

## STATE OF MINNESOTA

## EIGHTY-THIRD SESSION — 2004

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 NINETY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 23, 2004

The House of Representatives convened at 8:00 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by Senator Gary W. Kubly, District 20, Granite Falls, 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	Demmer	Hilstrom	Latz	Osterman	Soderstrom
Abrams	Dempsey	Hilty	Lenczewski	Otremba	Solberg
Adolphson	Dill	Holberg	Lesch	Otto	Stang
Anderson, B.	Dorman	Hoppe	Lieder	Ozment	Swenson
Anderson, I.	Dorn	Hornstein	Lindgren	Paulsen	Sykora
Anderson, J.	Eastlund	Howes	Lindner	Paymar	Thao
Atkins	Eken	Huntley	Lipman	Pelowski	Thissen
Beard	Ellison	Jacobson	Magnus	Penas	Tingelstad
Bernardy	Entenza	Jaros	Mariani	Peterson	Urdahl
Biernat	Erhardt	Johnson, J.	Marquart	Powell	Vandever
Blaine	Erickson	Johnson, S.	McNamara	Pugh	Wagenius
Borrell	Finstad	Juhnke	Meslow	Rhodes	Walz
Boudreau	Fuller	Kahn	Mullery	Rukavina	Wardlow
Bradley	Gerlach	Kelliher	Murphy	Ruth	Wasiluk
Brod	Goodwin	Klinzing	Nelson, C.	Samuelson	Westerberg
Buesgens	Greiling	Knoblach	Nelson, M.	Seagren	Westrom
Carlson	Gunther	Koenen	Nelson, P.	Seifert	Wilkin
Clark	Haas	Kohls	Newman	Sertich	Zellers
Cornish	Hackbarth	Krinkie	Nornes	Severson	Spk. Sviggum
Cox	Harder	Kuisle	Olsen, S.	Sieben	
Davids	Hausman	Lanning	Olson, M.	Simpson	
Davnie	Heidgerken	Larson	Opatz	Smith	

A quorum was present.

Mahoney and Walker were excused.

DeLaForest was excused until 9:05 a.m. Slawik was excused until 9:20 a.m. Strachan was excused until 11:05 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kohls 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 STANDING COMMITTEES

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

H. F. No. 1798, A bill for an act relating to state government; the Office of the Secretary of State; simplifying filing procedures; eliminating certain filing requirements; requiring electronic registration after December 31, 2004; regulating notary appointments and commissions; appropriating money; amending Minnesota Statutes 2002, sections 184.30; 302A.821, subdivisions 1, 2, 4; 308A.995, subdivision 5; 317A.823, subdivision 1, by adding a subdivision; 322B.960, subdivisions 1, 2, 5; 325A.06, subdivision 1; 326.40, subdivision 2; 326.48, subdivision 3; 330.01, subdivision 1; 330.08; 330.09; 336.9-525; 340A.416, subdivision 4; 359.01; 359.071; 398.10; Minnesota Statutes 2003 Supplement, section 308B.121, subdivision 5.

Reported the same back with the following amendments:

Page 2, line 6, before "Each" insert "(a) The secretary of state must send annually to each corporation at the registered office of the corporation a postcard notice announcing the need to file the annual registration and informing the corporation that the annual registration may be filed on-line and that paper filings may also be made, and informing the corporation that failing to file the annual registration will result in an administrative dissolution of the corporation.

(b)"

Page 2, line 20, delete "(a)"

Page 2, delete lines 33 and 34

Page 3, line 5, reinstate the stricken language

Page 3, delete line 6 and insert "~~three~~ two consecutive calendar years, the secretary of"

Page 3, line 15, after the period, insert "The notice must be given by United States mail unless the company has indicated to the secretary of state that they are willing to receive notice by electronic notification, in which case the secretary of state may give notice by mail or the indicated means."

Page 5, line 5, after "(a)" insert "The secretary of state must send annually to each corporation at the registered office of the corporation a postcard notice announcing the need to file the annual registration and informing the corporation that the annual registration may be filed on-line and that paper filings may also be made, and informing the corporation that failing to file the annual registration will result in an administrative dissolution of the corporation.

(b)"

Page 5, line 6, strike "(c)" and insert "(d)"

Page 5, line 18, delete "(b)" and insert "(c)"

Page 5, line 19, strike "(b)"

Page 5, line 20, before "The" insert "(c)"

Page 5, line 28, strike "(c)" and insert "(d)"

Page 6, delete section 8

Page 6, line 16, before "Each" insert "(a) The secretary of state must send annually to each limited liability company at the registered office of the corporation a postcard notice announcing the need to file the annual registration and informing the limited liability company that the annual registration may be filed on-line and that paper filings may also be made, and informing the limited liability company that failing to file the annual registration will result in an administrative termination of the limited liability company.

(b)"

Page 6, line 32, delete "(a)"

Page 7, delete lines 13 and 14

Page 15, line 4, delete "11" and insert "10"

Page 15, line 5, delete "20 and 21" and insert "19 and 20"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "requiring"

Page 1, delete line 5

Page 1, line 9, delete ", by"

Page 1, line 10, delete "adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

Krinkie from the Committee on Capital Investment to which was referred:

H. F. No. 2991, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing sale of state bonds; appropriating money; amending Laws 2003, First Special Session chapter 20, article 1, section 15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS AND RELATED LANGUAGE

Section 1. [CAPITAL IMPROVEMENT APPROPRIATIONS.]

The sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

UNIVERSITY OF MINNESOTA	\$90,480,000
MINNESOTA STATE COLLEGES AND UNIVERSITIES	145,817,000
PERPICH CENTER FOR ARTS EDUCATION	1,100,000
EDUCATION	1,054,000
MINNESOTA STATE ACADEMIES	4,255,000
NATURAL RESOURCES	49,400,000
POLLUTION CONTROL AGENCY	14,000,000
OFFICE OF ENVIRONMENTAL ASSISTANCE	4,000,000
BOARD OF WATER AND SOIL RESOURCES	24,500,000
AGRICULTURE	18,570,000
ZOOLOGICAL GARDEN	2,000,000
ADMINISTRATION	1,000,000
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	2,735,000
AMATEUR SPORTS COMMISSION	18,100,000
MILITARY AFFAIRS	5,000,000
VETERANS AFFAIRS	500,000
TRANSPORTATION	101,300,000

96TH DAY]

FRIDAY, APRIL 23, 2004

6973

METROPOLITAN COUNCIL	17,000,000
HUMAN SERVICES	9,014,000
VETERANS HOMES BOARD	7,077,000
CORRECTIONS	65,433,000
EMPLOYMENT AND ECONOMIC DEVELOPMENT	61,480,000
MINNESOTA HISTORICAL SOCIETY	4,000,000
GRANTS TO POLITICAL SUBDIVISIONS	34,248,000
BOND SALE EXPENSES	667,000
CANCELLATIONS	(20,000,000)
TOTAL	\$662,730,000
Bond Proceeds Fund (General Fund Debt Service)	590,125,000
Bond Proceeds Fund (User Financed Debt Service)	56,240,000
State Transportation Fund Bond Proceeds Account	30,000,000
General Fund	2,565,000
Bond Proceeds Cancellations	(20,000,000)
Trunk Highway Fund	3,800,000

APPROPRIATIONS

\$

Sec. 2. UNIVERSITY OF MINNESOTA

Subdivision 1. To the Board of Regents of the University of Minnesota for the purposes specified in this section	90,480,000
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Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)	38,000,000
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To be spent in accordance with Minnesota Statutes, section 135A.046.

## APPROPRIATIONS

\$

## Subd. 3. Academic Health Center, Minneapolis

9,600,000

To design, renovate, furnish, and equip classrooms in the academic health care facility to provide flexible space, including computer-based testing facilities, computer labs, and simulation facilities for health professional education.

## Subd. 4. Duluth Life Science Building

9,300,000

To design, renovate, furnish, and equip the Life Science Building for the pharmacy program and other academic programs on the Duluth campus. The renovation may include, but is not limited to, improvements to correct air quality problems, life safety and accessibility code deficiencies, asbestos, and fireproofing of the facility.

## Subd. 5. Education Sciences - Minneapolis

13,300,000

To design, renovate, furnish, and equip the Education Sciences Building.

## Subd. 6. Kolthoff Hall - Minneapolis

16,000,000

To design, renovate, furnish, and equip Kolthoff Hall to correct air quality problems in the facility that may include, but is not limited to, repair or replacement of the mechanical, electrical, and HVAC systems.

## Subd. 7. Morris District Facilities

2,890,000

To design, construct, furnish, and equip an addition to the heating plant to provide the capacity to generate steam by burning biomass.

## Subd. 8. Business School and Utility Infrastructure - Duluth

1,000,000

To design a new building, including classrooms, offices, teaching laboratories, student services, and administrative support for the Labovitz School of Business and Economics and to design upgrades for the central utility distribution system to accommodate increased demand.

## Subd. 9. North Central Research and Outreach Center

390,000

To construct a building at the North Central Outreach Center at Grand Rapids to accommodate the farm machinery repair, maintenance, and carpentry shops.

## APPROPRIATIONS

\$

## Subd. 10. University Bonds

The Board of Regents shall issue bonds for remaining costs associated with projects authorized by subdivisions 3 to 9.

## Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section 145,817,000

Subd. 2. Higher Education Asset Preservation and Replacement 49,000,000

This appropriation is for the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, envelope integrity, mechanical systems, and space restoration.

Subd. 3. Winona State University 10,235,000

To design, renovate, furnish, and equip Pasteur Hall for classrooms, science laboratories, and related offices.

Subd. 4. Minnesota State University - Moorhead 9,645,000

To renovate, furnish, and equip Hagen Hall for classrooms, science laboratories, and related offices.

Subd. 5. Century Community and Technical College 4,500,000

To remodel, furnish, and equip recently purchased space into a computer center, offices, and smart classrooms.

Subd. 6. St. Cloud State University 2,900,000

To remodel, furnish, and equip Centennial Hall to convert it from a library to classroom and office space. This appropriation is added to the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 3, subdivision 16.

Subd. 7. Lake Superior Community and Technical College 8,300,000

To design, construct, furnish, and equip an academic addition for smart classrooms and open laboratories.

## APPROPRIATIONS

\$

Subd. 8. St. Cloud Technical College	12,960,000
To design, construct, furnish, and equip a building addition and to renovate, furnish, and equip classroom space into science space for allied health programs and the co-location of a workforce center.	
Subd. 9. South Central Technical College	4,747,000
To remodel, furnish, and equip teaching laboratories at the North Mankato campus and for asset preservation at the Faribault campus.	
Subd. 10. Inver Hills Community College	4,500,000
To construct, furnish, and equip an addition to and remodel space in the College Center Building.	
Subd. 11. Bemidji State University, Northwest Technical College, Bemidji-Phase 2	10,000,000
To remodel, furnish, and equip Bridgeman Hall for the emerging technologies addition project and to construct, furnish, and equip a technical college addition for shared-use of health care programs and industrial technology programs of Bemidji State University and Northwest Technical College.	
Subd. 12. Systemwide Science Lab Renovations	8,900,000
To design, renovate, furnish, and equip science laboratories at campuses statewide.	
Subd. 13. Riverland Community and Technical College	4,100,000
To design, remodel, furnish, and equip existing space into labs and classrooms at the Austin campus.	
Subd. 14. Rochester Community and Technical College	10,945,000
To design, renovate, furnish, and equip the vacant Rockenbach gymnasium, part of the Heintz center, and part of the main campus buildings into a health science center to co-locate nursing programs, expand the dental clinic, and create a community primary care clinic.	
Subd. 15. Systemwide Demolition Initiative	1,625,000
To demolish obsolete buildings on ten campuses.	



## APPROPRIATIONS

\$

## Subd. 16. Minnesota State University - Mankato

2,560,000

To design, through construction documents, an addition to and partial remodeling of Trafton Science Center to provide additional science labs and remodel existing science labs.

## Subd. 17. St. Cloud State University

900,000

To design, through construction documents, renovation of Brown Hall for science and health care instruction.

## Subd. 18. Debt Service

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement in subdivision 2. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

## Sec. 4. PERPICH CENTER FOR ARTS EDUCATION

Subdivision 1. To the commissioner of administration for the purposes specified in this section

1,100,000

## Subd. 2. Campus Asset Preservation

600,000

For asset preservation capital improvements on the campus including, but not limited to, construction or repair of perimeter fencing, sidewalks, roads, sewers, the addition of an air conditioning chiller, and mold abatement.

## APPROPRIATIONS

\$

Subd. 3. Beta Building Demolition 500,000

To demolish the Beta Building on the Perpich Center Campus, dispose of any hazardous materials, and fill the site.

## Sec. 5. EDUCATION

Subdivision 1. To the commissioner of education for the purposes specified in this section 1,054,000

Subd. 2. East Metro Magnet School - Crosswinds Middle School 1,054,000

For a grant to East Metro Integration District No. 6067, to complete land acquisition of the current site for the Crosswinds Arts and Science Middle School.

Sec. 6. MINNESOTA STATE ACADEMIES 4,255,000

To the commissioner of administration for asset preservation capital improvements on both campuses of the Minnesota State Academies for the Deaf and the Blind.

## Sec. 7. NATURAL RESOURCES

Subdivision 1. To the commissioner of natural resources for the purposes specified in this section 49,400,000

Subd. 2. Flood Hazard Mitigation Grants 20,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

\$175,000 of this amount is for the state share of a grant to the city of Cannon Falls.

\$3,400,000 of this amount is for the state share of flood hazard mitigation grants for the Roseau River Wildlife Management Area, Palmville, Malung, and the Grand Marais Creek Flood Reduction Project in the Red Lake Watershed District.

For grants for the Roseau River Wildlife Management Area, Palmville, and Malung, the state share must be \$3 for each \$1 of nonstate contribution.

## APPROPRIATIONS

\$

To the extent that the cost of the projects in Montevideo, Breckenridge, East Grand Forks, Ada, Roseau, Oakport Township, Granite Falls, Warren, and Dawson exceed two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Subd. 3. Dam Renovation and Removal 1,200,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

\$200,000 of this amount is to remove the dam on Rush Creek in Chisago County, restore the river channel and floodplain, and construct off-channel ponds for storm water retention and recreation.

Subd. 4. RIM - Critical Habitat Match 2,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943, for the acquisition or improvements of a capital nature for critical fish, wildlife, and native plant habitats.

Subd. 5. RIM - Wildlife Area Land Acquisition 6,000,000

To acquire land for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8.

Subd. 6. Fisheries Acquisition and Improvement 1,000,000

To acquire land and interests in land for aquatic management areas and to make public improvements and betterments of a capital nature to aquatic management areas established under Minnesota Statutes, section 86A.05, subdivision 14.

Subd. 7. Water Access Acquisition, Betterment, and Fishing Piers 3,000,000

For public water access acquisition, construction, and renovation to capital projects on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

## APPROPRIATIONS

\$

## Subd. 8. Reforestation

3,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and purchasing tree seeds and seedlings.

## Subd. 9. Scientific and Natural Area Acquisition and Development

300,000

To acquire land for scientific and natural areas and for development, protection, or improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5.

## Subd. 10. State and Local Trail Development and Acquisition

5,500,000

(a) \$5,000,000 is for accelerated state trail development. Of this amount: (1) \$200,000 is for acquisition and development of the Goodhue Pioneer Trail; (2) \$450,000 is for design, acquisition, and construction of the segment of the Shooting Star Trail from Leroy to Rose Creek; (3) \$1,500,000 is for extension across Excelsior Road to connect with the Oberstar Tunnel on the Paul Bunyan Trail; (4) \$450,000 is for development of the Forestville segment of the Blufflands Trail system; (5) \$900,000 is for acquisition and preliminary development of the undeveloped portion of the Paul Bunyan State Trail in the city of Bemidji; (6) \$1,000,000 is for acquisition and development of the Mill Towns State Trail between the existing Cannon Valley Trail and the Sakatah Singing Hills State Trail; and (7) \$300,000 is for land acquisition, engineering, and construction of the Lake Koronis State Trail.

(b) \$500,000 is for a grant to the city of St. Louis Park to design and construct a grade-separated pedestrian and trail crossing over Hennepin County State-Aid Highway (CSAH) 25 near Belt Line Boulevard in St. Louis Park. The grant is under the program in Minnesota Statutes, section 85.019, subdivision 4c.

(c) \$200,000 is for a grant under Minnesota Statutes, section 85.019, subdivision 4c, to the city of Bloomington to remove the old Cedar Avenue bridge in preparation for a hiking and bicycling trail connection.

## Subd. 11. State Forest Land Acquisition

1,000,000

To acquire, in fee and easement, private lands from willing sellers within established boundaries of state forests established under Minnesota Statutes, section 89.021, and within forest legacy areas.

## APPROPRIATIONS

\$

Subd. 12. State Park and Recreation Area Acquisition 2,000,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

Subd. 13. Lake Superior Zoo 400,000

For a grant to the city of Duluth to design and construct facility improvements at the Lake Superior Zoo. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

Subd. 14. Local Parks Grants 1,000,000

For local parks grants under Minnesota Statutes, section 85.019, subdivision 2.

\$500,000 of this amount is for a grant to the city of South St. Paul for the closure, capping, and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill in South St. Paul, as the fourth phase of converting the land into parkland, and to restore approximately 80 acres of riverfront land along the Mississippi River.

\$250,000 of this amount is for a grant to the Minneapolis Park and Recreation Board to develop a plan to complete the Grand Rounds National Scenic Byway by providing a link between northeast Minneapolis on Stinson Avenue and southeast Minneapolis at East River Road.

Subd. 15. Regional Parks: Greater Minnesota 3,000,000

For grants to counties and public regional parks organizations located outside the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, to acquire land, design, and construct and redevelop regional parks and trails, open space, and recreational facilities. The improvements must be of a capital nature. Each \$3 of state grants must be matched by \$2 of nonstate funds.

Sec. 8. POLLUTION CONTROL AGENCY 14,000,000

To the Pollution Control Agency to design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, section 115B.39.

## APPROPRIATIONS

\$

## Sec. 9. OFFICE OF ENVIRONMENTAL ASSISTANCE

4,000,000

To the Office of Environmental Assistance for the solid waste capital assistance grants program under Minnesota Statutes, section 115A.54. Grants from this appropriation must be awarded to applicants whose applications were on file with the office before September 13, 2003.

