

STATE OF MINNESOTA

EIGHTY-THIRD SESSION — 2003

 FORTY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 28, 2003

The House of Representatives convened at 10:30 a.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Lonnie E. Titus, House Chaplain.

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

A quorum was present.

Westrom was excused until 12:35 p.m. Hausman was excused until 12:40 p.m.

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

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 23, 2003

The Honorable Steve Sviggum
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Sviggum:

It is my honor to inform you that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 51, relating to insurance; clarifying that a certain law includes long-term care insurance.

H. F. No. 266, relating to human services; modifying the purchasing alliance stop-loss fund.

Sincerely,

TIM PAWLENTY
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2003 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2003</i>	<i>Date Filed 2003</i>
	51	19	3:30 p.m. April 23	April 23
	266	20	3:30 p.m. April 23	April 23

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 748, A bill for an act relating to state government; appropriating money for economic development, housing, and certain agencies of state government; modifying programs; regulating activities and practices; modifying penalty provisions; changing terms; authorizing a registration fee; modifying displaced homemaker provisions; increasing the petroleum inspection fee; requiring uniform mandatory penalties against license holders and a licensee's employees for sales to minors; providing for mitigating circumstances in assessing penalties; amending Minnesota Statutes 2002, sections 13.462, subdivision 2; 16B.35, subdivision 1; 17.101, subdivision 1; 41A.036, subdivision 2; 43A.24, subdivision 2; 60A.14, subdivision 1; 79.56, subdivisions 1, 3; 115C.02, subdivision 14; 115C.08, subdivision 4; 115C.09, subdivision 3, by adding subdivisions; 115C.11, subdivision 1; 115C.13; 116.073, subdivisions 1, 2; 116.46, by adding subdivisions; 116.49, by adding subdivisions; 116.50; 116J.011; 116J.411, by adding a subdivision; 116J.415, subdivisions 1, 2, 4, 5, 7, 11; 116J.553, subdivision 2; 116J.554, subdivision 2; 116J.8731, subdivisions 1, 4, 5, 7; 116J.8764, by adding a subdivision; 116J.955, subdivision 2; 116J.966, subdivision 1; 116J.994, subdivision 4; 116J.995; 116L.02; 116L.04, subdivisions 1, 1a; 116L.12, subdivision 4; 116L.17, subdivisions 2, 3, 8, by adding a subdivision; 116M.14, subdivision 4; 116O.03, subdivision 2; 116O.091, subdivision 7; 116O.12; 154.18; 175.16, subdivision 1; 177.26, subdivisions 1, 2; 178.01; 178.03, subdivisions 1, 2; 181.9435, subdivision 1; 181.9436; 216A.03, subdivision 1; 239.10, subdivision 3; 239.101, subdivision 3; 248.10; 268.022, subdivision 1; 268A.02, by adding a subdivision; 326.105; 354D.02, subdivision 2; 461.12, subdivision 2; 461.19; 624.20, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 60A; 115C; 178; repealing Minnesota Statutes 2002, sections 13.598, subdivision 2; 116J.411, subdivision 3; 116J.415, subdivisions 6, 9, 10; 116J.693; 116J.9665; 116L.03, subdivision 7; 138.91; 155A.03, subdivisions 14, 15; 155A.07, subdivision 9; 177.26, subdivision 3; 178.11; Minnesota Rules, part 2100.9300, subpart 1.

Reported the same back with the following amendments:

Page 2, delete line 17 and insert:

"General	\$165,223,000	\$158,178,000	\$323,401,000"
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Page 2, delete line 27 and insert:

"TOTAL	\$198,632,000	\$190,532,000	\$389,164,000"
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Page 2, delete lines 34 and 35 and insert:

"Subdivision 1. Total Appropriation		\$69,448,000	\$64,673,000"
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Page 2, delete line 37 and insert:

"General	60,278,000	56,253,000"	
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Page 3, delete lines 5 and 6 and insert:

"Subd. 2. Business and Community Development		13,114,000	8,734,000"
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Page 3, delete line 8 and insert:

"General	11,664,000	8,034,000"	
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Page 3, after line 40, insert:

"\$1,000,000 the first year and \$1,000,000 the second year are onetime appropriations to encourage and facilitate a joint partnership with the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This appropriation must be matched dollar for dollar by nonstate funds. Funds shall be made available on a reimbursement basis after certification to the commissioner of finance of the nonstate match.

