lieder	Orfield	Solberg
Bakk	Gleason	Jennings	Luther	Osthoff	Tomassoni
Biernat	Gray	Johnson	Mahoney	Otremba	Trimble
Carlson	Greenfield	Juhnke	Mariani	Paymar	Tunheim
Carruthers	Greiling	Kahn	Marko	Pelowski	Wagenius
Chaudhary	Hackbarth	Kalis	McCollum	Pugh	Wejzman
Clark, K.	Hasskamp	Koskinen	McGuire	Rest	Wenzel
Dawkins	Hausman	Kubly	Milbert	Rukavina	Westerberg
Dorn	Hilty	Larson, D.	Mullery	Schumacher	Winter
Entenza	Howes	Leighton	Murphy	Skoe	

Those who voted in the negative were:

Abrams	Boudreau	Buesgens	Daggett	Dempsey	Erickson
Anderson, B.	Bradley	Cassell	Dauids	Dorman	Finseth
Bishop	Broecker	Clark, J.	Dehler	Erhardt	Gerlach

Goodno	Knoblach	Molnau	Pawlenty	Stanek	Vandever
Gunther	Krinkie	Mulder	Reuter	Stang	Westfall
Haake	Kuisle	Ness	Rifenberg	Storm	Westrom
Haas	Larsen, P.	Nornes	Rostberg	Swenson	Wilkin
Holberg	Leppik	Olson	Seagren	Sykora	Wolf
Holsten	Lindner	Osskopp	Seifert, J.	Tingelstad	Workman
Kelliher	Mares	Ozment	Seifert, M.	Tuma	Spk. Sviggum
Kielkucki	McElroy	Paulsen	Smith	Van Dellen	

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

Abrams moved to amend H. F. No. 2420, the first engrossment, as amended, as follows:

Page 1, line 7 of the Abrams amendment, delete "(A)" and insert "(D)"

Page 1, delete lines 10 to 12 of the Abrams amendment and insert:

"Page 140, line 9, delete the period and insert "; or

(D) property for which an irrevocable letter of credit with a housing and redevelopment authority was signed before December 31, 1998."

The motion prevailed and the amendment was adopted.

H. F. No. 2420, A bill for an act relating to financing state and local government; providing a sales tax rebate; reducing individual income tax rates; making changes to income, sales and use, property, excise, mortgage registry and deed, health care provider, motor fuels, cigarette and tobacco, liquor, insurance premiums, aircraft registration, lawful gambling, taconite production, solid waste, and special taxes; establishing an agricultural homestead credit; changing and allowing tax credits, subtractions, and exemptions; changing property tax valuation, assessment, levy, classification, homestead, credit, aid, exemption, review, appeal, abatement, and distribution provisions; extending levy limits and changing levy authority; providing for reverse referenda on certain levy increases; phasing out health care provider taxes; extending the suspension of the tax on certain insurance premiums; reducing tax rates on lawful gambling; changing tax increment financing law and providing special authority for certain cities; authorizing water and sanitary sewer districts; providing for the funding of courts in certain judicial districts; changing tax forfeiture and delinquency provisions; changing and clarifying tax administration, collection, enforcement, and penalty provisions; freezing the taconite production tax and providing for its distribution; providing for funding for border cities; changing fiscal note requirements; providing for deposit of tobacco settlement funds; providing for allocation of certain budget surpluses; requiring studies; establishing a task force; and providing for appointments; transferring funds; appropriating money; amending Minnesota Statutes 1998, sections 3.986, subdivision 2; 3.987, subdivision 1; 16A.152, subdivision 2, and by adding a subdivision; 16A.1521; 60A.15, subdivision 1; 62J.041, subdivision 1; 62Q.095, subdivision 6; 92.51; 97A.065, subdivision 2; 214.16, subdivisions 2 and 3; 270.07, subdivision 1; 270.65; 270.67, by adding a subdivision; 270B.01, subdivision 8; 270B.14, subdivision 1, and by adding a subdivision; 271.01, subdivision 5; 271.21, subdivision 2; 272.02, subdivision 1; 272.027; 272.03, subdivision 6; 273.11, subdivisions 1a and 16; 273.111, by adding a subdivision; 273.124, subdivisions 1, 7, 8, 13, 14, and by adding a subdivision; 273.13, subdivisions 22, 23, 24, 25, 31, and by adding a subdivision; 273.1382; 273.1398, subdivisions 2, 8, and by adding a subdivision; 273.1399, subdivision 6; 273.20; 274.01, subdivision 1; 275.065, subdivisions 3, 5a, 6, 8, and by adding a subdivision; 275.07, subdivision 1; 275.71, subdivisions 2, 3, and 4; 276.131; 279.37, subdivisions 1, 1a, and 2; 281.23, subdivisions 2, 4, and 6; 282.01, subdivisions 1, 4, and 7;