## Sec. 10. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. To the Board of Water and Soil Resources for the purposes specified in this section

24,500,000

## Subd. 2. RIM and CREP Conservation Easements

21,500,000

This appropriation is to acquire conservation easements from landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.515.

\$1,500,000 of this amount is appropriated from the general fund to implement the program.

## Subd. 3. Wetland Replacement Due to Public Road Projects

3,000,000

To acquire land for wetlands or restore wetlands to be used to replace wetlands drained or filled as a result of the repair, maintenance, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (k) and (l).

The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits with money provided by this appropriation. Acquisition of or the conveyance of land may be in the name of the political subdivision.

## Sec. 11. AGRICULTURE

Subdivision 1. To the commissioner of agriculture or other named agencies for the purposes specified in this section

18,570,000

## APPROPRIATIONS

\$

## Subd. 2. Rural Finance Authority Loan Participation

18,000,000

For purposes as set forth in the Minnesota Constitution, article XI, section 5, clause (h). To the rural finance authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039, the loan restructuring program under Minnesota Statutes, section 41B.04, the seller-sponsored program under Minnesota Statutes, section 41B.042, the agricultural improvement loan program under Minnesota Statutes, section 41B.043, and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the rural finance authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses.

## Subd. 3. Agriculture Water Management Research Partnership

570,000

To the Board of Regents of the University of Minnesota to establish or expand agricultural water management projects at the Crookston, Morris, Lamberton, and Waseca Research and Outreach Centers in partnership with the Department of Agriculture.

## Sec. 12. MINNESOTA ZOOLOGICAL GARDEN

2,000,000

To the Minnesota Zoological Garden for capital asset preservation improvements and betterments to roofs, mechanical and utility systems, roads and pathways, building envelopes, storm water systems, exhibits, and safety and code compliance upgrades.

## Sec. 13. ADMINISTRATION

1,000,000

To the commissioner of administration for the Capital Asset Preservation and Replacement Account (CAPRA), to be spent in accordance with Minnesota Statutes, section 16A.632.

## Sec. 14. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

2,735,000

To the commissioner of administration, for repair and restoration of the public corridors, walls, and ceilings of the third floor and the dome of the Capitol Building in St. Paul. Of this amount, \$865,000 is from the general fund for painting and plastering in the Capitol Building.

## APPROPRIATIONS

\$

## Sec. 15. AMATEUR SPORTS COMMISSION

Subdivision 1. To the Amateur Sports Commission for the purposes specified in this section 18,100,000

Subd. 2. Bemidji Hockey Arena 18,000,000

To design, construct, furnish, and equip a hockey arena on the campus of Bemidji State University. The Amateur Sports Commission must consult with Bemidji State University on the design. The hockey arena is to be owned by the Board of Trustees of the Minnesota State Colleges and Universities and operated by Bemidji State University.

The Board of Trustees of the Minnesota State Colleges and Universities shall pay the debt service according to section 3, subdivision 18, on one-third of the principal amount of state bonds sold to finance the project under this section.

Subd. 3. Bloomington Ski Jump 100,000

To pay for costs for unforeseen site conditions in Phase I and for Phase II construction, primarily, of the summer surface on the Hyland K70 ski jump in Bloomington.

## Sec. 16. MILITARY AFFAIRS

Subdivision 1. To the adjutant general for the purposes specified in this section 5,000,000

Subd. 2. Asset Preservation 4,000,000

For asset preservation improvements, Americans With Disabilities Act upgrades, and betterments of a capital nature at military affairs facilities statewide.

Subd. 3. Facility Life Safety Improvements 1,000,000

For life/safety improvements, Americans With Disabilities Act upgrades, and betterments of a capital nature at military affairs facilities statewide.

Sec. 17. VETERANS AFFAIRS 500,000

To the commissioner of administration to complete construction of the World War II veterans' memorial on the Capitol mall. This is the final state appropriation for the project and is contingent on sufficient nonstate funds being received and deposited into a segregated account for perpetual maintenance of the memorial.



## APPROPRIATIONS

\$

## Sec. 18. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section 101,300,000

Subd. 2. Local Bridge Replacement and Rehabilitation 30,000,000

This appropriation is from the bond proceeds account in the state transportation fund.

The commissioner shall spend this appropriation as grants to political subdivisions for the replacement, rehabilitation, and repair of key bridges on the state transportation system. The commissioner shall make these grants in accordance with and for the purposes of Minnesota Statutes, section 174.50.

Subd. 3. Local Road Improvement Program 22,000,000

The commissioner shall deposit this amount in the local road improvement fund for allocation as follows:

(1) \$15,000,000 is for deposit in the local road account for routes of regional significance to be spent as grants for the purposes of Minnesota Statutes, section 174.52, subdivision 4; and

(2) \$7,000,000 is for deposit in the trunk highway corridor projects account to be spent as grants for the purposes of Minnesota Statutes, section 174.52, subdivision 2.

Subd. 4. Port Development Assistance 4,000,000

For the purposes of the port development program under Minnesota Statutes, chapter 457A.

Subd. 5. Small Capital Projects 3,800,000

To design, construct, furnish, and equip statewide building projects, consisting of truck stations, salt storage facilities, cold storage facilities, and Mankato headquarters site work.

This appropriation is from the trunk highway fund.

Subd. 6. Northstar Commuter Rail 37,500,000

For final design and project management of a commuter rail line serving Big Lake to downtown Minneapolis; to acquire land for stations, maintenance facilities, and park and ride lots; and for final design and project management of an extension of the Hiawatha

## APPROPRIATIONS

\$

Light Rail Transit line from its terminus in downtown Minneapolis to a new terminus near Fifth Avenue North adjacent to the proposed downtown Minneapolis commuter rail station.

This appropriation is not available until \$37,500,000 has been committed by local governments and approval to proceed to final design has been authorized by the Federal Transit Administration.

Up to \$10,000,000 of this appropriation may be used for final design and project management.

After a full-funding grant agreement has been executed with the Federal Transit Administration for the Northstar Commuter Rail project, the remaining balance of this appropriation not committed for final design and project management or committed to acquire land shall be available to construct, furnish, and equip the Northstar Commuter Rail line and to construct, furnish, and equip the extension of the Light Rail Transit line.

## Subd. 7. Personal Rapid Transit

4,000,000

(a) For a grant to a statutory or home rule charter city, a public postsecondary educational institution, or a public transit authority with the power to issue general obligation bonds, if the grantee is a signatory to an agreement to implement the project funded in this subdivision entered into by at least one statutory or home rule charter city, public postsecondary educational institution, and public transit authority with the power to issue general obligation bonds.

(b) This appropriation is to design, acquire, construct, furnish, and equip a personal rapid transit safety certification and training facility, in order to (1) confirm the safety of the patented personal rapid transit technology for sustainable public transit service, (2) provide an opportunity for engineers to be trained in its design and use, and (3) establish a new and economically self-sustaining, viable technology in Minnesota so that the University of Minnesota may realize royalty benefits from an existing agreement. The grantee may enter into an agreement for operation of the facility, subject to Minnesota Statutes, section 16A.695.

(c) The facility, at a minimum, must consist of a 2,200-foot oval guideway, one off-line station, and a maintenance and control center. The facility must be developed in accord with plans for a future personal rapid transit system serving the area within the jurisdiction of the signatories to the agreement required in paragraph (a).

## APPROPRIATIONS

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(d) This appropriation is contingent on (1) a contribution of at least \$8,000,000 in private resources from an entity with the licensing and technological capacity to provide at least three personal rapid transit vehicles, training services for engineers, engineering work, and six months of operational testing to confirm the technology's safety for public use, (2) a contribution of at least \$12,000,000 from other nonstate sources to meet the total project cost of \$24,000,000, and (3) an agreement by a postsecondary educational institution to provide technical support and training for planning, design, operation, and maintenance of personal rapid transit systems.

## Sec. 19. METROPOLITAN COUNCIL

Subdivision 1. To the Metropolitan Council for the purposes specified in this section 17,000,000

Subd. 2. Cedar Avenue Bus Rapid Transit (BRT) 10,000,000

For environmental studies, preliminary engineering, bus lane improvements, and transit station construction and improvements for Cedar Avenue bus rapid transit between the Mall of America in Bloomington and the cities of Eagan, Apple Valley, and Lakeville.

Subd. 3. Metropolitan Regional Parks Capital Improvements 7,000,000

This appropriation must be used to pay the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority should be given to park rehabilitation and land acquisition projects.

## Sec. 20. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section 9,014,000

Subd. 2. St. Peter Regional Treatment Center Sex Offender Facility 3,000,000

To design new facilities for up to 150 beds for the treatment of sex offenders in the Minnesota Sexual Offender Program at the St. Peter Regional Treatment Center.

## APPROPRIATIONS

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Subd. 3. Systemwide-Campus Redevelopment/Reuse/ Demolition 5,000,000

To demolish or improve surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses statewide.

Subd. 4. Systemwide Roof Renovation and Replacement 1,014,000

For renovation and replacement of roofs at Department of Human Services facilities statewide.

## Sec. 21. VETERANS HOMES BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section 7,077,000

Subd. 2. Minneapolis Veterans Home-Waste Piping Replacement 1,077,000

For design, renovation, and related costs of replacing the sanitary waste piping in Building 17 at the Minneapolis Veterans Home.

Subd. 3. Asset Preservation 6,000,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide.

## Sec. 22. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes specified in this section 65,433,000

Subd. 2. Minnesota Correctional Facility - Faribault Asset Preservation 34,891,000

For asset preservation of existing facilities at the Minnesota Correctional Facility - Faribault.

Subd. 3. Minnesota Correctional Facility - Stillwater 19,192,000

To design, construct, furnish, and equip a new 150-bed high security segregation unit to improve staff safety and accommodate increased inmate population, including the remodeling of the discipline and psychology/psychiatry unit, the demolition of the former health services building, and the removal of walls dividing Cell Hall A/West and Cell Hall A/Segregation.

## APPROPRIATIONS

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Subd. 4. Asset Preservation 11,000,000

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, including, but not limited to, emergency lighting projects, roof and window replacement, tuckpointing, and asbestos abatement.

Subd. 5. Minnesota Correctional Facility - Willow River 350,000

To purchase, furnish, equip, and prepare foundation and utilities for a new 24-bed prefabricated building.

## Sec. 23. EMPLOYMENT AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of employment and economic development or other named agency for the purposes specified in this section 61,480,000

Subd. 2. State Match for Federal Grants 16,280,000

(a) To the public facilities authority:

(1) to match federal grants to the water pollution control revolving fund under Minnesota Statutes, section 446A.07; and

(2) to match federal grants to the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) The expenditure and allocation of state matching money between funds described in paragraph (a), clauses (1) and (2), must be based on the amount of federal money appropriated to the funds.

(c) This appropriation must be used for qualified capital projects.

Subd. 3. Minnesota Development Account 15,000,000

For transfer to the Minnesota development account created in Minnesota Statutes, section 116J.571. This appropriation may be used for grants for eligible biotechnology and health sciences industry facilities designated under Minnesota Statutes, section 469.330.

Subd. 4. Wastewater Infrastructure Funding Program 10,200,000

To the Public Facilities Authority for the purposes specified in this subdivision. \$10,000,000 of this appropriation is for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

## APPROPRIATIONS

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To the greatest practical extent, the authority must use the funds for projects on the 2004 project priority list in priority order to qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA rural development before December 1, 2005.

\$200,000 of this appropriation is from the general fund for administration of the wastewater infrastructure program.

Subd. 5. University of Minnesota - Mayo Clinic Biotechnology Research Facility

20,000,000

To the Board of Regents of the University of Minnesota to purchase three floors in the Stabile Building on the Mayo Clinic campus in Rochester. The floors are to be used for scientific research beneficial to collaborative research efforts between the University of Minnesota and the Mayo Clinic. The three floors will be owned by the University of Minnesota and operated by the Mayo Clinic through a use agreement approved by the commissioner of finance subject to Minnesota Statutes, section 16A.695.

## Sec. 24. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. To the Minnesota Historical Society for the purposes specified in this section

4,000,000

## Subd. 2. Historic Sites Asset Preservation

2,000,000

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments. The society shall determine project priorities as appropriate based on need.

## Subd. 3. County and Local Preservation Grants

2,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature. Grant recipients must be public entities and must match state funds on at least an equal basis. The facilities must be publicly owned.

## Sec. 25. GRANTS TO POLITICAL SUBDIVISIONS

Subdivision 1. To the commissioner of employment and economic development or other named agency for the purposes specified in this section

34,248,000

## APPROPRIATIONS

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## Subd. 2. Buffalo Lake Maintenance Garage and Street Repair

635,000

For a grant to the city of Buffalo Lake to design, construct, furnish, and equip a municipal maintenance garage and reconstruct city streets damaged by a tornado.

## Subd. 3. Roseau Infrastructure Repair and Improvements

10,000,000

For a grant to the city of Roseau for the following capital expenditures:

(1) to predesign, design, construct, and replace municipal infrastructure damaged by the 2002 flood in the city, including, but not limited to, water mains, sewer mains, streets, sidewalks, curbs, and gutters;

(2) to predesign, design, construct, furnish, and equip new municipal buildings that may include a city hall, auditorium, police department, library, and museum; and

(3) to predesign, design, and construct water, sewer, and street improvements to the Roseau Industrial Park.

This appropriation is not available until all funds necessary to complete the project are committed from nonstate sources.

## Subd. 4. North Central Regional Correctional Facility

6,000,000

For a grant to Cass County to construct, furnish, and equip a publicly owned and operated regional jail on surplus land of the state-operated nursing home, Ah Gwah Ching, in the city of Walker.

The state shall own 75 percent of the beds and Cass County shall own 25 percent of the beds. The state must contract with Cass County to operate the facility.

The appropriation is not available until the commissioner determines that at least \$6,000,000 has been committed to the project from nonstate sources.

## Subd. 5. Rochester Regional Public Safety Training Center

627,000

To the commissioner of administration for Phase I of the Rochester Regional Public Safety Training Center to develop a live burn training simulator adjacent to the existing National Guard facility in Rochester.

## APPROPRIATIONS

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The appropriation is not available until the commissioner determines that an equal amount has been committed to the project from nonstate sources.

Subd. 6. Middle St. Croix River Watershed Management Organization 1,550,000

For a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota department of natural resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River.

Subd. 7. City of Rushford 600,000

For a grant, subject to Minnesota Statutes, section 16A.695, to the city of Rushford for construction, renovation, remodeling, and infrastructure for capital improvements to and for the facility to be used by the Rushford Institute for Nanotechnology, Inc.

Subd. 8. City of St. Paul 2,000,000

For a grant to the city of St. Paul to acquire land for right-of-way and to complete contamination remediation and construct Phalen Boulevard between Interstate Highway I-35E and Johnson Parkway.

Subd. 9. Hennepin County 1,200,000

For a grant to Hennepin County for Phase I capital improvements to the Lowry Avenue corridor from Girard Avenue North to the I-94 bridge in Minneapolis.

Subd. 10. City of Two Harbors 1,071,000

To the Minnesota Pollution Control Agency for a grant to the city of Two Harbors to acquire land for, design, construct, furnish, and equip a 2,500,000 gallon equalization basin and a chlorine-contact tank of at least 100,000 gallon capacity, adjacent to the city's wastewater treatment plant. The equalization basin is required under the city's National Pollution Discharge Elimination System permit. This appropriation is not available until the commissioner of finance determines that at least an equal amount has been committed to the project from nonstate sources.



## APPROPRIATIONS

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## Subd. 11. City of Crookston

2,000,000

To the public facilities authority to make a grant to the city of Crookston to predesign, design, and construct emergency riverbank protection and erosion control measures in the vicinity of U.S. Highway 2. For the purposes of this appropriation, the criteria, limitations, and repayment requirements in Minnesota Statutes, sections 446A.07, 446A.072, and 446A.081, are waived.

## Subd. 12. City of Askov

1,215,000

To the public facilities authority to make a grant to the city of Askov to construct a new wastewater treatment plant and sewer and water main extensions. This appropriation is not available until the commissioner of finance has determined that at least an equal amount is committed to the project from nonstate sources.

## Subd. 13. City of Duluth

4,950,000

To the commissioner of the Minnesota Pollution Control Agency for a grant to the city of Duluth for design and construction of sanitary sewer overflow storage facilities at selected locations in the city of Duluth. This appropriation is available when matched by \$1 of money secured or provided by the city of Duluth for each \$1 of state money.

## Subd. 14. Bruentrup Farm Restoration

100,000

For a grant to the city of Maplewood to complete restoration of the Bruentrup farm in Maplewood.

This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed to the project from nonstate sources.

## Subd. 15. Burnsville Water Treatment

2,000,000

To the public facilities authority for a grant to the city of Burnsville to design, construct, furnish, and equip a water treatment facility that will provide an additional potable water source for the city of Burnsville using water from the Burnsville quarry. This appropriation is not available until the commissioner of finance has determined that at least \$6,000,000 is available in matching funds from nonstate sources. Amounts spent since January 1, 2002, to plan, design, and construct this project may be counted as part of the nonstate match.

## APPROPRIATIONS

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Subd. 16. Como Park Zoo 300,000

For a grant to the city of St. Paul for the predesign and design for renovation to the Como Park Zoo.

Sec. 26. BOND SALE EXPENSES 667,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 27. Laws 2003, First Special Session chapter 20, article 1, section 15, is amended to read:

Sec. 15. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2005, no more than ~~\$673,625,000~~ \$653,179,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 28. [BOND SALE AUTHORIZATION.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$646,865,000 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 BOND PROCEEDS ACCOUNT.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$30,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

## Sec. 29. [CANCELLATION.]

The \$20,000,000 appropriation in Laws 2002, chapter 393, section 19, subdivision 2, for the Northwest Busway, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, subdivision 1, is reduced by \$20,000,000.

## Sec. 30. [16A.502] [NONSTATE COMMITMENTS TO CAPITAL PROJECTS.]

(a) A state appropriation or grant for a capital project may require a commitment from nonstate sources.

(1) The commitment must be in the amount that when added to the appropriation or grant is sufficient to complete the project;

(2) the appropriation or grant is not available until the commitment is determined to be sufficient; and

(3) the commissioner must determine the sufficiency of the commitment.