In the first year, the appropriation funds operating costs of the collaboration, including salaries, but does not include capital expenditures. The University of Minnesota and the Mayo Foundation shall submit a business plan to the governor, the chair of the house jobs and economic development committee, and the chair of the senate jobs, housing, and community development committee no later than October 1, 2003. The plan should identify specific disciplines for development and collaboration, timelines, and include a discussion of the expected economic benefits of the partnership to the state of Minnesota.

After adoption of the business plan by the governing bodies of the University of Minnesota and the Mayo Foundation, the appropriation in the second year shall be made available on a reimbursement basis to begin implementation of the business plan. A preliminary report on the budgeted expenditure of these funds should be submitted no later than October 1, 2004. A final report on the expenditure of these funds should be submitted no later than July 31, 2005."

Page 3, line 41, delete "\$2,375,000" and insert "\$2,000,000"

Page 6, after line 2, insert:

"The base funding restored by this subdivision is intended to be used to provide services to blind persons, and that restored funding should not be used to increase administrative expenditures."

Page 9, delete lines 44 to 50 and insert:

"The historical society may not close or effectively eliminate public access to any historic site in order to reduce its budget. The society may act to eliminate access to a site only if the reason for doing so is a public safety or other emergency unrelated to the reductions in its budget that are called for in this or other legislative acts."

Page 17, after line 15, insert:

"Sec. 5. Minnesota Statutes 2002, section 216C.41, subdivision 1, is amended to read:

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

(b) "Qualified hydroelectric facility" means a hydroelectric generating facility in this state that:

(1) is located at the site of a dam, if the dam was in existence as of March 31, 1994; and

(2) begins generating electricity after July 1, 1994, or generates electricity after substantial refurbishing of a facility that begins after July 1, 2001.

(c) "Qualified wind energy conversion facility" means a wind energy conversion system that:

(1) produces two megawatts or less of electricity as measured by nameplate rating and begins generating electricity after December 31, 1996, and before July 1, 1999;

(2) begins generating electricity after June 30, 1999, produces two megawatts or less of electricity as measured by nameplate rating, and is:

(i) located within one county and owned by ~~a natural person who~~ an entity that is not prohibited from owning agricultural land under section 500.24 that owns the land where the facility is sited;

(ii) owned by a Minnesota small business as defined in section 645.445;

(iii) owned by a nonprofit organization; or

(iv) owned by a tribal council if the facility is located within the boundaries of the reservation; or

(3) begins generating electricity after June 30, 1999, produces seven megawatts or less of electricity as measured by nameplate rating, and:

(i) is owned by a cooperative organized under chapter 308A; and

(ii) all shares and membership in the cooperative are held by natural persons or estates, at least 51 percent of whom reside in a county or contiguous to a county where the wind energy production facilities of the cooperative are located.

(d) "Qualified on-farm biogas recovery facility" means an anaerobic digester system that:

(1) is located at the site of an agricultural operation;

(2) is owned by a natural person who owns or rents the land where the facility is located; and

(3) begins generating electricity after July 1, 2001.

(e) "Anaerobic digester system" means a system of components that processes animal waste based on the absence of oxygen and produces gas used to generate electricity."

Page 19, delete section 11

Pages 23 and 24, delete section 2

Page 31, after line 8, insert:

"(l) Notwithstanding other law to the contrary in this section, the board shall reimburse a state agency from the fund for 100 percent of its total reimbursable costs at a site."

Page 35, after line 8, insert:

"Sec. 8. [STATE TANK REMOVAL; INVENTORY AND REIMBURSEMENT.]

The petroleum tank release compensation board shall inventory the sites for which a state agency has incurred reimbursable costs under Minnesota Statutes 2002, section 115C.09, subdivision 1, from 1990 to the present. To the extent these costs were not reimbursed or expended from the petroleum tank fund or state general obligation bond funds, the board shall reimburse the agency for 100 percent of its total reimbursable costs, by transferring funds from the petroleum tank fund to the general fund or other state fund from which the agency expended funds for this purpose."