282.04, subdivision 2; 282.05; 282.08; 282.09; 282.241; 282.261, subdivision 4, and by adding a subdivision; 283.10; 287.01, subdivision 3, as amended; 287.05, subdivisions 1, as amended, and 1a, as amended; 289A.02, subdivision 7; 289A.18, subdivision 4; 289A.20, subdivision 4; 289A.31, subdivision 2; 289A.40, subdivisions 1 and 1a; 289A.50, subdivision 7, and by adding a subdivision; 289A.56, subdivision 4; 289A.60, subdivisions 3 and 21; 290.01, subdivisions 7, 19, 19a, 19b, 19f, 31, and by adding a subdivision; 290.06, subdivisions 2c, 2d, and by adding subdivisions; 290.0671, subdivision 1; 290.0672, subdivision 1; 290.0674, subdivisions 1 and 2; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 5; 290.095, subdivision 3; 290.17, subdivisions 3, 4, and 6; 290.191, subdivisions 2 and 3; 290.9725; 290.9726, by adding a subdivision; 290A.03, subdivisions 3 and 15; 290B.03, subdivision 1; 290B.04, subdivisions 3 and 4; 290B.05, subdivision 1; 291.005, subdivision 1; 295.50, subdivision 4; 295.52, subdivision 7; 295.53, subdivision 1; 295.55, subdivisions 2 and 3; 296A.16, by adding subdivisions; 297A.01, subdivision 15; 297A.15, subdivision 5; 297A.25, subdivisions 9, 11, 63, 73, and by adding subdivisions; 297A.48, by adding a subdivision; 297B.01, subdivision 7; 297B.03; 297E.01, by adding a subdivision; 297E.02, subdivisions 1, 3, 4, and 6; 297F.01, subdivision 23; 297F.17, subdivision 6; 297H.05; 297H.06, subdivision 2; 298.24, subdivision 1; 298.28, subdivision 9a; 299D.03, subdivision 5; 357.021, subdivision 1a; 360.55, by adding a subdivision; 375.192, subdivision 2; 383C.482, subdivision 1; 465.82, by adding a subdivision; 469.169, subdivision 12, and by adding a subdivision; 469.1735, by adding a subdivision; 469.176, subdivision 4g; 469.1763, by adding a subdivision; 469.1771, subdivision 1, and by adding a subdivision; 469.1791, subdivision 3; 469.1813, subdivisions 1, 2, 3, 6, and by adding a subdivision; 469.1815, subdivision 2; 473.249, subdivision 1; 473.252, subdivision 2; 473.253, subdivision 1; 477A.03, subdivision 2; 477A.06, subdivision 1; 485.018, subdivision 5; 487.02, subdivision 2; 487.32, subdivision 3; 487.33, subdivision 5; and 574.34, subdivision 1; Laws 1988, chapter 645, section 3; Laws 1997, chapter 231, article 1, section 19, subdivisions 1 and 3; Laws 1997, chapter 231, article 3, section 9; Laws 1997, First Special Session chapter 3, section 27; Laws 1997, Second Special Session chapter 2, section 6; Laws 1998, chapter 389, article 1, section 1; and Laws 1998, chapter 389, article 8, section 44, subdivisions 5, 6, and 7, as amended; proposing coding for new law in Minnesota Statutes, chapters 16A; 62Q; 256L; 275; 297A; 469; and 473; repealing Minnesota Statutes 1998, sections 13.99, subdivision 86b; 16A.724; 16A.76; 92.22; 144.1484, subdivision 2; 256L.02, subdivision 3; 273.11, subdivision 10; 280.27; 281.13; 281.38; 284.01; 284.02; 284.03; 284.04; 284.05; 284.06; 295.50; 295.51; 295.52; 295.53; 295.54; 295.55; 295.56; 295.57; 295.58; 295.582; 295.59; 297E.12, subdivision 3; 297F.19, subdivision 4; 297G.18, subdivision 4; and 473.252, subdivisions 4 and 5; Laws 1997, chapter 231, article 1, section 19, subdivision 2; and Laws 1998, chapter 389, article 3, section 45.