(b) In making the determination, the commissioner must apply generally accepted governmental accounting standards and principles, including those that are particularly applicable to capital projects.

## Sec. 31. [16A.503] [REFERENDUM REQUIRED FOR LOCAL MATCH OVER \$1,000,000.]

(a) A local government must not impose a local tax or issue general obligation bonds to provide \$1,000,000 or more of a required nonstate match for an appropriation of state general obligation or revenue bond proceeds unless approved by the voters in an election on the issue.

(b) If more than one local government is responsible for contributing to the nonstate match of \$1,000,000 or more from local taxes or local general obligation bond proceeds, each local government must hold an election on whether to approve imposition and use of local taxes or the issuance of the bonds. Unless the local tax or issuance of bonds is approved in each participating jurisdiction, none of the local governments may impose the tax or issue bonds.

(c) Any entity, except a state agency as defined in Minnesota Statutes, section 13.02, subdivision 17, that is required to contribute nonstate money to a project funded in this act, must certify to the commissioner of finance that at least 80 percent of the required amount of nonstate money has been spent before the commissioner of finance may release state funds appropriated to the project.

## Sec. 32. [16A.504] [COMMISSIONER, ARCHITECT ASSURANCES.]

Before releasing state bond proceeds or entering into a grant agreement for construction grants for projects funded with general obligation bonds, the commissioner of finance must work with the state architect to be assured that the project can be delivered for the lowest cost possible and that the project will follow applicable state or local laws.

## Sec. 33. Minnesota Statutes 2002, section 16A.671, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] As used in this section, the terms defined in this subdivision have the meanings given them:

(a) "General fund" means all cash and investments from time to time received and held in the treasury, except proceeds of state bonds and amounts received and held in special or dedicated funds created by the Constitution, or by or pursuant to federal laws or regulations, or by bond or trust instruments, pension contracts, or other agreements of the state or its agencies with private persons, entered into under state law.

(b) "Maximum current cash flow requirement" means the commissioner's written estimate of the largest of the amounts by which, on a particular designated date in each month of the term for which certificates are to be issued, the sum of (1) the warrants then outstanding against the general fund plus (2) ~~those that must be drawn on the fund before the same date in the following month, in payment of claims due for expenditure under all appropriations and allotments, will exceed the amount of cash or cash equivalent assets held in the general fund on the first of these dates~~ an amount equal to five percent of the actual working capital expenditures from the general fund in the fiscal year immediately preceding the date of the largest of such amounts, will exceed the amount of cash or cash equivalent assets held in the general fund, excluding the proceeds of the certificates to be issued.

Sec. 34. [16A.693] [ATTENDANCE, SERVICE DATA POSTED.]

(a) Except as provided in paragraph (b), a state-bond financed project that receives any public funds for operations and is open to or used by the public must post attendance or use data on its Web site each week. Attendance or use data must include the total number of persons, and the fare or entrance fees paid. This paragraph applies to commuter rail, light rail transit, museums, state or county historical sites, zoos, parks and recreation lands and facilities, conservatories, aquariums, civic centers, convention centers, and sports or entertainment facilities.

(b) Paragraph (a) does not apply to state bond financed facilities that provide general government services or education, including offices, laboratories, school buildings, city halls, county courthouses, or the State Capitol.

Sec. 35. Minnesota Statutes 2002, section 16A.695, is amended by adding a subdivision to read:

Subd. 2a. [NONPROFIT OPERATOR OF STATE BOND FINANCED FACILITY; BUDGET DATA TO BE POSTED ON WEB.] An entity that has entered into an agreement under this section to manage or operate a state-bond financed facility must provide complete financial information to the governmental entity with which it has contracted. Financial information includes annual budget and financial data related to the project, and operating and capital revenue, expenditures, and debt of the entity and the project. The governmental entity must make the information available on the governmental entity's Web site. The governmental entity must develop and maintain a Web site for this purpose if it does not otherwise have a Web site.

Sec. 36. Minnesota Statutes 2002, section 16A.695, subdivision 3, is amended to read:

Subd. 3. [SALE OF PROPERTY.] A public officer or agency shall not sell any state bond financed property unless the public officer or agency determines by official action that the property is no longer usable or needed by the public officer or agency to carry out the governmental program for which it was acquired or constructed, the sale is made as authorized by law, the sale is made for fair market value, and the sale is approved by the commissioner. If any state bonds issued to purchase or better the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of sale must be applied as follows:

(1) if the state bond financed property was acquired and bettered solely with state bond proceeds, the net proceeds of sale must be paid to the commissioner, deposited in the state bond fund, and used to pay or redeem or defease the outstanding state bonds in accordance with the commissioner's order authorizing their issuance, and the proceeds are appropriated for this purpose; or

(2) if the state bond financed property was acquired or bettered partly with state bond proceeds and partly with other money, the net proceeds of sale must be used: first, to pay to the state the amount of state bond proceeds used to acquire or better the property; second, to pay in full any outstanding public or private debt incurred to acquire or better the property; and third, any excess over the amount needed for those purposes must be divided in proportion

to the shares contributed to the acquisition or betterment of the property and paid to the interested public and private entities, other than any private lender already paid in full, and the proceeds are appropriated for this purpose. In calculating the share contributed by each entity, the amount to be attributed to the owner of the property shall be the fair market value of the property that was bettered by state bond proceeds at the time the betterment began.

When all of the net proceeds of sale have been applied as provided in this subdivision, this section no longer applies to the property.

Sec. 37. Minnesota Statutes 2002, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] (a) In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than ~~\$200,000 in 1994~~ \$350,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying ~~\$200,000~~ that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first three years of the loan, if an approved program is available within 45 miles from the borrower's residence. The commissioner may waive this requirement for any of the programs administered by the authority if the participant requests a waiver and has either a four-year degree in an agricultural program or certification as an adult farm management instructor; and

(8) agree to file an approved soil and water conservation plan with the Soil Conservation Service office in the county where the land is located.

(b) If a borrower fails to participate under paragraph (a), clause (7), the borrower is subject to penalty as determined by the authority.

Sec. 38. Minnesota Statutes 2002, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$125,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 39. Minnesota Statutes 2002, section 41B.04, subdivision 8, is amended to read:

Subd. 8. [STATE'S PARTICIPATION.] With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the

primary principal or ~~\$150,000~~ \$225,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

Sec. 40. Minnesota Statutes 2002, section 41B.042, subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$125,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 41. Minnesota Statutes 2002, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. [LOAN PARTICIPATION.] The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$125,000~~ \$200,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 42. Minnesota Statutes 2002, section 41B.043, is amended by adding a subdivision to read:

Subd. 5. [TOTAL NET WORTH LIMIT.] A prospective borrower for an agricultural improvement loan in which the authority holds an interest must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$350,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Sec. 43. Minnesota Statutes 2002, section 41B.045, subdivision 2, is amended to read:

Subd. 2. [LOAN PARTICIPATION.] The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$400,000 in 1999 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or ~~\$250,000~~ \$275,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 44. Minnesota Statutes 2002, section 41B.046, subdivision 5, is amended to read:

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or ~~\$24,000~~ \$40,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

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

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

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

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

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

Sec. 45. Minnesota Statutes 2002, section 41C.02, subdivision 12, is amended to read:

Subd. 12. [LOW OR MODERATE NET WORTH.] "Low or moderate net worth" means:

(1) for an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than ~~\$200,000 in 1991~~ \$350,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying ~~\$200,000~~ that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index; or

(2) for a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than ~~\$400,000 in 1991 and an amount in subsequent years which is adjusted for inflation by multiplying \$400,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index~~ twice the amount set for an individual in clause (1). However, the aggregate net worth of each partner and that partner's spouse and minor children may not exceed ~~\$200,000 in 1991 and an amount in subsequent years which is adjusted for inflation by multiplying \$200,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index~~ the amount set for an individual in clause (1).

Sec. 46. Minnesota Statutes 2002, section 116J.571, is amended to read:

116J.571 [CREATION OF ACCOUNTS.]

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

Sec. 47. Minnesota Statutes 2002, section 116J.572, subdivision 2, is amended to read:

Subd. 2. [DEVELOPMENT AUTHORITY.] "Development authority" includes a statutory or home rule charter city, county, housing and redevelopment authority, economic development authority, or port authority ~~located outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.~~

Sec. 48. Minnesota Statutes 2002, section 116J.572, subdivision 4, is amended to read:

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

Sec. 49. Minnesota Statutes 2002, section 116J.573, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNTS.] Criteria for use of the accounts created in section 116J.571 must be consistent with and promote the purposes of sections 116J.571 to 116J.575. They include, but are not limited to:

- (1) creating and preserving living wage jobs ~~in greater Minnesota~~;
- (2) creating incentives for communities to include a full range of housing opportunities;
- (3) creating incentives for all communities to implement compact, efficient, and mixed-use development; and
- (4) creating incentives to assist communities in maintaining a unique sense of place by preserving local, cultural assets.

Sec. 50. Minnesota Statutes 2002, section 116J.573, subdivision 2, is amended to read:

Subd. 2. [PROJECTS.] To be eligible for funding by the ~~greater Minnesota redevelopment~~ development account, a project must:

- (1) interrelate ~~redevelopment~~ development with other public investments in transportation, housing, schools, energy, utilities information infrastructure, and other public services;
- (2) interrelate affordable housing and employment growth areas;
- (3) intensify land use that leads to more compact ~~redevelopment~~ development;
- (4) involve ~~redevelopment~~ development that mixes incomes of residents in housing, including introducing or reintroducing higher value housing in lower income areas to achieve a mix of housing opportunities;
- (5) involve participation from citizens and the business community in the planning and development of the proposed ~~redevelopment~~ development plan;
- (6) encourage public infrastructure investments which attract private sector ~~redevelopment~~ development investment in commercial, industrial, and residential properties adjacent to public improvements, and provide project area residents with expanded opportunities for private sector employment; or
- (7) be sustainable at the local level and reduce the probability of future requests for state development, maintenance, or replacement assistance.

Sec. 51. Minnesota Statutes 2002, section 116J.573, subdivision 4, is amended to read:

Subd. 4. [PARTNERSHIPS.] The commissioner shall give priority to proposals using innovative financial partnerships between government, private for-profit, and nonprofit sectors as well as to proposals that meet current tax increment financing requirements for a ~~redevelopment~~ development district and contribute tax increment financing towards the project.

Sec. 52. Minnesota Statutes 2002, section 116J.573, subdivision 5, is amended to read:

Subd. 5. [ANNUAL REPORT.] The commissioner shall prepare and submit to the legislature an annual report on the ~~greater Minnesota redevelopment~~ development account. The report must include information on the amount of money in the account, the amount distributed, to whom the grants were distributed and for what purposes, and an evaluation of the effectiveness of the projects funded in meeting the policies and goals of the program.



Sec. 53. Minnesota Statutes 2002, section 116J.574, subdivision 2, is amended to read:

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

- (1) identification of the site;
- (2) a detailed budget, including necessary supporting evidence, of the total costs for the site including the total eligible ~~redevelopment~~ development costs;
- (3) a complete ~~redevelopment~~ development plan, including any specific commitments from third parties to construct improvements on the site;
- (4) a complete financing plan, including the manner in which the development authority uses innovative financial partnerships between government, private for-profit, and nonprofit sectors; and
- (5) any additional information or material that the commissioner prescribes.

Sec. 54. Minnesota Statutes 2002, section 116J.575, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER DISCRETION.] The commissioner may make a grant for up to 50 percent of the eligible costs of a project. The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section and sections 116J.571 to 116J.574 and available unencumbered money in the ~~greater~~ Minnesota ~~redevelopment~~ development account. The commissioner's decisions and application of the priorities under this section are not subject to judicial review, except for abuse of discretion.

Sec. 55. Minnesota Statutes 2002, section 116P.08, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] Money from the trust fund may not be spent for:

- (1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;
- (2) ~~purposes of municipal water pollution control under the authority of chapters 115 and 116;~~
- (~~3~~) costs associated with the decommissioning of nuclear power plants;
- (~~4~~) (3) hazardous waste disposal facilities;
- (~~5~~) (4) solid waste disposal facilities; or
- (~~6~~) (5) projects or purposes inconsistent with the strategic plan.

Sec. 56. Minnesota Statutes 2003 Supplement, section 124D.10, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] (a) A school board; intermediate school district school board; education district organized under sections 123A.15 to 123A.19; charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986 that is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations, registered with the attorney general's office, and reports an end-of-year fund balance of at least \$2,000,000; Minnesota private college that grants two- or four-year degrees and is registered with the Higher

Education Services Office under chapter 136A; community college, state university, or technical college, governed by the Board of Trustees of the Minnesota State Colleges and Universities; the board of the Perpich Center for Arts Education under chapter 129C; or the University of Minnesota may sponsor one or more charter schools.

(b) A nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may sponsor one or more charter schools if the charter school has operated for at least three years under a different sponsor and if the nonprofit corporation has existed for at least 25 years.

**[EFFECTIVE DATE.]** This section is effective for the 2004-2005 school year and later.

Sec. 57. Minnesota Statutes 2002, section 136F.60, is amended by adding a subdivision to read:

Subd. 5. [DISPOSITION OF SURPLUS PROPERTY.] (a) The board may declare state lands under its control that are no longer needed by the Minnesota State Colleges and Universities system to be surplus and may offer for public sale or otherwise dispose of such lands in a manner consistent with the procedures set forth in sections 94.10 to 94.14 for disposition of state lands by the commissioner of administration.

(b) Proceeds from the sale or disposition of land under this subdivision, after paying all expenses incurred in selling or disposing of the land and then paying any amounts due under section 16A.695, shall be appropriated to the board for use for capital projects at the institution which was responsible for management of the land.

Sec. 58. Minnesota Statutes 2002, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed ~~\$1,000,000,000~~ \$1,250,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 59. Minnesota Statutes 2002, section 446A.14, is amended to read:

446A.14 [INTEREST EXCHANGES RATE SWAPS AND OTHER AGREEMENTS.]

~~The authority may enter into an agreement with a third party for an exchange of interest rates under this subdivision. With respect to outstanding obligations bearing interest at a variable rate, the authority may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a variable rate determined according to a formula set out in the agreement. With respect to outstanding obligations bearing interest at a fixed rate or rates, the authority may agree to pay sums equal to interest at a variable rate determined according to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a fixed rate or rates set out in the agreement. Subject to any applicable bonds covenants, payments required to be made by the municipality under the swap agreement may be made from amounts secured to pay debt service on the obligations~~

~~with respect to which the swap agreement was made from any other available source of the authority.~~ Subdivision 1. [AGREEMENTS.] (a) The authority may enter into interest rate exchange or swap agreements, hedges, forward purchase or sale agreements, loan sale or pooling agreements or trusts, or other similar agreements in connection with:

- (1) the issuance or proposed issuance of bonds;
- (2) the making, proposed making, or sale of loans or other financial assistance or investments;
- (3) outstanding bonds, loans, or other financial assistance; or
- (4) existing similar agreements.

(b) The agreements authorized by this subdivision include, without limitation, master agreements, options or contracts to enter into such agreements in the future and related agreements, including, without limitation, agreements to provide credit enhancement, liquidity, or remarketing; valuation; monitoring; or administrative services currently or in the future. However, the term of an option to enter into an interest rate swap, exchange, hedge, or other similar agreement and the term of a contract to sell, buy, or refund bonds in the future must not exceed five years and the authorization of the authority to enter into option agreements with respect to interest rate swap agreements expires on December 31, 2008; provided that such option agreements entered into prior to that date remain valid agreements of the authority after that date.

(c) The agreements authorized by this subdivision or supplements to master agreements may be entered into on the basis of negotiation with a qualified third party or through a competitive proposal process on terms and conditions and with covenants and provisions approved by the authority and may include, without limitation:

- (1) provisions establishing reserves;
- (2) pledging assets or revenues of the authority for current or other payments or termination payments;
- (3) contracting with the other parties to such agreements as to the custody, collection, securing, investment, and payment of money of the authority or money held in trust; or
- (4) requiring the issuance of bonds or entering into loans or other agreements authorized by this subdivision in the future.

(d) Subject to the terms of the agreement and other agreements of the authority with bondholders or other third parties, the agreements authorized by this subdivision may be general or limited obligations of the authority payable from all available or certain specified funds appropriated to the authority. The agreements authorized by this subdivision do not constitute debt of the authority for the purposes of the limits on bonds or notes of the authority set forth in section 446A.12, subdivision 1.

(e) The authority may issue bonds to provide funds to make payments, including, without limitation, termination payments pursuant to an agreement authorized by this subdivision.

(f) The aggregate notional amount of interest rate swap or exchange agreements in effect at any time must not exceed an amount equal to ten percent of the aggregate principal amount of bonds the authority is authorized to have outstanding pursuant to section 446A.12, subdivision 1, including the notional amount of interest rate swap or exchange agreements with respect to which a reversing agreement has been entered into, the effect of which is to terminate the original agreement or a portion thereof, and reversing agreements with respect to all or a portion of existing agreements.

(g) For the purposes of this section, the following terms have the following meanings unless the context clearly requires otherwise:

(1) "agreement to provide remarketing" means an agreement with a third party to provide the service, as agent of for the authority, of marketing bonds or other outstanding obligations where the bonds are subject to tender to the authority for purchase by the authority;

(2) "credit enhancement" means additional third-party security or sources of repayment for obligations of another party, and may include, without limitation, guaranties, insurance, letters of credit, lines of credit, standby bond purchase agreements, or agreements pledging collateral;

(3) "hedge" means an agreement entered into with a third party for the purpose of trying to limit, offset, or compensate for possible losses, expenses, or outcomes, in whole or in part, from particular actions, agreements, or obligations;

(4) "interest rate swap agreement" or "interest rate exchange agreement" means an agreement between two or more parties where two or more parties agree to pay to each other, for a stated period of time, interest on a stated amount at different rates, or rates calculated on a different basis, which agreement does not include the borrowing of money or the obligation to pay the stated amount, and may include, without limitation, agreements where one party agrees to pay a fixed rate and the other agrees to pay a variable rate, or where one party agrees to pay a variable rate determined in one manner and the other party agrees to pay a variable rate determined in another manner;

(5) "liquidity" means a form of credit enhancement entered into for the purpose of providing money on demand or within a specified period of time to meet obligations which may arise and be payable, for which a party determines that it is not desirable, practicable, or possible to keep funds or readily saleable short-term investments available at all times such obligations to pay may arise or in the full amount of the potential obligation; and

(6) "master agreement" means any agreement pursuant to which one or more separate interest rate swaps, transactions, or other agreements may be entered into from time to time or pursuant to which separately stated terms and conditions intended to cover multiple transactions or agreements are set forth.