Page 60, after line 23, insert:

"ARTICLE 8

MOTOR VEHICLE INSTALLMENT SALES

Section 1. Minnesota Statutes 2002, section 47.59, subdivision 4a, is amended to read:

Subd. 4a. [FINANCE CHARGE FOR MOTOR VEHICLE RETAIL INSTALLMENT SALES.] A retail installment contract evidencing the retail installment sale of a motor vehicle as defined in section 168.66 is subject to the finance charge limitations in paragraphs (a) and (b).

(a) The finance charge authorized by this subdivision in a retail installment sale may not exceed the following annual percentage rates applied to the principal balance determined in the same manner as in section 168.71, subdivision 2, clause (5):

(1) Class 1. A motor vehicle designated by the manufacturer by a year model of the same or not more than one year before the year in which the sale is made, 18 percent per year.

(2) Class 2. A motor vehicle designated by the manufacturer by a year model of two to three years before the year in which the sale is made, 19.75 percent per year.

(3) Class 3. Any motor vehicle not in Class 1 or Class 2, 23.25 percent per year.

(b) A sale of a manufactured home made after July 31, 1983, is governed by this subdivision for purposes of determining the lawful finance charge rate, except that the maximum finance charge for a Class 1 manufactured home may not exceed 14.5 percent per year. A retail installment sale of a manufactured home that imposes a finance charge that is greater than the rate permitted by this subdivision is lawful and enforceable in accordance with its terms until the indebtedness is fully satisfied if the rate was lawful when the sale was made.

Sec. 2. Minnesota Statutes 2002, section 168.66, subdivision 14, is amended to read:

Subd. 14. [CASH SALE PRICE.] "Cash sale price" means the price at which the seller would in good faith sell to the buyer, and the buyer would in good faith buy from the seller, the motor vehicle which is the subject matter of the retail installment contract, if such sale were a sale for cash, instead of a retail installment sale. The cash sale price may include any taxes, charges for delivery, servicing, repairing or improving the motor vehicle, including accessories and their installation, and any other charges agreed upon between the parties. The cash price may not include a documentary fee or document administration fee in excess of ~~\$25~~ \$50 for services actually rendered to, for, or on behalf of, the retail buyer in preparing, handling, and processing documents relating to the motor vehicle and the closing of the retail sale.

Sec. 3. Minnesota Statutes 2002, section 168.71, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The retail installment contract shall contain the following items:

- (1) the cash sale price of the motor vehicle which is the subject matter of the retail installment contract;
- (2) the total amount of the retail buyer's down payment, whether made in money or goods, or partly in money or partly in goods;
- (3) the difference between clauses (1) and (2);
- (4) the ~~charge amount~~, if any, included in the transaction but not included in clause (1) to pay the balance of an existing purchase money motor vehicle lien which exceeds the value of the trade-in amount, ~~or to discharge an interest in an existing motor vehicle lease~~, for any insurance ~~and other benefits not included in clause (1)~~, specifying the types of coverage ~~and~~ taxes, fees, and charges that actually are or will be paid to public officials or government agencies, including those for perfecting, releasing, or satisfying a security interest ~~if such taxes, fees, or charges are not included in clause (1), and any other amount to be financed that is related to the transaction;~~
- (5) principal balance, which is the sum of clauses (3) and (4);
- (6) the amount of the finance charge;
- (7) the total of payments payable by the retail buyer to the retail seller and the number of installment payments required and the amount of each installment expressed in dollars or percentages, and date of each payment necessary finally to pay the total of payments which is the sum of clauses (5) and (6).

Provided, however, that said clauses (1) to (7) inclusive need not be stated in the terms, sequence, or order set forth above. Provided further, that clauses (6) and (7) may be disclosed on the assumption that all scheduled payments under the contract will be made when due.

In lieu of the above clauses, the retail seller may give the retail buyer disclosures which satisfy the requirements of the Federal Truth-In-Lending Act in effect as of the time of the contract, notwithstanding whether or not that act applies to the transaction.

Sec. 4. Minnesota Statutes 2002, section 168.75, is amended to read:

168.75 [VEHICLE SALES FINANCE COMPANY VIOLATIONS; REMEDIES.]