The bill was read for the third time, as amended, and placed upon its final passage.

The Speaker called Pawlenty to the Chair.

The Speaker resumed the Chair.

The question was taken on the passage of the bill and the roll was called.

There were 95 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeler	Cassell	Folliard	Howes	Larsen, P.	Molnau
Abrams	Chaudhary	Fuller	Jennings	Larson, D.	Mulder
Anderson, B.	Clark, J.	Gerlach	Johnson	Lenczewski	Ness
Biernat	Daggett	Goodno	Kalis	Leppik	Nornes
Bishop	Davids	Gunther	Kelliher	Lindner	Olson
Boudreau	Dehler	Haake	Kielkucki	Luther	Opatz
Bradley	Dempsey	Haas	Knoblach	Mahoney	Osskopp
Broecker	Dorman	Hackbarth	Koskinen	Mares	Osthoff
Buesgens	Erhardt	Hasskamp	Krinkie	Marko	Otremba
Carlson	Erickson	Holberg	Kubly	McElroy	Ozment
Carruthers	Finseth	Holsten	Kuisle	Milbert	Paulsen

Pawlenty	Rostberg	Smith	Sykora	Vandev eer	Wilkin
Pelowski	Schumacher	Stanek	Tingelstad	Wenzel	Wolf
Rest	Seagren	Stang	Tuma	Westerberg	Workman
Reuter	Seifert, J.	Storm	Tunheim	Westfall	Spk. Sviggum
Rifenberg	Seifert, M.	Swenson	Van Dellen	Westrom	

Those who voted in the negative were:

Anderson, I.	Gleason	Huntley	Mariani	Paymar	Tomassoni
Bakk	Gray	Jaros	McCollum	Pugh	Trimble
Clark, K.	Greenfield	Juhnke	McGuire	Rukavina	Wagenius
Dawkins	Greiling	Kahn	Mullery	Skoe	Wejcm an
Dorn	Hausman	Leighton	Murphy	Skoglund	Winter
Entenza	Hilty	Lieder	Orfield	Solberg	

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

CALENDAR FOR THE DAY

Pawlenty moved that the Calendar for the Day be continued. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 841, A bill for an act relating to insurance; providing an alternative benefit plan for small employers; authorizing a small employer alternative benefit plan pilot project; modifying certain health plan company requirements; amending Minnesota Statutes 1998, sections 62L.02, subdivision 16; 62L.05, subdivision 5, and by adding a subdivision; 62Q.095, subdivision 1; and 62Q.51, subdivision 4.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Scheid, Hottinger and Oliver.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Haas moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 841. The motion prevailed.

MOTIONS AND RESOLUTIONS

Carruthers moved that H. F. No. 2254 be returned to its author. The motion prevailed.

Anderson, I., moved that H. F. No. 2431 be recalled from the Committee on Governmental Operations and Veterans Affairs Policy and be re-referred to the Committee on Capital Investment. The motion prevailed.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Bishop announced his intention to place H. F. No. 2205 on the Fiscal Calendar for Monday, May 3, 1999.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 841:

Haas, Davids and Milbert.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2223:

Krinkie, Oskopp, Rhodes, Reuter and Kahn.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2226:

Holsten, Finseth, Ozment, Ness and Osthoff.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2234:

Bishop, Gerlach and Osthoff.

REPORT FROM THE CHAIR OF THE COMMITTEE ON WAYS AND MEANS

April 29, 1999

Edward A. Burdick
Chief Clerk of the House of Representatives
The State of Minnesota

Dear Mr. Burdick:

House Rule 4.03 requires the Chair of the Committee on Ways and Means to certify to the House of Representatives that the Committee has reconciled any finance and revenue bills with the budget resolution and targets.

Please accept this letter as certification that H. F. No. 2205 reconciles with the budget resolution and targets.

Sincerely,

REPRESENTATIVE DAVE BISHOP
Chair, House Ways and Means Committee

ADJOURNMENT

Pawlenty moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, May 3, 1999. The motion prevailed.

Pawlenty moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Monday, May 3, 1999.

EDWARD A. BURDICK, Chief Clerk, House of Representatives