Subd. 2. [POWERS OF AUTHORITY.] For the purposes of this section, the authority may exercise all powers provided in this chapter. The authority may consent, whenever it considers it necessary or desirable in connection with agreements entered into under this subdivision, to modifications, amendments, or waivers of the terms of such agreements. The proceeds of any agreements entered into pursuant to this subdivision are appropriated to the authority pursuant to section 446A.11, subdivision 13. The agreements entered into pursuant to this subdivision are not subject to sections 16C.03, subdivision 4, and 16C.05.

Sec. 60. Minnesota Statutes 2002, section 446A.17, is amended to read:

446A.17 [NONLIABILITY.]

Subdivision 1. [NONLIABILITY OF INDIVIDUALS.] No member of the authority or other person executing the bonds, loans, interest rate swaps, or other agreements or contracts of the authority is liable personally on the bonds such bonds, loans, interest rate swaps, or other agreements or contracts of the authority or is subject to any personal liability or accountability by reason of their issuance, execution, delivery, or performance.

Subd. 2. [NONLIABILITY OF STATE.] The state is not liable on bonds, loans, interest rate swaps, or other agreements or contracts of the authority issued or entered into under this chapter and ~~those bonds~~ such bonds, loans, interest rate swaps, or other agreements or contracts of the authority are not a debt of the state. ~~The bonds~~ Such bonds, loans, interest rate swaps, or other agreements or contracts of the authority must contain on their face a statement to that effect.

Sec. 61. Minnesota Statutes 2002, section 446A.19, is amended to read:

446A.19 [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of bonds issued under sections 446A.051, and 446A.12 to 446A.20 or other parties to any loans, interest rate swaps, or other agreements or contracts of the authority that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the bondholders or parties to any loans, interest rate swaps, or other agreements or contracts of the authority or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged or, with respect to any loans, interest rate swaps, or other agreements or contracts of the authority, such agreements have been fully performed by the authority or otherwise terminated or discharged. The authority may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 446A.051, and 446A.12 to 446A.20 or in any loans, interest rate swaps, or other agreements or contracts of the authority.

Sec. 62. Laws 1998, chapter 404, section 23, subdivision 17, as amended by Laws 1999, chapter 20, section 1, is amended to read:

Subd. 17. Paramount Arts District Regional Arts Center

750,000

(a) To the commissioner of administration for a grant to the city of St. Cloud Housing and Redevelopment Authority to construct, furnish, and equip the Paramount Arts District Regional Arts Center, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that the necessary additional financing to complete at least a \$5,400,000 project has been committed by nonstate sources.

(b) The Housing and Redevelopment Authority must effect the transfer as otherwise required or permitted by law. Once the transfer is effected, the city is the successor to the Housing and Redevelopment Authority for the purposes of the grant and Minnesota Statutes, section 16A.695.

Sec. 63. [MAXIMUM EFFORT CAPITAL LOAN FORGIVEN; EAST CENTRAL.]

Subdivision 1. [SALE REQUIREMENTS.] Independent School District No. 2580, East Central, may sell its middle school building in accordance with Minnesota Statutes, section 16A.695. The net proceeds from the sale of the property must be paid to the commissioner of finance and deposited in the state bond fund.

Subd. 2. [OUTSTANDING LOAN BALANCE FORGIVEN.] Any remaining outstanding balance on the maximum effort capital loan issued in January 1982 to former Independent School District No. 566, Askov, after the application of the sale proceeds according to subdivision 1, is forgiven.

Sec. 64. [DNR; PLAN FOR LAND MANAGEMENT.]

The commissioner of natural resources must prepare a plan for development of a comprehensive land management plan by January 15, 2005, and submit it to the chairs of the committees in the house and senate with jurisdiction over environmental policy and finance, and capital improvements.

## Sec. 65. [STILLWATER LEVEE FLOOD CONTROL PROJECT.]

Notwithstanding the grant expiration date of June 30, 2002, the commissioner of natural resources shall extend until June 30, 2006, the expiration date of a grant made to the city of Stillwater under Minnesota Statutes, section 103F.161, and matching certain federal appropriations for flood hazard mitigation.

## Sec. 66. [RELEASE FUNDS FOR RICE STREET BRIDGE OVER I-694.]

The commissioner of transportation must release by December 31, 2004, the \$7,500,000 for the Rice Street bridge over I-694 in Ramsey County, committed by the Department of Transportation in a memorandum of understanding between the department and Ramsey County.

## Sec. 67. [OUTDOOR LIGHTING PURCHASE.]

All purchasing of outdoor lighting fixtures using funds appropriated under this act must give consideration to maximizing energy conservation and savings, reducing glare, minimizing light pollution, and preserving the natural night environment.

## Sec. 68. [ZOO DEBT SERVICE REPORT.]

The Minnesota Zoological Board must study and report to the legislature by January 15, 2005, on the impact and appropriateness of debt service costs paid from dedicated receipts of the Minnesota Zoological Garden. The board may contract with the Management Analysis Division of the Department of Administration, or another vendor of the board's choosing, for the study. The study must consider commitments made by the zoo, the level of debt service costs paid by other zoos in this state and other states, and by other state agencies and political subdivisions in this state, from their dedicated receipts. The study must also consider the impact of the debt service on the operating budget and the historical levels of state support for the Minnesota Zoological Garden.

## Sec. 69. [UNIVERSITY OF MINNESOTA; DULUTH PARKING.]

The Board of Regents of the University of Minnesota is encouraged to expand the parking facilities at the University of Minnesota, Duluth campus through the purchase of land and property from willing sellers.

## Sec. 70. [REPEALER.]

Minnesota Statutes 2002, section 16B.325, is repealed.

## Sec. 71. [EFFECTIVE DATE.]

Except as otherwise provided, this article is effective the day following final enactment.

## ARTICLE 2

## ADJUSTMENT OF GENERAL OBLIGATION BOND AUTHORIZATIONS

## Section 1. [TABLE OF ORIGINAL AND ADJUSTED AUTHORIZATIONS.]

Column A lists the citation to each law authorizing general obligation bonds since Laws 1983, chapter 323, section 6, to which a further adjustment is being made in this section.

The original authorization amount in each law is shown in column B opposite the citation of the law it appears in.

The original authorization amount in column B is hereby adjusted to the amount shown in column C. The adjustments resulting in the column C amount reflect specific changes to an authorization in law, executive vetoes sustained or not challenged, administrative action reflecting cancellation and abandonment of all or the unused balance from specific projects for which the proceeds of authorized bonds were intended to be used, and other action pursuant to law resulting in the adjusted authorizations shown in column C. The amounts shown in column C are validated as the lawful adjusted authorization for the cited law as of April 1, 2004, for all purposes for which the authorization is required or used.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
<u>L 1983, c 323, s 6</u>	<u>\$30,000,000</u>	<u>\$29,935,000</u>
<u>L 1987, c 400, s 25, subd 1</u>	<u>370,972,200</u>	<u>369,560,500</u>
<u>L 1987, c 400, s 25, subd 5</u>	<u>66,747,000</u>	<u>66,740,000</u>
<u>L 1989, c 300, art 1, s 23, subd 1</u>	<u>142,585,000</u>	<u>135,060,000</u>
<u>L 1991, c 354, art 11, s 2, subd 1</u>	<u>12,000,000</u>	<u>11,360,000</u>
<u>L 1992, c 558, s 28, subd 1</u>	<u>231,695,000</u>	<u>219,085,000</u>
<u>L 1992, c 558, s 28, subd 3</u>	<u>17,500,000</u>	<u>17,368,000</u>
<u>L 1993, c 373, s 19, subd 1</u>	<u>54,640,000</u>	<u>53,355,000</u>
<u>L 1993, c 373, s 19, subd 2</u>	<u>9,900,000</u>	<u>9,480,000</u>
<u>L 1994, c 643, s 31, subd 1</u>	<u>573,385,000</u>	<u>564,650,524</u>
<u>L 1994, c 643, s 31, subd 2</u>	<u>45,000,000</u>	<u>34,820,000</u>
<u>L 1995, 1SS c 2, s 14, subd 1</u>	<u>5,630,000</u>	<u>5,590,000</u>
<u>L 1996, c 463, s 27, subd 1</u>	<u>597,110,000</u>	<u>549,215,089</u>
<u>L 1997, c 246, s 10, subd 1</u>	<u>86,625,000</u>	<u>86,191,283</u>
<u>L 1997, 2SS c 2, s 12</u>	<u>55,305,000</u>	<u>38,308,055</u>
<u>L 1998, c 404, s 27, subd 1</u>	<u>463,795,000</u>	<u>104,478,675</u>
<u>L 1999, c 240, art 1, s 13, subd 1</u>	<u>139,510,000</u>	<u>111,905,000</u>
<u>L 1999, c 240, art 1, s 13, subd 2</u>	<u>10,440,000</u>	<u>-0-</u>
<u>L 1999, c 240, art 1, s 16, subd 1</u>	<u>372,400,000</u>	<u>367,418,000</u>
<u>L 2000, c 492, art 1, s 26, subd 1</u>	<u>426,870,000</u>	<u>487,730,000</u>
<u>L 2001, 1SS c 12, s 11, subd 1</u>	<u>99,205,000</u>	<u>98,205,000</u>
<u>L 2002, c 393, s 30, subd 1</u>	<u>920,235,000</u>	<u>567,312,000</u>

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other public improvements of a capital nature with certain conditions; making adjustments to previous bond authorizations; authorizing sale of state bonds; canceling an earlier appropriation and appropriating money; amending Minnesota Statutes 2002, sections 16A.671, subdivision 3; 16A.695, subdivision 3, by adding a subdivision; 41B.03, subdivision 3; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b, by adding a subdivision; 41B.045, subdivision 2; 41B.046, subdivision 5; 41C.02, subdivision 12; 116J.571; 116J.572, subdivisions 2, 4; 116J.573, subdivisions 1, 2, 4, 5; 116J.574, subdivision 2; 116J.575, subdivision 1; 116P.08, subdivision 2; 136F.60, by adding a subdivision; 446A.12, subdivision 1; 446A.14; 446A.17; 446A.19; Minnesota Statutes 2003 Supplement, section 124D.10, subdivision 3; Laws 1998, chapter 404, section 23, subdivision 17, as amended; Laws 2003, First Special Session chapter 20, article 1, section 15; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 2002, section 16B.325."

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. 3081, A bill for an act relating to public finance; modifying the authority of cities and counties to finance purchases of computers and related items; clarifying the financing of conservation easements; extending sunsets on establishment of special service districts and housing improvement areas; extending the maximum maturity of bonds for qualified housing development projects; revising time for certain notices of issues; modifying the authority to finance street reconstruction; modifying limits on city capital improvement bonds; amending Minnesota Statutes 2002, sections 428A.101; 428A.21; 469.034, subdivision 2; 474A.131, subdivision 1; 475.52, subdivisions 1, 3, 4; Minnesota Statutes 2003 Supplement, sections 373.01, subdivision 3; 373.40, subdivision 1; 410.32; 412.301; 475.521, subdivision 4; 475.58, subdivision 3b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2002, section 343.11, is amended to read:

343.11 [ACQUISITION OF PROPERTY, APPROPRIATIONS.]

Every county and district society for the prevention of cruelty to animals may acquire, by purchase, gift, grant, or devise, and hold, use, or convey, real estate and personal property, and lease, mortgage, sell, or use the same in any manner conducive to its interest, to the same extent as natural persons. The county board of any county, or the council of any city, in which such societies exist, may, in its discretion, appropriate for the maintenance and support of such societies in the transaction of the work for which they are organized, any sums of money not otherwise



appropriated, not to exceed in any one year ~~the sum of \$4,800 or~~ the sum of 50 75 cents per capita based upon the county's or city's population as of the most recent federal census, ~~whichever is greater~~; provided, that no part of the appropriation shall be expended for the payment of the salary of any officer of the society.

**[EFFECTIVE DATE.]** This section is effective January 1, 2005.

Sec. 2. Minnesota Statutes 2003 Supplement, section 373.01, subdivision 3, is amended to read:

Subd. 3. [CAPITAL NOTES.] (a) A county board may, by resolution and without referendum, issue capital notes subject to the county debt limit to purchase capital equipment useful for county purposes that has an expected useful life at least equal to the term of the notes. The notes shall be payable in not more than five years and shall be issued on terms and in a manner the board determines. A tax levy shall be made for payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds.

(b) For purposes of this subdivision, "capital equipment" means:

(1) public safety, ambulance, road construction or maintenance, and medical equipment; and

(2) computer hardware and ~~original operating system~~ software, whether bundled with machinery or equipment or unbundled, but excluding an upgrade or later version of software already owned by the county.

(c) The authority to issue capital notes for original operating systems software expires on July 1, 2005.

Sec. 3. Minnesota Statutes 2003 Supplement, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, ~~development rights in the form of conservation easements under chapter 84C~~, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, qualified indoor ice arena, and roads and bridges, and the acquisition of development rights in the form of conservation easements under chapter 84C. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau of the Census, or

(3) a population estimate made either by the metropolitan council or by the state demographer under section 4A.02.

(f) "Qualified indoor ice arena" means a facility that meets the requirements of section 373.43.

(g) "Tax capacity" means total taxable market value, but does not include captured market value.

Sec. 4. Minnesota Statutes 2003 Supplement, section 403.21, subdivision 8, is amended to read:

Subd. 8. [SUBSYSTEMS.] "Subsystems" or "public safety radio subsystems" means systems identified in the plan or a plan developed under section 403.36 as subsystems interconnected by the first and third phase backbone ~~in subsequent phases~~ and operated by local government units for their own internal operations.

Sec. 5. Minnesota Statutes 2003 Supplement, section 403.27, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] After consulting with the commissioner of finance, the council, if requested by a vote of at least two-thirds of all of the members of the Public Safety Radio Communication System Planning Committee established under section 403.36, may, by resolution, authorize the issuance of its revenue bonds for any of the following purposes to:

(1) provide funds for regionwide mutual aid and emergency medical services communications;

(2) provide funds for the elements of the first phase of the regionwide public safety radio communications system that the board determines are of regionwide benefit and support mutual aid and emergency medical services communication including, but not limited to, costs of master controllers of the backbone;

(3) provide money for the second phase of the public safety radio communication system;

(4) provide money for the third phase of the public safety radio communication system;

(5) to the extent money is available after meeting the needs described in clauses (1) to (3), provide money to reimburse local units of government for amounts expended for capital improvements to the first phase system previously paid for by the local government units; ~~or~~

(6) provide money for assistance to a local government unit for up to 50 percent of the cost of building a subsystem in the southeast district or in the counties of Benton, Sherburne, Stearns, or Wright in the central district of the State Patrol; or

(7) refund bonds issued under this section.

Sec. 6. Minnesota Statutes 2003 Supplement, section 403.27, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS.] (a) The principal amount of the bonds issued pursuant to subdivision 1, exclusive of any original issue discount, shall not exceed the amount of \$10,000,000 plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and pay for any bond insurance or other credit enhancement.

(b) In addition to the amount authorized under paragraph (a), the council may issue bonds under subdivision 1 in a principal amount of \$3,306,300, plus the amount the council determines necessary to pay the cost of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph may not be used to finance portable or subscriber radio sets.

(c) In addition to the amount authorized under paragraphs (a) and (b), the council may issue bonds under subdivision 1 in a principal amount of \$18,000,000, plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph must be used to pay up to 50 percent of the cost to a local government unit of building a subsystem identified in the plan adopted under section 403.23, subdivision 2, and may not be used to finance portable or subscriber radio sets. The bond proceeds may be used to make improvements to an existing 800 MHz radio system that will interoperate with the regionwide public safety radio communication system, provided that the improvements conform to the board's plan and technical standards. The council must time the sale and issuance of the bonds so that the debt service on the bonds can be covered by the additional revenue that will become available in the fiscal year ending June 30, 2005, generated under section 403.11 and appropriated under section 403.30.

(d) In addition to the amount authorized under paragraphs (a) to (c), the council may issue bonds under subdivision 1 in a principal amount of up to \$27,000,000, plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph are appropriated to the commissioner of public safety for phase three of the public safety radio communication system. In anticipation of the receipt by the commissioner of public safety of the bond proceeds, the Metropolitan Radio Board may advance money from its operating appropriation to the commissioner of public safety to pay for design and preliminary engineering for phase three. The commissioner of public safety must return these amounts to the Metropolitan Radio Board when the bond proceeds are received.

(e) In addition to the amount authorized under paragraphs (a) to (d), the council may issue bonds under subdivision 1 in a principal amount of up to \$9,557,000, plus the amount the council determines necessary to pay the costs of issuance, fund reserves, debt service, and any bond insurance or other credit enhancement. The proceeds of bonds issued under this paragraph are appropriated to the commissioner of public safety for the purpose of subdivision 1, clause (6), provided that the proceeds may not be used to finance portable or subscriber radio sets.

Sec. 7. Minnesota Statutes 2003 Supplement, section 410.32, is amended to read:

410.32 [CITIES MAY ISSUE CAPITAL NOTES FOR CAPITAL EQUIPMENT.]

(a) Notwithstanding any contrary provision of other law or charter, a home rule charter city may, by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment; and

(2) computer hardware and ~~original operating system~~ software, ~~provided whether bundled with machinery or equipment or unbundled, but excluding an upgrade or later version of software already owned by the city.~~

(c) The equipment or software ~~has~~ must have an expected useful life at least as long as the term of the notes.

(d) The authority to issue capital notes for original operating system software expires on July 1, 2005.

(e) The notes shall be payable in not more than five years and be issued on terms and in the manner the city determines. The total principal amount of the capital notes issued in a fiscal year shall not exceed 0.03 percent of the market value of taxable property in the city for that year.

(f) A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds.

(g) Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city.

(h) Notwithstanding a contrary provision of other law or charter, a home rule charter city may also issue capital notes subject to its debt limit in the manner and subject to the limitations applicable to statutory cities pursuant to section 412.301.