~~(a)~~ Subdivision 1. [CRIMINAL VIOLATIONS.] Any person engaged in the business of a sales finance company in this state without a license therefor as provided in sections 168.66 to 168.77 shall be guilty of a gross misdemeanor and punished by a fine not exceeding \$3,000, or by imprisonment for a period not to exceed one year, or by both such fine and imprisonment in the discretion of the court.

~~(b) In case of an intentional failure to comply with any provision of sections 168.66 to 168.77, the buyer shall have a right to recover from the person committing such violation, to set off or counterclaim in any action by such person to enforce such contract an amount as liquidated damages, the whole of the contract due and payable, plus reasonable attorneys' fees.~~

~~(c) In case of a failure to comply with any provision of sections 168.66 to 168.77, other than an intentional failure, the buyer shall have a right to recover from the person committing such violation, to set off or counterclaim in any action by such person to enforce such contract an amount as liquidated damages equal to three times the amount of any time price differential charged in excess of the amount authorized by sections 168.66 to 168.77 or \$50, whichever is greater, plus reasonable attorneys' fees.~~

Subd. 2. [EXCESS CHARGES; RETAIL BUYER'S REMEDIES.] A retail buyer is not obligated to pay a charge in excess of the amounts allowed by sections 168.66 to 168.77 and has a right to a refund of any excess charge paid. If a retail seller or assignee refuses to make a refund or reduce the retail buyer's obligation by the amount of the excess charge within 30 days of the retail buyer's written demand, the retail buyer shall also have the right to recover a penalty in an amount determined by the court but not less than \$100 nor more than \$1,000 together with reasonable attorney fees as determined by the court.

Subd. 3. [DISCLOSURE VIOLATIONS; RETAIL BUYER'S REMEDIES.] (a) If a retail seller or assignee fails to comply with any provision of sections 168.66 to 168.77 other than a section establishing maximum charges, the retail buyer has a right to recover any actual damages sustained as a result of the violation and, in an action other than a class action, a penalty in an amount determined by the court but not less than \$100 nor more than \$1,000 together with reasonable attorney fees as determined by the court.

(b) In the case of a class action brought pursuant to this paragraph, each retail buyer who is a member of the class has a right to recover any actual damages sustained as a result of the failure to comply. The court may also award each class member a penalty, except that as to each member of the class the \$100 minimum penalty does not apply and the total penalty award in any class action or series of class actions arising out of the same failure to comply must not be more than the lesser of \$500,000 or one percent of the net worth of the person committing the violation. In determining whether to award a penalty, and the amount of the penalty, the court shall consider, among other relevant factors, the amount of any actual damages awarded, the frequency and persistence of the failure to comply, the resources of the person committing the violation, the number of persons adversely affected, and the extent to which the conduct was intentional.

Subd. 4. [COMPLIANCE WITH FEDERAL LAW.] Notwithstanding the provisions of subdivision 3, a retail buyer has no right of recovery if the retail seller complied with the provisions of the federal Truth-In-Lending Act, United States Code, title 15, section 1601, et seq., in effect as of the time of the contract. A retail buyer also has no right to recover a penalty under subdivision 3 if the failure to comply would also violate the federal Truth-In-Lending Act in effect as of the time of the contract and the Truth-In-Lending Act would not impose an award of statutory damages for such violation.

Subd. 5. [CORRECTION OF ERRORS.] A retail seller or assignee may not be held liable for a penalty under subdivision 2 or 3 if within 45 days after discovering an error, and before either the institution of an action by the retail buyer or receipt of written notice of the error from the retail buyer, the retail seller or assignee provides written notice of the error to the retail buyer and corrects the error. If the error consists of an excess charge, correction may be made by adjustment or refund. If the violation consists of an improper disclosure or improper retail installment contract, providing the retail buyer a corrected copy of the writing is sufficient notification and correction.

Subd. 6. [UNINTENTIONAL VIOLATIONS; BONA FIDE ERRORS.] A retail seller or assignee may not be held liable in an action brought under this section if the retail seller or assignee shows by a preponderance of evidence that the violation was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adopted to avoid the error.

Subd. 7. [MULTIPLE OBLIGORS.] When there are multiple obligors under a retail installment contract, there must be no more than one recovery under this section.