Sec. 8. Minnesota Statutes 2003 Supplement, section 412.301, is amended to read:

412.301 [FINANCING PURCHASE OF CERTAIN EQUIPMENT.]

(a) The council may issue certificates of indebtedness or capital notes subject to the city debt limits to purchase capital equipment.

(b) For purposes of this section, "capital equipment" means:

(1) public safety equipment, ambulance and other medical equipment, road construction ~~or~~ and maintenance equipment, and other capital equipment; and

(2) computer hardware and ~~original operating system~~ software, ~~provided whether bundled with machinery or equipment or unbundled, but excluding an upgrade or later version of software already owned by the city.~~

(c) The equipment or software ~~has~~ must have an expected useful life at least as long as the terms of the certificates or notes.

(d) The authority to issue capital notes for original operating system software expires on July 1, 2005.

(e) Such certificates or notes shall be payable in not more than five years and shall be issued on such terms and in such manner as the council may determine.

(f) If the amount of the certificates or notes to be issued to finance any such purchase exceeds 0.25 percent of the market value of taxable property in the city, they shall not be issued for at least ten days after publication in the official newspaper of a council resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular municipal election is filed with the clerk, such certificates or notes shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election.

(g) A tax levy shall be made for the payment of the principal and interest on such certificates or notes, in accordance with section 475.61, as in the case of bonds.

Sec. 9. Minnesota Statutes 2002, section 428A.02, subdivision 1, is amended to read:

Subdivision 1. [ORDINANCE.] The governing body of a city may adopt an ordinance establishing a special service district. Only property that is classified under section 273.13 and used for commercial, industrial, or public utility purposes, or is vacant land zoned or designated on a land use plan for commercial or industrial use and located in the special service district, may be subject to the charges imposed by the city on the special service district. Other types of property may be included within the boundaries of the special service district but are not subject to the levies or charges imposed by the city on the special service district. If 50 percent or more of the

market value of a parcel of property is classified under section 273.13 as commercial, industrial, or vacant land zoned or designated on a land use plan for commercial or industrial use, or public utility for the current assessment year, then the entire market value of the property is subject to a service charge based on net tax capacity for purposes of sections 428A.01 to 428A.10. The ordinance shall describe with particularity the area within the city to be included in the district and the special services to be furnished in the district. For a city located outside of the metropolitan area, as defined in section 473.121, the ordinance may also provide that the activities of the special service district may be managed by a nonprofit corporation created to assist and act on behalf of the city in implementing and providing services as authorized by this section. The ordinance may not be adopted until after a public hearing has been held on the question. Notice of the hearing shall include the time and place of hearing, a map showing the boundaries of the proposed district, and a statement that all persons owning property in the proposed district that would be subject to a service charge will be given opportunity to be heard at the hearing. Within 30 days after adoption of the ordinance under this subdivision, the governing body shall send a copy of the ordinance to the commissioner of revenue.

**[EFFECTIVE DATE.]** This section is effective for ordinances on which public hearings are conducted after June 30, 2004.

Sec. 10. Minnesota Statutes 2002, section 428A.03, subdivision 1, is amended to read:

Subdivision 1. [HEARING.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. To determine the appropriate rate for a service charge based on net tax capacity, taxable property or net tax capacity must be determined without regard to captured or original net tax capacity under section 469.177 or to the distribution or contribution value under section 473F.08. Service charges may not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level. In that case, a service charge may be imposed only in the amount needed to pay for the increased level of service. A service charge may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges in a district, for each calendar year, a hearing must be held under section 428A.02 and notice must be given and must be mailed to any individual or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(2) the estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year and upon completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements;

(3) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year in which the service charge is to be collected; ~~and~~

(4) a statement that the petition requirements of section 428A.08 have either been met or do not apply to the proposed service charge; and

(5) if the city intends to contract with a nonprofit corporation created to assist and act on behalf of the city in implementing and providing services as authorized by ordinance and resolution, a statement of that intent.

Within six months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

**[EFFECTIVE DATE.]** This section is effective for notices of public hearings conducted after June 30, 2004.

Sec. 11. Minnesota Statutes 2002, section 428A.101, is amended to read:

428A.101 [SPECIAL SERVICE DISTRICT; SUNSET OF SELF-EXECUTING PROVISIONS.]

The establishment of a new special service district after June 30, ~~2005~~ 2007, requires enactment of a special law authorizing the establishment.

Sec. 12. [428A.102] [NOTIFICATION.]

By the last day of the calendar year in which a special service district is established, the city shall file a copy of the ordinance establishing the district with the Office of State Auditor. Cities establishing districts before the effective date of this section must file a copy of the ordinance by December 31, 2004.

Sec. 13. Minnesota Statutes 2002, section 428A.21, is amended to read:

428A.21 [SUNSET.]

No new housing improvement areas may be established under sections 428A.11 to 428A.20 after June 30, ~~2005~~ 2007. After June 30, ~~2005~~ 2007, a city may establish a housing improvement area, provided that it receives enabling legislation authorizing the establishment of the area.

Sec. 14. [428A.22] [NOTIFICATION.]

By the last day of the calendar year in which a housing improvement district is established, the city shall file a copy of the ordinance establishing the district with the Office of State Auditor. Cities establishing districts before the effective date of this section must file a copy of the ordinance by December 31, 2004.

Sec. 15. Minnesota Statutes 2002, section 469.034, subdivision 2, is amended to read:

Subd. 2. [GENERAL OBLIGATION REVENUE BONDS.] (a) An authority may pledge the general obligation of the general jurisdiction governmental unit as additional security for bonds payable from income or revenues of the project or the authority. The authority must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds for each year. The proceeds of the bonds must be used for a qualified housing development project or projects. The obligations must be issued and sold in the manner and following the procedures provided by chapter 475, except the obligations are not subject to approval by the electors and the maturities may extend to not more than ~~30~~ 40 years ~~from the estimated date of completion of the project.~~ The authority is the municipality for purposes of chapter 475.

(b) The principal amount of the issue must be approved by the governing body of the general jurisdiction governmental unit whose general obligation is pledged. Public hearings must be held on issuance of the obligations by both the authority and the general jurisdiction governmental unit. The hearings must be held at least 15 days, but not more than 120 days, before the sale of the obligations.

(c) The maximum amount of general obligation bonds that may be issued and outstanding under this section equals the greater of (1) one-half of one percent of the taxable market value of the general jurisdiction governmental unit whose general obligation which includes a tax on property is pledged, or (2) \$3,000,000. In the case of county or multicounty general obligation bonds, the outstanding general obligation bonds of all cities in the county or counties issued under this subdivision must be added in calculating the limit under clause (1).

(d) "General jurisdiction governmental unit" means the city in which the housing development project is located. In the case of a county or multicounty authority, the county or counties may act as the general jurisdiction governmental unit. In the case of a multicounty authority, the pledge of the general obligation is a pledge of a tax on the taxable property in each of the counties.

(e) "Qualified housing development project" means a housing development project providing housing either for the elderly or for individuals and families with incomes not greater than 80 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the standard metropolitan statistical area or the nonmetropolitan county in which the project is located, ~~and will.~~ The project must be owned for the term of the bonds either by the authority for the term of the bonds or by a limited partnership or other entity in which the authority or another entity under the sole control of the authority is the sole general partner and the partnership or other entity must receive (i) an allocation from the Department of Finance or an entitlement issuer of tax-exempt bonding authority for the project and a preliminary determination by the Minnesota Housing Finance Agency or the applicable suballocator of tax credits that the project will qualify for four percent low-income housing tax credits or (ii) a reservation of nine percent low-income housing tax credits from the Minnesota Housing Financing Agency or a suballocator of tax credits for the project. A qualified housing development project may admit nonelderly individuals and families with higher incomes if:

(1) three years have passed since initial occupancy;

(2) the authority finds the project is experiencing unanticipated vacancies resulting in insufficient revenues, because of changes in population or other unforeseen circumstances that occurred after the initial finding of adequate revenues; and

(3) the authority finds a tax levy or payment from general assets of the general jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher income individuals or families are not admitted.

**[EFFECTIVE DATE.]** This section is effective for bonds issued after the day following final enactment.

Sec. 16. Minnesota Statutes 2002, section 469.1813, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The governing body of a political subdivision may grant an abatement of the taxes imposed by the political subdivision on a parcel of property, or defer the payments of the taxes and abate the interest and penalty that otherwise would apply, if:

(a) it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement or intends the abatement to phase in a property tax increase, as provided in clause (b)(7); and

(b) it finds that doing so is in the public interest because it will:

(1) increase or preserve tax base;

(2) provide employment opportunities in the political subdivision;

(3) provide or help acquire or construct public facilities;

(4) help redevelop or renew blighted areas;

(5) help provide access to services for residents of the political subdivision;

(6) finance or provide public infrastructure; ~~or~~

(7) phase in a property tax increase on the parcel resulting from an increase of 50 percent or more in one year on the estimated market value of the parcel, other than increase attributable to improvement of the parcel; or

(8) finance historic or heritage preservation.

Sec. 17. Minnesota Statutes 2002, section 469.1813, subdivision 6, is amended to read:

Subd. 6. [DURATION LIMIT.] (a) A political subdivision may grant an abatement for a period no longer than ~~ten~~ 15 years, except as provided under paragraph (b). The subdivision may specify in the abatement resolution a shorter duration. If the resolution does not specify a period of time, the abatement is for eight years. If an abatement has been granted to a parcel of property and the period of the abatement has expired, the political subdivision that granted the abatement may not grant another abatement for eight years after the expiration of the first abatement. This prohibition does not apply to improvements added after and not subject to the first abatement.

(b) A political subdivision proposing to abate taxes for a parcel may request, in writing, that the other political subdivisions in which the parcel is located grant an abatement for the property. If one of the other political subdivisions declines, in writing, to grant an abatement or if 90 days pass after receipt of the request to grant an abatement without a written response from one of the political subdivisions, the duration limit for an abatement for the parcel by the requesting political subdivision and any other participating political subdivision is increased to ~~15~~ 20 years. If the political subdivision which declined to grant an abatement later grants an abatement for the parcel, the ~~15-year~~ 20-year duration limit is reduced by one year for each year that the declining political subdivision grants an abatement for the parcel during the period of the abatement granted by the requesting political subdivision. The duration limit may not be reduced below the limit under paragraph (a).

[EFFECTIVE DATE.] This section is effective for abatement resolutions approved after the day following final enactment.

Sec. 18. Minnesota Statutes 2002, section 473.39, is amended by adding a subdivision to read:

Subd. 1k. [OBLIGATIONS.] After July 1, 2004, in addition to the authority in subdivisions 1a, 1b, 1c, 1d, 1e, 1g, 1h, 1i, and 1j, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$32,000,000 for capital expenditures as prescribed in the council's regional transit master plan and transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations.

[EFFECTIVE DATE.] This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 19. Minnesota Statutes 2002, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [METROPOLITAN AREA TRANSIT TAX.] (a) For the purposes of sections 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall levy each year upon all taxable property within the metropolitan area, defined in section 473.121, subdivision 2, a transit tax consisting of:

(1) an amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause; and



(2) an additional amount necessary to provide full and timely payment of certificates of indebtedness issued by the council, after consultation with the commissioner of finance, if revenues to the metropolitan area transit fund in the fiscal year in which the indebtedness is issued increase over those revenues in the previous fiscal year by a percentage less than the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor. The authority to levy a tax under this clause applies only to certificates issued before July 1, 2004.

(b) Indebtedness to which property taxes have been pledged under paragraph (a), clause (2), that is incurred in any fiscal year may not exceed the amount necessary to make up the difference between (1) the amount that the council received or expects to receive in that fiscal year from the metropolitan area transit fund and (2) the amount the council received from that fund in the previous fiscal year multiplied by the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

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

Sec. 20. Minnesota Statutes 2002, section 474A.131, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ISSUE.] Each issuer that issues bonds with an allocation received under this chapter shall provide a notice of issue to the department on forms provided by the department stating:

- (1) the date of issuance of the bonds;
- (2) the title of the issue;
- (3) the principal amount of the bonds;
- (4) the type of qualified bonds under federal tax law;
- (5) the dollar amount of the bonds issued that were subject to the annual volume cap; and
- (6) for entitlement issuers, whether the allocation is from current year entitlement authority or is from carryforward authority.

For obligations that are issued as a part of a series of obligations, a notice must be provided for each series. A penalty of one-half of the amount of the application deposit not to exceed \$5,000 shall apply to any issue of obligations for which a notice of issue is not provided to the department within five business days after issuance or before ~~the last Monday 4:30 p.m. on the last business day~~ in December, whichever occurs first. Within 30 days after receipt of a notice of issue the department shall refund a portion of the application deposit equal to one percent of the amount of the bonding authority actually issued if a one percent application deposit was made, or equal to two percent of the amount of the bonding authority actually issued if a two percent application deposit was made, less any penalty amount.

Sec. 21. Minnesota Statutes 2002, section 475.52, subdivision 1, is amended to read:

Subdivision 1. [STATUTORY CITIES.] Any statutory city may issue bonds or other obligations for the acquisition or betterment of public buildings, means of garbage disposal, hospitals, nursing homes, homes for the aged, schools, libraries, museums, art galleries, parks, playgrounds, stadia, sewers, sewage disposal plants, subways, streets, sidewalks, warning systems; for any utility or other public convenience from which a revenue is or may be derived; for a permanent improvement revolving fund; for changing, controlling or bridging streams and other waterways; for the acquisition and betterment of bridges and roads within two miles of the corporate limits; for the

acquisition of development rights in the form of conservation easements under chapter 84C; and for acquisition of equipment for snow removal, street construction and maintenance, or fire fighting. Without limitation by the foregoing the city may issue bonds to provide money for any authorized corporate purpose except current expenses.

Sec. 22. Minnesota Statutes 2002, section 475.52, subdivision 3, is amended to read:

Subd. 3. [COUNTIES.] Any county may issue bonds for the acquisition or betterment of courthouses, county administrative buildings, health or social service facilities, correctional facilities, law enforcement centers, jails, morgues, libraries, parks, and hospitals, for roads and bridges within the county or bordering thereon and for road equipment and machinery and for ambulances and related equipment, for the acquisition of development rights in the form of conservation easements under chapter 84C, and for capital equipment for the administration and conduct of elections providing the equipment is uniform countywide, except that the power of counties to issue bonds in connection with a library shall not exist in Hennepin County.

Sec. 23. Minnesota Statutes 2002, section 475.52, subdivision 4, is amended to read:

Subd. 4. [TOWNS.] Any town may issue bonds for the acquisition and betterment of town halls, town roads and bridges, nursing homes and homes for the aged, and for acquisition of equipment for snow removal, road construction or maintenance, and fire fighting, for the acquisition of development rights in the form of conservation easements under chapter 84C, and for the acquisition and betterment of any buildings to house and maintain town equipment.

Sec. 24. Minnesota Statutes 2003 Supplement, section 475.521, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON AMOUNT.] A city may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued under this section, including the bonds to be issued, will equal or exceed ~~0.05367~~ 0.1 percent of taxable market value of property in the ~~county~~ city. Calculation of the limit must be made using the taxable market value for the taxes payable year in which the obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Sec. 25. Minnesota Statutes 2003 Supplement, section 475.58, subdivision 3b, is amended to read:

Subd. 3b. [STREET RECONSTRUCTION.] (a) A municipality may, without regard to the election requirement under subdivision 1, issue and sell obligations for street reconstruction, if the following conditions are met:

(1) the streets are reconstructed under a street reconstruction plan that describes the streets to be reconstructed, the estimated costs, and any planned reconstruction of other streets in the municipality over the next five years, and the plan and issuance of the obligations has been approved by a vote of all of the members of the governing body following a public hearing for which notice has been published in the official newspaper at least ten days but not more than 28 days prior to the hearing; and

(2) if a petition requesting a vote on the issuance is signed by voters equal to five percent of the votes cast in the last municipal general election and is filed with the municipal clerk within 30 days of the public hearing, the municipality may issue the bonds only after obtaining the approval of a majority of the voters voting on the question of the issuance of the obligations.

(b) Obligations issued under this subdivision are subject to the debt limit of the municipality and are not excluded from net debt under section 475.51, subdivision 4.

(c) For purposes of this subdivision, street reconstruction includes utility replacement and relocation and other activities incidental to the street reconstruction, ~~but~~ turn lanes, other improvements having a substantial public safety function and realignments, and other modifications to intersect with state and county roads.

(d) Except in the case of turn lanes, safety improvements, and intersection modifications, street reconstruction does not include the portion of project cost allocable to widening a street or adding curbs and gutters where none previously existed.

Sec. 26. Laws 2003, chapter 127, article 12, section 38, is amended to read:

Sec. 38. [~~MEMBERS MUST~~ AUTHORITY TO LEVY TAXES FOR AUTHORITY.]

(a) ~~A member shall, at the request of the authority, levy a tax in any year for the benefit of the authority. The authority is a special taxing district as defined in Minnesota Statutes, section 275.066, clause (13), with the power to adopt and certify a property tax levy to the county auditor. The authority may levy a tax in any year for the benefit of the authority. The tax is, for each member, a pro rata portion of the total amount of tax requested by the authority based on the taxable market value within a member's jurisdiction, but in no event may the tax in any year not exceed in any year 0.01813 percent of the total taxable market value of the authority. For purposes of this section, "taxable market value" has the meaning as given in Minnesota Statutes, section 273.032. The tax levied under this section shall be separately stated on the property tax statement under Minnesota Statutes, section 276.04, subdivision 2.~~

(b) ~~The treasurer of each member city or town shall, within 15 days after receiving the property tax settlements from the county treasurer, pay to the treasurer of the authority the amount collected for this purpose. The money must be used by the authority for the purposes provided by sections 35 to 41.~~

[EFFECTIVE DATE.] This section is effective for taxes levied in 2004, payable in 2005, and thereafter.

Sec. 27. [AITKIN DRAINAGE AND CONSERVANCY DISTRICT.]

Notwithstanding Laws 1987, chapter 239, sections 139 and 140, the Aitkin Drainage and Conservancy District is reestablished pursuant to Minnesota Statutes 1986, chapter 111, for the purpose of maintaining the Mississippi River diversion channel. This district expires December 31, 2008.

[EFFECTIVE DATE.] This section is effective the day following final enactment and expires December 31, 2008.

Sec. 28. [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 28 to 31, the terms defined in this section have the meanings given them.

Subd. 2. [CITY.] "City" means the city of St. Paul, its mayor, city council, and any other board, authority, commission, or officer authorized by law, charter, or ordinance to exercise city powers of the nature referred to in sections 28 to 31.

Subd. 3. [RIVERCENTRE COMPLEX.] "RiverCentre complex" means collectively the auditorium, convention, conference and education center, arena, and parking ramp facilities presently and commonly known as the Roy Wilkins Auditorium, St. Paul RiverCentre, Xcel Energy Center, and RiverCentre Parking Ramp, including all property, real or personal, tangible or intangible, located in the city, intended to be used as part of the RiverCentre complex or additions to or extensions of it.

Sec. 29. [ST. PAUL; CREATION OF NONPROFIT ORGANIZATION.]

Subdivision 1. [AUTHORITY TO CREATE A NONPROFIT ORGANIZATION.] As required under Minnesota Statutes, section 465.717, and notwithstanding any other law, city charter provision, or ordinance to the contrary, the city of St. Paul may participate in the creation of a nonprofit organization for the purposes provided in sections 28 to 31.

Subd. 2. [GOVERNING BOARD; APPOINTMENT PROCESS.] (a) The mayor of the city, subject to approval by the city council, shall appoint a majority of the members of the governing board of the nonprofit organization performing all or a part of the activities necessary to carry out the purposes specified in sections 28 to 31. The mayor of the city may designate any officer or employee of the city to serve as a member of the governing board of any nonprofit organization.

(b) In addition to the appointments made by the mayor under paragraph (a), the mayor of the city shall designate two members of the city council to serve on the governing board of the nonprofit organization.

(c) Notwithstanding any provision contained in the articles of incorporation and bylaws of the nonprofit organization, any member of the governing board appointed by the mayor may be removed only by the mayor of the city.

Subd. 3. [PRESIDENT.] The governing board of the nonprofit organization shall select, subject to the approval of the mayor of the city, a president to serve as chief executive officer and general manager of the nonprofit organization.

Subd. 4. [CONFLICTS OF INTEREST.] The procedures in Minnesota Statutes, section 317A.255, subdivision 1, paragraph (b), relating to director conflicts of interest, are not required if the contract or other transaction is between the city and the nonprofit organization.

Sec. 30. [RIVERCENTRE MANAGEMENT; OPERATIONS CONTRACT.]

Subdivision 1. [AUTHORITY TO CONTRACT WITH NONPROFIT ORGANIZATION.] The city may enter into an agreement with the nonprofit organization created in section 29 to equip, maintain, manage, and operate all or a portion of the RiverCentre complex and to manage and operate a convention bureau to market and promote the city as a tourist or convention center. Except as otherwise provided in sections 28 to 31, the nonprofit organization may only contract and utilize and expend funds for these purposes under the direction of its governing board, subject to the accounting, financial reporting, and other conditions that the city may prescribe in a contract made under sections 28 to 31 between the city and the nonprofit organization. The nonprofit organization may use the services of the office of the city attorney and the city's purchasing department. All activities performed to carry out these purposes are deemed to be for a public purpose.

Subd. 2. [BONDHOLDERS' RIGHTS AND RIVERCENTRE COMPLEX TAX EXEMPTIONS PRESERVED.] (a) The city must protect the rights of holders of bonds issued for the RiverCentre complex, including preserving the tax-exempt status of the bonds.

(b) The use and operation of the RiverCentre complex by the nonprofit organization with which the city contracts under sections 28 to 31 is a use, lease, or occupancy for public, governmental, and municipal purposes, and the complex is exempt from taxation by the state or any political subdivision of the state during such use, to the extent it would be exempt if the complex was equipped, maintained, managed, and operated by the city.

(c) Gross receipts of tickets and admissions to events at the RiverCentre complex sponsored by the nonprofit organization created in section 29 do not qualify for the sales tax exemption under Minnesota Statutes, section 297A.70, subdivision 10.

Subd. 3. [APPLICABLE GENERAL LAWS.] The following statutes apply to the nonprofit organization with which the city contracts under sections 28 to 31 the same as they apply to the city, to the extent practicable:

(a) Minnesota Statutes, chapter 13D, the Minnesota Open Meeting Law; and

(b) Minnesota Statutes, chapter 13, the Government Data Practices Act.

Subd. 4. [SUCCESSION.] The nonprofit organization with which the city contracts under sections 28 to 31 is the successor to all powers, rights, assets, privileges, and interests held and enjoyed by the RiverCentre authority on the effective date of sections 28 to 31, and established by the provisions of Laws 1967, chapter 459, sections 1, 2, 4, and 8, subdivisions 2 and 3, clause (3), as amended; Laws 1982, chapter 523, article 25, sections 4 and 5, as amended; Laws 1998, chapter 404, sections 81 and 82; and Minnesota Statutes, section 297A.98. On the effective date of the contract between the city and the nonprofit organization authorized by sections 28 to 31, the RiverCentre authority ceases to exist for only so long as the contract is in effect, and all other laws or provisions specifically relating to the RiverCentre authority and the RiverCentre complex that are not otherwise referenced in sections 28 to 31 do not apply to the nonprofit organization.

Sec. 31. [LIABILITY.]

The nonprofit organization with which the city contracts under sections 28 to 31 is a "municipality," and the officers, directors, employees, and agents of the nonprofit organization are "employees, officers, or agents," under Minnesota Statutes, chapter 466, relating to tort liability. The city must defend, save harmless, and indemnify the nonprofit organization, including the nonprofit's officers, directors, employees, and agents, against any claim or demand arising out of the nonprofit organization's performance under the contract.

Sec. 32. [FAIRMONT; ABATEMENT AUTHORITY.]

The city of Fairmont, Martin County, and Independent School District No. 2752, Fairmont Area Schools, may each grant an abatement under Minnesota Statutes, sections 469.1812 to 469.1815, for property located in tax increment financing district No. 20 in the city of Fairmont, notwithstanding any law to the contrary. The total amount of the abatement for each political subdivision may not exceed the taxes paid by the original tax capacity of the district No. 20 for each year of its existence.

Sec. 33. [TRANSFER OF BOND ALLOCATION AUTHORITY.]

Notwithstanding Minnesota Statutes, section 474A.03, subdivision 2a, paragraph (b), the Minnesota Housing Finance Agency may enter into an agreement with the Higher Education Services Office whereby the Higher Education Services Office issues qualified student loan bonds, up to \$50,000,000 of which are issued pursuant to bonding authority allocated to the Minnesota Housing Finance Agency in 2004 under Minnesota Statutes, section 474A.03, subdivision 2a, paragraph (a). This amount is in addition to the bonding authority otherwise allocated to the Higher Education Services Office under Minnesota Statutes, chapter 474A. Notwithstanding Minnesota Statutes, section 474A.04, subdivision 1a; 474A.061; or 474A.091, subdivision 2, bonding authority carried forward by the Minnesota Housing Finance Agency from its allocation in 2004 under Minnesota Statutes, section 474A.03, subdivision 2a, paragraph (b), is exempt from the requirement that the bonding authority be permanently issued by December 31 of the next succeeding calendar year.

Sec. 34. [EFFECTIVE DATE.]

(a) Except as otherwise specifically provided, this act is effective the day following final enactment.

(b) Sections 28 to 31 are effective the day after the city council and the chief clerical officer of the city of St. Paul have timely completed their compliance with Minnesota Statutes, section 645.023, subdivisions 2 and 3."

Delete the title and insert:

"A bill for an act relating to public finance; modifying the authority of cities and counties to finance purchases of computers and related items; clarifying the financing of conservation easements; extending sunsets on establishment of special service districts and housing improvement areas; extending the maximum maturity of bonds for qualified housing development projects; revising time for certain notices of issues; modifying the authority to finance street reconstruction; modifying limits on city capital improvement bonds; changing the limits on city or county support of prevention of cruelty to animal societies; changing the definition of subsystems for purposes of the metropolitan area public safety radio system law and authorizing assistance to local government units for building subsystems in the State Patrol central district; authorizing certain nonprofit corporations for certain limited purposes; requiring housing improvement district ordinances to be filed with the state auditor; redefining housing development improvement project; authorizing property tax abatements to finance historic or heritage preservation; extending the authorized maximum length of some abatements; authorizing additional authority to issue obligations by the Metropolitan Council for bus transit and limiting some of its tax authority; changing punctuation; making technical corrections; making the Lakes Area Economic Development Authority a special taxing district; reestablishing the Aitkin Drainage and Conservancy District; permitting abatements in a tax increment financing district in the city of Fairmont; authorizing the transfer of certain bond allocation authority; amending Minnesota Statutes 2002, sections 343.11; 428A.02, subdivision 1; 428A.03, subdivision 1; 428A.101; 428A.21; 469.034, subdivision 2; 469.1813, subdivisions 1, 6; 473.39, by adding a subdivision; 473.446, subdivision 1; 474A.131, subdivision 1; 475.52, subdivisions 1, 3, 4; Minnesota Statutes 2003 Supplement, sections 373.01, subdivision 3; 373.40, subdivision 1; 403.21, subdivision 8; 403.27, subdivisions 1, 3; 410.32; 412.301; 475.521, subdivision 4; 475.58, subdivision 3b; Laws 2003, chapter 127, article 12, section 38; proposing coding for new law in Minnesota Statutes, chapter 428A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy reported on the following appointment which had been referred to the committee by the Speaker:

#### CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD

##### A. HILDA BETTERMANN

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

Rhodes moved that the report of the Committee on Governmental Operations and Veterans Affairs Policy relating to the appointment of A. Hilda Bettermann to the Campaign Finance and Public Disclosure Board be adopted. The motion prevailed and the report was adopted.

**CONFIRMATION**

Rhodes moved that the House, having advised, do now consent to and confirm the appointment of A. Hilda Bettermann, 8435 Sara Road Northwest, Brandon, Minnesota 56315, in the county of Douglas, Congressional District Seven, effective April 7, 2004, for a term expiring January 7, 2008. The motion prevailed and the appointment of A. Hilda Bettermann was confirmed by the House.

Rhodes from the Committee on Governmental Operations and Veterans Affairs Policy reported on the following appointment which had been referred to the committee by the Speaker:

**CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD****FELICIA J. BOYD**

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

Pursuant to rule 2.05, the Speaker excused Thissen from voting on the confirmation vote on Felicia J. Boyd to the Campaign Finance and Public Disclosure Board.

Rhodes moved that the report of the Committee on Governmental Operations and Veterans Affairs Policy relating to the appointment of Felicia J. Boyd to the Campaign Finance and Public Disclosure Board be adopted. The motion prevailed and the report was adopted.

**CONFIRMATION**

Rhodes moved that the House, having advised, do now consent to and confirm the appointment of Felicia J. Boyd, 22399 Wagonwheel Trail, Lakeville, Minnesota 55044, in the county of Scott, Congressional District Two, effective April 7, 2004, for a term expiring January 7, 2008. The motion prevailed and the appointment of Felicia J. Boyd was confirmed by the House.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 1798 and 3081 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Eken, Huntley and Lieder introduced:

H. F. No. 3186, A bill for an act relating to human services; authorizing a negotiated blended, budget neutral nursing facility rate in a certain county; amending Minnesota Statutes 2002, section 256B.431, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Sertich, Gunther, Dorman, Davids and Dorn introduced:

H. F. No. 3187, A bill for an act relating to economic development; authorizing certain investments; creating a program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1861, A bill for an act relating to civil actions; regulating liability on land used for recreational purposes; modifying the definition of recreational purpose; amending Minnesota Statutes 2002, section 604A.21, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1978, A bill for an act relating to motor carriers; making technical corrections to conform state law to amended federal regulations relating to truck driver hours; amending Minnesota Statutes 2002, sections 221.011, subdivision 6; 221.0314, subdivision 9.

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. 1753, A bill for an act relating to utilities; modifying low-income electric rate discount program; amending Minnesota Statutes 2002, section 216B.16, subdivision 14.

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

Senators Anderson, Kubly and Gaither.

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



Westrom 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. 1753. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 1758, 1875, 1782, 2265 and 2593.

PATRICK E. FLAHAVEN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 1758, A bill for an act relating to paternity; changing certain presumptions; amending Minnesota Statutes 2002, sections 257.55, subdivision 1; 257.57, subdivision 2; 257.62, subdivision 5.

The bill was read for the first time.

Meslow moved that S. F. No. 1758 and H. F. No. 1857, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1875, A bill for an act relating to child protection; modifying requirements for a relative search; amending Minnesota Statutes 2002, section 260C.212, subdivision 5.

The bill was read for the first time.

Walker moved that S. F. No. 1875 and H. F. No. 2020, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1782, A bill for an act relating to local government; removing restrictions and eliminating a moratorium on equitable compensation reporting requirements for political subdivisions; amending Minnesota Statutes 2003 Supplement, section 471.999.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2265, A bill for an act relating to financial institutions; clarifying the status of industrial loan and thrift companies that accept deposits; regulating the liability of certain individuals on credit card accounts; amending Minnesota Statutes 2002, section 53.01; proposing coding for new law in Minnesota Statutes, chapter 325G.

The bill was read for the first time.

Stang moved that S. F. No. 2265 and H. F. No. 2216, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2593, A bill for an act relating to real estate; prohibiting restrictions on real estate use that restrict display of flags and noncommercial signs; proposing coding for new law in Minnesota Statutes, chapter 500.

The bill was read for the first time.

Mullery moved that S. F. No. 2593 and H. F. No. 2410, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### FISCAL CALENDAR

Pursuant to rule 1.22, Abrams requested immediate consideration of H. F. No. 2540.

H. F. No. 2540 was reported to the House.

Abrams moved to amend H. F. No. 2540, the second engrossment, as follows:

Page 18, line 11, delete "0.2" and insert "0.25"

Page 18, line 12, after the second comma, insert "and before January 1, 2006, to the extent the deduction exceeds 0.1 percent of adjusted gross income;

(D) for taxable years beginning after December 31, 2005,"

Page 21, line 34, delete "all" and after "years" insert "beginning after December 31, 2003"

Pages 124 to 127, delete sections 11 and 12

Page 136, after line 24, insert:

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

The motion prevailed and the amendment was adopted.

Mariani was excused between the hours of 9:05 a.m. and 11:10 a.m.

Rukavina; Mariani; Davnie; Lenczewski; Hilstrom; Dorn; Carlson; Kelliher; Sertich; Thissen; Anderson, I.; Otto; Sieben; Biernat; Eken; Pelowski; Atkins; Ellison; Opatz; Lesch; Lieder; Juhnke; Bernardy; Johnson, S.; Hilty; Marquart; Hornstein; Nelson, M.; Greiling; Entenza; Mullery; Jaros; Otremba; Murphy; Larson; Dill and Thao moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 66, after line 15, insert:

"Sec. 11. Minnesota Statutes 2002, section 272.02, is amended by adding a subdivision to read:

Subd. 73. [HOMESTEAD OF DISABLED VETERAN OR SURVIVING SPOUSE.] (a) Property otherwise qualifying for homestead classification under section 273.13 is exempt from taxation if it serves as the homestead of a military veteran, as defined in section 197.447, who has a total and permanent service-connected disability. To qualify for exemption under this subdivision, the veteran must have been honorably discharged from the United States armed forces, as indicated by United States Government Form DD214 or other official military discharge papers, and must be certified by the United States Veterans Administration as having a total (100 percent) and permanent service-connected disability.

(b) If a disabled veteran qualifying for exemption under paragraph (a) predeceases the veteran's spouse, and if upon the death of the veteran the spouse holds the legal or beneficial title to the homestead and permanently resides there, the exemption from taxation shall carry over to the benefit of the veteran's spouse until such time as the spouse remarries or sells or otherwise disposes of the property.

(c) In the case of an agricultural homestead, only the portion of the property consisting of the house and garage and immediately surrounding one acre of land qualifies for exemption under this subdivision.

(d) A property owner attempting to first qualify for exemption under this section must apply to the assessor by July 1 of the assessment year, except that for assessment year 2004 application may be made until October 1, 2004. The application must be accompanied by supporting documentation as required by the assessor. Once a property has been accepted for exemption under this section, the property continues to qualify until there is a change in ownership of the property.

[EFFECTIVE DATE.] This section is effective for assessment year 2004 and thereafter, for taxes payable in 2005 and thereafter."

Page 71, after line 33, insert:

"Sec. 20. Minnesota Statutes 2003 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23 and in paragraphs (b) and (c), real estate which is residential and used for homestead purposes is class 1a. In the case of a duplex or triplex in which one of the units is used for homestead purposes, the entire property is deemed to be used for homestead purposes. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$500,000 of market value of class 1a property has a net class rate of one percent of its market value; and the market value of class 1a property that exceeds \$500,000 has a class rate of 1.25 percent of its market value.

(b) Class 1b property includes homestead real estate or homestead manufactured homes used for the purposes of a homestead by

(1) any person who is blind as defined in section 256D.35, or the blind person and the blind person's spouse; or

(2) ~~any person, hereinafter referred to as "veteran," who:~~

(i) ~~served in the active military or naval service of the United States; and~~

~~(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and~~

~~(iii) has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or~~

~~(3) any person who is permanently and totally disabled.~~

Property is classified and assessed under clause ~~(3)~~ (2) only if the government agency or income-providing source certifies, upon the request of the homestead occupant, that the homestead occupant satisfies the disability requirements of this paragraph.

Property is classified and assessed pursuant to clause (1) only if the commissioner of revenue certifies to the assessor that the homestead occupant satisfies the requirements of this paragraph.

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net class rate of .45 percent of its market value. The remaining market value of class 1b property has a class rate using the rates for class 1a or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 250 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner, which includes a dwelling occupied as a homestead by a shareholder of a corporation that owns the resort, a partner in a partnership that owns the resort, or a member of a limited liability company that owns the resort even if the title to the homestead is held by the corporation, partnership, or limited liability company. For purposes of this clause, property is devoted to a commercial purpose on a specific day if any portion of the property, excluding the portion used exclusively as a homestead, is used for residential occupancy and a fee is charged for residential occupancy. The first \$500,000 of market value of class 1c property has a class rate of one percent, and the remaining market value of class 1c property has a class rate of one percent, with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore. If any portion of the class 1c resort property is classified as class 4c under subdivision 25, the entire property must meet the requirements of subdivision 25, paragraph (d), clause (1), to qualify for class 1c treatment under this paragraph.

(d) Class 1d property includes structures that meet all of the following criteria:

(1) the structure is located on property that is classified as agricultural property under section 273.13, subdivision 23;

(2) the structure is occupied exclusively by seasonal farm workers during the time when they work on that farm, and the occupants are not charged rent for the privilege of occupying the property, provided that use of the structure for storage of farm equipment and produce does not disqualify the property from classification under this paragraph;

(3) the structure meets all applicable health and safety requirements for the appropriate season; and

(4) the structure is not salable as residential property because it does not comply with local ordinances relating to location in relation to streets or roads.

The market value of class 1d property has the same class rates as class 1a property under paragraph (a).

**[EFFECTIVE DATE.]** This section is effective for assessment year 2004 and thereafter, for taxes payable in 2005 and thereafter."

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 Rukavina et al amendment and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Heidgerken	Larson	Osterman	Soderstrom
Abrams	Demmer	Hilstrom	Latz	Otremba	Solberg
Adolphson	Dempsey	Hilty	Lenczewski	Otto	Stang
Anderson, B.	Dill	Holberg	Lesch	Ozment	Swenson
Anderson, I.	Dorman	Hoppe	Lieder	Paulsen	Sykora
Anderson, J.	Dorn	Hornstein	Lindgren	Paymar	Thao
Atkins	Eastlund	Howes	Lindner	Pelowski	Thissen
Beard	Eken	Huntley	Lipman	Penas	Tingelstad
Bernardy	Ellison	Jacobson	Magnus	Peterson	Urdahl
Biernat	Entenza	Jaros	Marquart	Powell	Vandever
Blaine	Erhardt	Johnson, J.	McNamara	Pugh	Wagenius
Borrell	Erickson	Johnson, S.	Meslow	Rhodes	Walz
Boudreau	Finstad	Juhnke	Mullery	Rukavina	Wardlow
Bradley	Fuller	Kahn	Murphy	Ruth	Wasiluk
Brod	Gerlach	Kelliher	Nelson, C.	Samuelson	Westerberg
Buesgens	Goodwin	Klinzing	Nelson, M.	Seagren	Westrom
Carlson	Greiling	Knoblach	Nelson, P.	Seifert	Wilkin
Clark	Gunther	Koenen	Newman	Sertich	Zellers
Cornish	Haas	Kohls	Nornes	Severson	Spk. Sviggum
Cox	Hackbarth	Krinkie	Olsen, S.	Sieben	
Davids	Harder	Kuisle	Olson, M.	Simpson	
Davnie	Hausman	Lanning	Opatz	Smith	

The motion prevailed and the amendment was adopted.

Eken moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 177, after line 14, insert:

"Sec. 22. [DEPARTMENT OF REVENUE REPORT.] By July 1, 2005, the commissioner of revenue shall report to the legislature and to the chairs of the house and senate tax committees on the effects of corporate franchise

and individual income tax credits and tax loopholes on the economy of Minnesota and on the well-being of its families. In preparing the report the commissioner must utilize the most recent studies and reports available."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Eken offered an amendment to the Eken amendment to H. F. No. 2540, the second engrossment, as amended.

#### POINT OF ORDER

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

Eken withdrew his original amendment to H. F. No. 2540, the second engrossment, as amended.

There being no objection, the order of business advanced to Motions and Resolutions.

#### MOTIONS AND RESOLUTIONS

House Resolution No. 22 was reported to the House.

#### HOUSE RESOLUTION NO. 22

A House resolution remembering Molly Cade.

*Whereas*, Molly Cade, president of the Minnesota Ovarian Cancer Alliance, MOCA, passed away Wednesday, December 3, 2003; and

*Whereas*, Molly's passion that no woman should have to be alone while enduring ovarian cancer led her to found MOCA in 1999; and

*Whereas*, MOCA raised over \$700,000 in its first four years to fund Minnesota researchers in ovarian cancer, making MOCA one of the largest sponsors of ovarian cancer research in the United States; and

*Whereas*, Molly epitomized what it means to "thrive" with cancer; and

*Whereas*, Molly's tireless energy inspired hundreds of ovarian cancer survivors, their families, and friends; and

*Whereas*, Molly was recognized for her work by Blue Cross/Blue Shield, Minneapolis-St. Paul magazine, and the Minnesota Oncology Hematology Foundation; and

*Whereas*, Molly touched countless lives as a teacher, business leader, advocate, and woman of faith; and

*Whereas*, Molly Cade was instrumental in creating MOCA's annual walk/run event which was attended by Governor Pawlenty in September 2003 and MOCA will hold its 5th annual event in 2004; *Now, Therefore*,

*Be It Resolved* by the Committee on Rules and Legislative Administration of the House of Representatives of the State of Minnesota that it honors Molly Cade for her inspiring lifework as a pioneer and advocate for ovarian cancer research, her commitment to early identification and prevention of this life-threatening disease, and her work in saving the lives of countless women in Minnesota.

Clark moved that House Resolution No. 22 be now adopted. The motion prevailed and House Resolution No. 22 was adopted.

### FISCAL CALENDAR, Continued

H. F. No. 2540, as amended, was again reported to the House.

Kahn moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 71, after line 1, insert:

"Sec. 18. Minnesota Statutes 2002, section 273.11, is amended by adding a subdivision to read:

Subd. 21. [VALUATION EXCLUSION FOR LEAD HAZARD REDUCTION.] Owners of property classified as class 1a, 1b, 1c, 2a, 4b, or 4bb under section 273.13 may apply for a valuation exclusion for lead hazard reduction, provided that the property is located in a city which has authorized valuation exclusions under this subdivision. A city which authorizes valuation exclusions under this subdivision must establish guidelines for qualifying lead hazard reduction projects and must designate an agency within the city to issue certificates of completion of qualifying projects. For purposes of this subdivision, "lead hazard reduction" has the same meaning as in section 144.9501, subdivision 17.

The property owner must obtain a certificate from the city stating that the project has been completed and stating the cost incurred by the owner in completing the project. Only projects originating after April 1, 2004, may qualify for exclusion under this subdivision. The property owner shall apply for a valuation exclusion to the assessor on a form prescribed by the assessor.

A qualifying property is eligible for a valuation exclusion equal to 50 percent of the actual costs incurred, to a maximum exclusion of \$15,000, for a period of five years. The valuation exclusion shall terminate upon the sale of the property. If a property owner applies for exclusion under this subdivision between January 1 and June 30 of any year, the exclusion shall first apply for taxes payable in the following year. If a property owner applies for exclusion under this subdivision between July 1 and December 31 of any year, the exclusion shall first apply for taxes payable in the second following year.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Pugh moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 14, line 7, strike "80" and insert "68"

Page 20, line 5, delete "\$41,000" and insert "\$46,000"

Page 20, line 6, delete "\$20,500" and insert "\$23,000"

Page 20, line 7, delete "\$30,750" and insert "\$34,500"

Page 20, line 10, delete "\$42,000" and insert "\$48,000"

Page 20, line 11, delete "\$21,000" and insert "\$24,000"

Page 20, line 12, delete "\$31,500" and insert "\$36,000"

Page 20, line 15, delete "\$44,000" and insert "\$50,000" and delete "\$22,000" and insert "\$25,000"

Page 20, line 17, delete "\$33,000" and insert "\$37,500"

Page 20, after line 35, insert:

"Sec. 11. Minnesota Statutes 2002, section 290.17, subdivision 4, is amended to read:

Subd. 4. [UNITARY BUSINESS PRINCIPLE.] (a) If a trade or business conducted wholly within this state or partly within and partly without this state is part of a unitary business, the entire income of the unitary business is subject to apportionment pursuant to section 290.191. Notwithstanding subdivision 2, paragraph (c), none of the income of a unitary business is considered to be derived from any particular source and none may be allocated to a particular place except as provided by the applicable apportionment formula. The provisions of this subdivision do not apply to business income subject to subdivision 5, income of an insurance company, or income of an investment company determined under section 290.36.

(b) The term "unitary business" means business activities or operations which result in a flow of value between them. The term may be applied within a single legal entity or between multiple entities and without regard to whether each entity is a sole proprietorship, a corporation, a partnership or a trust.

(c) Unity is presumed whenever there is unity of ownership, operation, and use, evidenced by centralized management or executive force, centralized purchasing, advertising, accounting, or other controlled interaction, but the absence of these centralized activities will not necessarily evidence a nonunitary business. Unity is also presumed when business activities or operations are of mutual benefit, dependent upon or contributory to one another, either individually or as a group.

(d) Where a business operation conducted in Minnesota is owned by a business entity that carries on business activity outside the state different in kind from that conducted within this state, and the other business is conducted entirely outside the state, it is presumed that the two business operations are unitary in nature, interrelated, connected, and interdependent unless it can be shown to the contrary.

(e) Unity of ownership is not deemed to exist when a corporation is involved unless that corporation is a member of a group of two or more business entities and more than 50 percent of the voting stock of each member of the group is directly or indirectly owned by a common owner or by common owners, either corporate or noncorporate, or by one or more of the member corporations of the group. For this purpose, the term "voting stock" shall include membership interests of mutual insurance holding companies formed under section 60A.077.



(f) The net income and apportionment factors under section 290.191 or 290.20 of foreign corporations and other foreign entities which are part of a unitary business shall not be included in the net income or the apportionment factors of the unitary business. A foreign corporation or other foreign entity which is required to file a return under this chapter shall file on a separate return basis. The net income and apportionment factors under section 290.191 or 290.20 of foreign operating corporations shall not be included in the net income or the apportionment factors of the unitary business except as provided in paragraph (g).

(g) The adjusted net income of a foreign operating corporation shall be deemed to be paid as a dividend on the last day of its taxable year to each shareholder thereof, in proportion to each shareholder's ownership, with which such corporation is engaged in a unitary business. Such deemed dividend shall be treated as a dividend under section 290.21, subdivision 4. The dividend received deduction is not allowed on 15 percent of dividends, interest, royalties, or capital gains received by a foreign operating corporation included in the deemed dividend.

Dividends actually paid by a foreign operating corporation to a corporate shareholder which is a member of the same unitary business as the foreign operating corporation shall be eliminated from the net income of the unitary business in preparing a combined report for the unitary business. The adjusted net income of a foreign operating corporation shall be its net income adjusted as follows:

(1) any taxes paid or accrued to a foreign country, the commonwealth of Puerto Rico, or a United States possession or political subdivision of any of the foregoing shall be a deduction; and

(2) the subtraction from federal taxable income for payments received from foreign corporations or foreign operating corporations under section 290.01, subdivision 19d, clause (10), shall not be allowed.

If a foreign operating corporation incurs a net loss, neither income nor deduction from that corporation shall be included in determining the net income of the unitary business.

(h) For purposes of determining the net income of a unitary business and the factors to be used in the apportionment of net income pursuant to section 290.191 or 290.20, there must be included only the income and apportionment factors of domestic corporations or other domestic entities other than foreign operating corporations that are determined to be part of the unitary business pursuant to this subdivision, notwithstanding that foreign corporations or other foreign entities might be included in the unitary business.

(i) Deductions for expenses, interest, or taxes otherwise allowable under this chapter that are connected with or allocable against dividends, deemed dividends described in paragraph (g), or royalties, fees, or other like income described in section 290.01, subdivision 19d, clause (10), shall not be disallowed.

(j) Each corporation or other entity, except a sole proprietorship, that is part of a unitary business must file combined reports as the commissioner determines. On the reports, all intercompany transactions between entities included pursuant to paragraph (h) must be eliminated and the entire net income of the unitary business determined in accordance with this subdivision is apportioned among the entities by using each entity's Minnesota factors for apportionment purposes in the numerators of the apportionment formula and the total factors for apportionment purposes of all entities included pursuant to paragraph (h) in the denominators of the apportionment formula.

(k) If a corporation has been divested from a unitary business and is included in a combined report for a fractional part of the common accounting period of the combined report:

(1) its income includable in the combined report is its income incurred for that part of the year determined by proration or separate accounting; and

(2) its sales, property, and payroll included in the apportionment formula must be prorated or accounted for separately.

**[EFFECTIVE DATE.]** This section is effective for taxable years beginning after December 31, 2003."

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. There were 54 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Hornstein	Latz	Opatz	Sertich
Atkins	Eken	Huntley	Lenczewski	Otremba	Sieben
Bernardy	Ellison	Jaros	Lesch	Otto	Slawik
Biernat	Entenza	Johnson, S.	Lieder	Paymar	Smith
Carlson	Goodwin	Juhnke	Marquart	Pelowski	Solberg
Clark	Greiling	Kahn	Mullery	Peterson	Thao
Davnie	Hausman	Kelliher	Murphy	Pugh	Thissen
Dill	Hilstrom	Koenen	Nelson, M.	Rhodes	Wagenius
Dorman	Hilty	Larson	Olson, M.	Rukavina	Wasiluk

Those who voted in the negative were:

Abeler	Cox	Hackbarth	Lanning	Ozment	Sykora
Abrams	Davids	Harder	Lindgren	Paulsen	Tingelstad
Adolphson	DeLaForest	Heidgerken	Lindner	Penas	Urdahl
Anderson, B.	Demmer	Holberg	Lipman	Powell	Vandever
Anderson, J.	Dempsey	Hoppe	Magnus	Ruth	Walz
Beard	Eastlund	Howes	McNamara	Samuelson	Wardlow
Blaine	Erhardt	Jacobson	Meslow	Seagren	Westerberg
Borrell	Erickson	Johnson, J.	Nelson, C.	Seifert	Westrom
Boudreau	Finstad	Klinzing	Nelson, P.	Severson	Wilkin
Bradley	Fuller	Knoblach	Newman	Simpson	Zellers
Brod	Gerlach	Kohls	Nornes	Soderstrom	Spk. Sviggum
Buesgens	Gunther	Krinkie	Olsen, S.	Stang	
Cornish	Haas	Kuisle	Osterman	Swenson	

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

Bradley and Boudreau moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 106, line 16, before the comma, insert "and collect the tax"

The motion prevailed and the amendment was adopted.

Olson, M.; Abrams; Kuisle and Lenczewski moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 102, after line 11, insert:

"(c) This subdivision expires three years after completion of a public safety certification and training facility."

The motion prevailed and the amendment was adopted.

Rukavina; Hilty; Dill; Anderson, I.; Solberg; Sertich; Juhnke and Howes moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 60, after line 9, insert:

"Sec. 2. Minnesota Statutes 2002, section 126C.01, subdivision 3, is amended to read:

Subd. 3. [REFERENDUM MARKET VALUE.] "Referendum market value" means the market value of all taxable property, excluding property classified as class 2, ~~noncommercial 4c(1)~~, or 4c(4) under section 273.13. The portion of class 2a property consisting of the house, garage, and surrounding one acre of land of an agricultural homestead is included in referendum market value. Any class of property, or any portion of a class of property, that is included in the definition of referendum market value and that has a class rate of less than one percent under section 273.13 shall have a referendum market value equal to its net tax capacity multiplied by 100.

[EFFECTIVE DATE.] This section is effective for taxes payable in 2005 and subsequent years.

Sec. 3. Minnesota Statutes 2003 Supplement, section 126C.17, subdivision 7a, is amended to read:

Subd. 7a. [REFERENDUM TAX BASE REPLACEMENT AID.] (a) For each school district that had a referendum allowance for fiscal year 2002 exceeding \$415, for each separately authorized referendum levy, the commissioner of revenue, in consultation with the commissioner of education, shall certify the amount of the referendum levy in taxes payable year 2001 attributable to the portion of the referendum allowance exceeding \$415 levied against property classified as class 2, noncommercial 4c(1), or 4c(4), under section 273.13, excluding the portion of the tax paid by the portion of class 2a property consisting of the house, garage, and surrounding one acre of land. The resulting amount must be used to reduce the district's referendum levy amount otherwise determined, and must be paid to the district each year that the referendum authority remains in effect, is renewed, or new referendum authority is approved. The aid payable under this subdivision must be subtracted from the district's referendum equalization aid under subdivision 7. The referendum equalization aid after the subtraction must not be less than zero.

(b) For fiscal year 2006 and subsequent years, the amount determined under paragraph (a) is reduced by the ratio of (i) the assessment year 2002 taxable market value of noncommercial class 4c(1) property to (ii) the assessment year 2002 total amount of excluded referendum market value under class 2 and noncommercial class 4c(1) and 4c(4).

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

Page 74, after line 22, insert:

"Sec. 23. Minnesota Statutes 2002, section 275.025, as amended by Laws 2003, chapter 127, article 5, sections 24, 25, and 26; and Laws 2003, First Special Session chapter 21, article 4, section 5; is amended to read:

275.025 [STATE GENERAL TAX.]

Subdivision 1. [LEVY AMOUNT.] The state general levy is levied against commercial-industrial property ~~and seasonal residential recreational property~~, as defined in this section. The state general levy base amount is \$592,000,000 for taxes payable in 2002. For taxes payable in subsequent years, the levy base amount is increased each year by multiplying the levy base amount for the prior year by the sum of one plus the rate of increase, if any, in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysts of the United States Department of Commerce for the 12-month period ending March 31 of the year prior to the year the taxes are payable. The tax under this section is not treated as a local tax rate under section 469.177 and is not the levy of a governmental unit under chapters 276A and 473F.

The commissioner shall increase or decrease the preliminary or final rate for a year as necessary to account for errors and tax base changes that affected a preliminary or final rate for either of the two preceding years. Adjustments are allowed to the extent that the necessary information is available to the commissioner at the time the rates for a year must be certified, and for the following reasons:

- (1) an erroneous report of taxable value by a local official;
- (2) an erroneous calculation by the commissioner; and
- (3) an increase or decrease in taxable value for commercial-industrial ~~or seasonal residential recreational~~ property reported on the abstracts of tax lists submitted under section 275.29 that was not reported on the abstracts of assessment submitted under section 270.11, subdivision 2, for the same year.

The commissioner may, but need not, make adjustments if the total difference in the tax levied for the year would be less than \$100,000.

Subd. 2. [COMMERCIAL-INDUSTRIAL TAX CAPACITY.] For the purposes of this section, "commercial-industrial tax capacity" means the tax capacity of all taxable property classified as class 3, commercial class 4c(1), or class 5(1) under section 273.13, except for electric generation attached machinery under class 3 and property described in section 473.625. County commercial-industrial tax capacity amounts are not adjusted for the captured net tax capacity of a tax increment financing district under section 469.177, subdivision 2, the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425, or fiscal disparities contribution and distribution net tax capacities under chapter 276A or 473F.

Subd. 3. ~~[SEASONAL RESIDENTIAL RECREATIONAL TAX CAPACITY.]~~ For the purposes of this section, ~~"seasonal residential recreational tax capacity" means the tax capacity of all class 4c(1) property under section 273.13, subdivision 25, except that the first \$76,000 of market value of each noncommercial class 4c(1) property has a tax capacity for this purpose equal to 40 percent of its tax capacity under section 273.13.~~

Subd. 4. [APPORTIONMENT AND LEVY OF STATE GENERAL TAX.] The state general tax must be ~~distributed among the counties levied by applying a uniform rate to each county's all commercial-industrial tax capacity and its seasonal residential recreational tax capacity. Within each county, the tax must be levied by applying a uniform rate against commercial-industrial tax capacity and seasonal residential recreational tax capacity.~~

On or before October 1 each year, the commissioner of revenue shall certify a preliminary state general levy rate to each county auditor that must be used to prepare the notices of proposed property taxes for taxes payable in the following year. By January 1 of each year, the commissioner shall certify the final state general levy rate to each county auditor that shall be used in spreading taxes.

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

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 Rukavina et al amendment and the roll was called. There were 21 yeas and 107 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dill	Hilty	Lesch	Sertich	Urdahl
Bernardy	Ellison	Jaros	Lindgren	Simpson	
Biernat	Fuller	Johnson, S.	Osterman	Solberg	
Carlson	Heidgerken	Juhnke	Rukavina	Thao	

Those who voted in the negative were:

Abeler	Demmer	Hilstrom	Lenczewski	Otremba	Smith
Abrams	Dempsey	Holberg	Lieder	Otto	Soderstrom
Adolphson	Dorman	Hoppe	Lindner	Ozment	Stang
Anderson, B.	Dorn	Hornstein	Lipman	Paulsen	Swenson
Anderson, J.	Eastlund	Howes	Magnus	Paymar	Sykora
Atkins	Eken	Huntley	Marquart	Pelowski	Thissen
Beard	Entenza	Jacobson	McNamara	Penas	Tingelstad
Blaine	Erhardt	Johnson, J.	Meslow	Peterson	Vandever
Borrell	Erickson	Kelliher	Mullery	Powell	Wagenius
Boudreau	Finstad	Klinzing	Murphy	Pugh	Walz
Bradley	Gerlach	Knoblach	Nelson, C.	Rhodes	Wardlow
Brod	Goodwin	Koenen	Nelson, M.	Ruth	Wasiluk
Buesgens	Greiling	Kohls	Nelson, P.	Samuelson	Westerberg
Cornish	Gunther	Krinkie	Newman	Seagren	Westrom
Cox	Haas	Kuisle	Nornes	Seifert	Wilkin
Davids	Hackbarth	Lanning	Olsen, S.	Severson	Zellers
Davnie	Harder	Larson	Olson, M.	Sieben	Spk. Sviggum
DeLaForest	Hausman	Latz	Opatz	Slawik	

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

The Speaker called Stang to the Chair.

Rukavina moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 238, line 4, delete "200" and insert "400"

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

Dorman moved to amend H. F. No. 2540, the second engrossment, as amended, as follows:

Page 83, after line 1, insert:

"Sec. 29. Minnesota Statutes 2002, section 477A.016, is amended to read:

477A.016 [NEW TAXES PROHIBITED.]

No county, city, town or other taxing authority shall increase a present tax or impose a new tax on sales or income, except as provided in section 297A.99, subdivision 1a.

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

Page 104, after line 9, insert:

"Sec 15. Minnesota Statutes 2002, section 297A.99, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION; SCOPE.] (a) A political subdivision of this state may impose a general sales tax if permitted by special law ~~or~~, if the political subdivision enacted and imposed the tax before the effective date of section 477A.016 and its predecessor provision, or if the tax is allowed under subdivision 1a.

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

(1) enacted before June 2, 1997, or

(2) enacted on or after June 2, 1997, that does not explicitly exempt the special law provision from this section's rules by reference.

(c) This section does not apply to or preempt a sales tax on motor vehicles or a special excise tax on motor vehicles.

**[EFFECTIVE DATE.]** This section is effective for local sales taxes for which the authorizing referendum is held after July 1, 2004.

Sec. 16. Minnesota Statutes 2002, section 297A.99, is amended by adding a subdivision to read:

Subd. 1a. [GENERAL AUTHORITY; CERTAIN CITIES.] (a) A home rule charter or statutory city that is located outside of the metropolitan area, as defined in section 473.121, subdivision 2, or a home rule charter or statutory city of the first class may impose, if approved by the voters pursuant to subdivision 3, paragraph (a), a local sales tax of up to one-half of one percent without authorization under a special law, provided that all the conditions for adoption, use, and termination of the tax contained in this subdivision and subdivisions 3 through 12 are met. The authority under this subdivision does not apply during a period in which the city imposes a general sales tax under a special law.

(b) The proceeds of a tax imposed under this subdivision must be dedicated exclusively to payment of the cost plus interest of a specific capital improvement project that provides benefit to the city and to the county, region, or territory beyond the city boundaries, and the project must be construction or improvement of one of the following:

(1) regional convention or civic center;

(2) regional airport;

(3) public library;

(4) overpasses, arterial and collector roads, or bridges, on, adjacent to, or connecting to a Minnesota state highway;

(5) transportation projects of regional significance or needed to improve pedestrian safety;

(6) railroad overpasses or crossing safety improvements;

(7) flood control or protection;

(8) lake improvement or water quality projects included in a watershed district plan;

(9) parks and trails; or

(10) establish, repair, or extend sewer and water lines.

(c) If the voters approve imposition of the tax, the city must provide to the commissioner a copy of the question approved at referendum and a resolution approved by the city that shows that the tax will fund a project that meets the requirements of paragraph (b), and either the estimated length of time that the tax will be imposed or the amount of money that will be raised by the tax for the specific project. The commissioner shall verify that the requirements under this section are met and that the estimated time for imposition of the tax and the amount of revenue raised for the project are reasonable. The commissioner's determination is final. If the commissioner certifies that the local sales tax meets the requirements of this subdivision, the commissioner shall forward his determination to the chairs of both the senate and the house committees with jurisdiction over taxes. Unless both chairs notify the commissioner in writing that they disagree with the commissioner's determination within 30 days of receiving the notification, the city may impose the tax. If both chairs indicate disagreement with the determination, the city may not impose the tax until the July 1 following the next time that the legislature meets in regular session.

(d) The tax, if enacted, expires when the specified revenue has been raised or the estimated length of time in which the tax is in effect under the resolution is reached, whichever is sooner. The governing board of the city may, by ordinance, terminate the tax at an earlier date.

[EFFECTIVE DATE.] This section is effective for local sales taxes for which the authorizing referendum is held after June 30, 2004."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The Speaker called Boudreau to the Chair.

The question was taken on the Dorman amendment and the roll was called. There were 34 yeas and 97 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorman	Jaros	Lenczewski	Pelowski	Solberg
Anderson, J.	Dorn	Johnson, S.	Lieder	Peterson	Thao
Atkins	Fuller	Juhnke	Mariani	Rukavina	Thissen
Biernat	Greiling	Kahn	Murphy	Ruth	Wasiluk
Boudreau	Hausman	Koenen	Nelson, C.	Sertich	
Dill	Hilty	Larson	Opatz	Slawik	

Those who voted in the negative were:

Abrams	Demmer	Holberg	Lindner	Paulsen	Sykora
Adolphson	Dempsey	Hoppe	Lipman	Paymar	Tingelstad
Anderson, B.	Eastlund	Hornstein	Magnus	Penas	Urdahl
Beard	Eken	Howes	Marquart	Powell	Vandever
Bernardy	Ellison	Huntley	McNamara	Pugh	Wagenius
Blaine	Entenza	Jacobson	Meslow	Rhodes	Walz
Borrell	Erhardt	Johnson, J.	Mullery	Samuelson	Wardlow
Bradley	Erickson	Kelliher	Nelson, M.	Seagren	Westerberg
Brod	Finstad	Klinzing	Nelson, P.	Seifert	Westrom
Buesgens	Gerlach	Knoblach	Newman	Severson	Wilkin
Carlson	Goodwin	Kohls	Nornes	Sieben	Zellers
Clark	Gunther	Krinkie	Olsen, S.	Simpson	Spk. Sviggum
Cornish	Haas	Kuisle	Olson, M.	Smith	
Cox	Hackbarth	Lanning	Osterman	Soderstrom	
Davids	Harder	Latz	Otremba	Stang	
Davnie	Heidgerken	Lesch	Otto	Strachan	
DeLaForest	Hilstrom	Lindgren	Ozment	Swenson	

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

The Speaker resumed the Chair.

H. F. No. 2540, A bill for an act relating to financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, and other changes to income, franchise, property, sales and use, estate, vehicle registration, health care provider, cigarette and tobacco products, insurance premiums, aggregate removal, petroleum, gambling, mortgage registry, occupation, net proceeds, and production taxes, and other taxes and tax-related provisions; changing provisions relating to fiscal disparities, tax-forfeited lands, state debt collection procedures, sustainable forest incentives programs, and tax data provisions; conforming provisions to certain changes in federal law; changing powers and duties of certain local governments and state departments or agencies; changing tax increment financing provisions; authorizing establishment of an International Economic Development Zone and providing for tax incentives; imposing a franchise fee for operation of card clubs; regulating



tax preparers; imposing requirement on vendors that contract with state to collect sales taxes; changing provisions relating to certificates of title of vehicles held by motor vehicle dealers; changing or providing for studies and reports; providing for task force on electronic filing and recording of real estate documents; changing and providing penalties; providing for allocation and transfers of funds; clarifying appropriations; appropriating money; amending Minnesota Statutes 2002, sections 16C.03, by adding a subdivision; 16D.10; 97A.061, subdivision 1; 144F.01, subdivision 10; 168A.02, subdivision 2; 168A.11, subdivisions 1, 2, by adding a subdivision; 240.30, by adding a subdivision; 270.02, subdivision 3; 270.65; 270.69, subdivision 4; 270B.01, subdivision 8; 270B.12, subdivision 9; 272.01, subdivision 2; 272.02, subdivisions 1a, 7, 22, by adding subdivisions; 272.0212, subdivisions 1, 2; 272.029, subdivisions 4, 6; 273.11, by adding a subdivision; 273.111, subdivision 6; 273.124, subdivision 8, by adding a subdivision; 273.1384, subdivision 1; 273.19, subdivision 1a; 274.14; 275.065, subdivision 1a; 275.07, subdivisions 1, 4; 276.04, subdivision 2; 282.016; 282.21; 282.224; 282.301; 287.04; 289A.08, subdivision 1; 289A.12, subdivision 3; 289A.31, subdivision 2; 289A.37, subdivision 5; 289A.38, subdivision 6; 289A.56, by adding a subdivision; 289A.60, subdivision 6; 290.06, subdivision 22, by adding a subdivision; 290.0674, subdivision 2; 290.091, subdivision 3; 290.17, by adding a subdivision; 290.191, subdivisions 2, 3, 5, 6, 10, 11, by adding a subdivision; 290.92, subdivisions 1, 4b; 290.9705, subdivision 1; 290A.03, subdivision 13; 290A.07, by adding a subdivision; 290C.05; 295.50, subdivision 4; 295.582; 296A.22, by adding a subdivision; 297A.61, subdivision 4, by adding subdivisions; 297A.62, by adding a subdivision; 297A.67, by adding a subdivision; 297A.68, by adding subdivisions; 297A.70, by adding a subdivision; 297A.71, by adding a subdivision; 297A.87, subdivisions 2, 3; 297A.995, subdivision 6; 297E.01, subdivisions 5, 7, by adding subdivisions; 297E.07; 297F.01, by adding a subdivision; 297F.09, by adding a subdivision; 297I.01, by adding subdivisions; 297I.05, subdivisions 4, 5, by adding a subdivision; 298.01, subdivisions 3, 4; 298.24, subdivision 1; 325D.33, subdivision 6; 365.43, subdivision 1; 365.431; 469.1734, subdivision 6; 469.174, subdivision 11; 469.175, subdivision 4a; 469.176, subdivision 4d; 469.1761, subdivisions 1, 3; 469.1771, subdivision 5; 469.178, subdivision 1; 469.1831, subdivision 6; 473.843, subdivision 5; 473F.02, subdivisions 2, 7; 477A.11, subdivision 4, by adding a subdivision; 477A.12, subdivisions 1, 2; 477A.14, subdivision 1; Minnesota Statutes 2003 Supplement, sections 4A.02; 16A.152, subdivision 2; 116J.556; 168A.05, subdivision 1a; 270.06; 270.30, subdivisions 1, 5, 8; 270B.12, subdivision 13; 272.02, subdivisions 47, 56, 65; 273.11, subdivision 1a; 273.13, subdivisions 22, 23; 274.014, subdivision 3; 275.065, subdivision 3; 276.112; 289A.02, subdivision 7; 289A.08, subdivision 16; 289A.19, subdivision 4; 289A.40, subdivision 2; 290.01, subdivisions 7, 19, 19a, 19b, 19c, 19d, 31; 290.06, subdivision 2c; 290.0674, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 3; 290A.03, subdivision 15; 290C.10; 291.005, subdivision 1; 291.03, subdivision 1; 297A.668, subdivisions 1, 3, 5; 297A.669, subdivision 16; 297A.68, subdivisions 2, 5, 39; 297A.70, subdivision 8; 297F.08, subdivision 12; 297F.09, subdivisions 1, 2; 298.75, subdivision 1; 469.174, subdivision 25; 469.177, subdivision 1; 469.310, subdivision 11; 469.330, subdivision 11; 469.335; 469.337; 477A.011, subdivision 36; 477A.03, subdivision 2b; Laws 1990, chapter 604, article 7, section 29, subdivision 1, as amended; Laws 1998, chapter 389, article 3, section 41; Laws 1998, chapter 389, article 3, section 42, subdivision 2, as amended; Laws 1998, chapter 389, article 8, section 43, subdivision 3; Laws 1998, chapter 389, article 11, section 24, subdivisions 1, 2; Laws 2000, chapter 391, section 1, subdivisions 1, 2, as amended; Laws 2001, First Special Session chapter 10, article 2, section 77, as amended; Laws 2002, chapter 365, section 9; Laws 2002, chapter 377, article 3, section 4; Laws 2003, First Special Session chapter 1, article 2, section 123; Laws 2003, First Special Session chapter 21, article 5, section 13; Laws 2003, First Special Session chapter 21, article 6, section 9; proposing coding for new law in Minnesota Statutes, chapters 270; 272; 273; 290; 290C; 297F; 325F; 469; 473; repealing Minnesota Statutes 2002, sections 273.19, subdivision 5; 274.05; 275.15; 283.07; 297E.12, subdivision 10; 469.176, subdivision 1a; 469.1766; Laws 1975, chapter 287, section 5; Laws 2003, chapter 127, article 9, section 9, subdivision 4; Minnesota Rules, parts 8093.2000; 8093.3000; 8130.0110, subpart 4; 8130.0200, subparts 5, 6; 8130.0400, subpart 9; 8130.1200, subparts 5, 6; 8130.2900; 8130.3100, subpart 1; 8130.4000, subparts 1, 2; 8130.4200, subpart 1; 8130.4400, subpart 3; 8130.5200; 8130.5600, subpart 3; 8130.5800, subpart 5; 8130.7300, subpart 5; 8130.8800, subpart 4.

The Speaker called Abrams to the Chair.

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

The question was taken on the passage of the bill and the roll was called. There were 107 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Hilstrom	Lieder	Otremba	Soderstrom
Abrams	Demmer	Holberg	Lindgren	Otto	Stang
Adolphson	Dempsey	Hoppe	Lindner	Ozment	Strachan
Anderson, B.	Dorn	Howes	Lipman	Paulsen	Swenson
Anderson, J.	Eastlund	Huntley	Magnus	Pelowski	Sykora
Atkins	Eken	Jacobson	McNamara	Penas	Thissen
Beard	Erhardt	Johnson, J.	Meslow	Powell	Tingelstad
Blaine	Erickson	Juhnke	Mullery	Pugh	Urdahl
Borrell	Finstad	Klinzing	Murphy	Rhodes	Vandever
Boudreau	Fuller	Knoblach	Nelson, C.	Ruth	Walz
Bradley	Gerlach	Koenen	Nelson, M.	Samuelson	Wardlow
Brod	Greiling	Kohls	Nelson, P.	Seagren	Wasiluk
Buesgens	Gunther	Krinkie	Newman	Seifert	Westerberg
Carlson	Haas	Kuisle	Nornes	Severson	Westrom
Cornish	Hackbarth	Lanning	Olsen, S.	Sieben	Wilkin
Cox	Harder	Larson	Olson, M.	Simpson	Zellers
Davids	Hausman	Latz	Opatz	Slawik	Spk. Sviggum
Davnie	Heidgerken	Lenczewski	Osterman	Smith	

Those who voted in the negative were:

Anderson, I.	Dorman	Hornstein	Lesch	Rukavina
Bernardy	Ellison	Jaros	Mariani	Sertich
Biernat	Entenza	Johnson, S.	Marquart	Solberg
Clark	Goodwin	Kahn	Paymar	Thao
Dill	Hilty	Kelliher	Peterson	Wagenius

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

### CALENDAR FOR THE DAY

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

### MOTIONS AND RESOLUTIONS

Ellison moved that his name be stricken as an author on H. F. No. 97. The motion prevailed.

Abeler moved that the name of Tingelstad be added as an author on H. F. No. 2724. The motion prevailed.

Boudreau, Marquart, Newman, Cornish and Blaine introduced:

House Resolution No. 24, A House resolution recognizing May 6, 2004, as a Day of Prayer in Minnesota.

The resolution was referred to the Committee on Rules and Legislative Administration.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1753:

Westrom, Cox and Larson.

#### ADJOURNMENT

Seifert moved that when the House adjourns today it adjourn until 3:00 p.m., Monday, April 26, 2004. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and Speaker pro tempore Abrams declared the House stands adjourned until 3:00 p.m., Monday, April 26, 2004.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