Subd. 8. [LIABILITY OF ASSIGNEES.] Unless the assignee is the person committing the violation of sections 168.66 to 168.77, an action for a violation of sections 168.66 to 168.77 which may be brought against a retail seller may be maintained against an assignee of the retail seller only if the violation for which the action is brought is apparent on the face of the retail installment contract, except where the assignment is involuntary.

Subd. 9. [RECOVERY FOR MULTIPLE VIOLATIONS.] Multiple violations in connection with a single retail installment contract entitle the retail buyer to a single penalty under this section. A retail seller or assignee may not be held liable for a penalty under subdivision 2 or 3 if the failure to comply also violates the federal Truth-In-Lending Act and the retail buyer has recovered statutory damages under that act.

Subd. 10. [OFFSET FROM AMOUNT OWED TO CREDITOR OR ASSIGNEE; RIGHTS OF DEFAULTING RETAIL BUYER.] A violation of sections 168.66 to 168.77 does not impair rights on a debt. A retail buyer may not offset any amount for which a retail seller or assignee is potentially liable to the person against any amount owed by the person under a retail installment contract, unless the amount of the retail seller or assignee's liability under this section has been determined by a final judgment of a court of competent jurisdiction in an action of which the person was a party.

Subd. 11. [LIMITATION OF ACTIONS.] Any action under this section may be brought within one year from the date of the occurrence of the violation. This subdivision does not bar a retail buyer from asserting a violation of sections 168.66 to 168.77 in an action to collect the debt which was brought more than one year from the date of the occurrence of the violation as a matter of defense by recoupment or setoff in the action.

Subd. 12. [ATTORNEY FEES; RETAIL SELLER AND ASSIGNEE REMEDIES.] The court may award attorney fees and costs to the retail seller or assignee if the party complaining of a violation of sections 168.66 to 168.77 has brought an action knowing it to be groundless.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective the day following final enactment and applies to all actions commenced on or after that date."

Page 60, line 24, delete "8" and insert "9"

Page 64, after line 31, insert:

"Sec. 4. Minnesota Statutes 2002, section 43A.27, subdivision 2, is amended to read:

Subd. 2. [ELECTIVE ELIGIBILITY.] The following persons, if not otherwise covered by section 43A.24, may elect coverage for themselves or their dependents at their own expense:

(a) a state employee, including persons on layoff from a civil service position as provided in collective bargaining agreements or a plan established pursuant to section 43A.18;

(b) an employee of the board of regents of the University of Minnesota, including persons on layoff, as provided in collective bargaining agreements or by the board of regents;

(c) an officer or employee of the state agricultural society, state horticultural society, Sibley house association, ~~Minnesota humanities commission~~, Minnesota area industry labor management councils, Minnesota international center, Minnesota academy of science, science museum of Minnesota, Minnesota safety council, state office of disabled American veterans, state office of the American Legion and its auxiliary, state office of veterans of foreign wars and its auxiliary, or state office of the Military Order of the Purple Heart;

(d) a civilian employee of the adjutant general who is paid from federal funds and who is not eligible for benefits from any federal civilian employee group life insurance or health benefits program; and

(e) an officer or employee of the state capitol credit union or the highway credit union.

Sec. 5. Minnesota Statutes 2002, section 116J.64, subdivision 2, is amended to read:

Subd. 2. "Indian" means a person ~~of one-quarter or more Indian blood and~~ who is an enrolled member of a federally recognized Minnesota based band or tribe."

Page 72, after line 27, insert:

"Sec. 16. [TRANSFER OF RESPONSIBILITIES FOR INDIAN BUSINESS LOAN PROGRAM.]

The responsibilities of the Indian Affairs Council in administering the Indian Business Loan program under Minnesota Statutes, section 116J.64, are transferred to the department of trade and economic development, which may enter into an agreement with the governing body of a federally recognized Indian tribe in Minnesota to administer the program or a portion of the program."

Page 72, line 33, delete "10 and 11" and insert "12 and 13"

Page 72, line 36, delete "7, 13, and 14" and insert "9, 15, and 17"

Page 73, line 1, delete "8" and insert "10"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "modifying motor vehicle installment sales provisions;"

Page 1, line 15, after the first semicolon, insert "43A.27, subdivision 2; 47.59, subdivision 4a;"

Page 1, line 23, after the second semicolon, insert "116J.64, subdivision 2;"

Page 1, line 30, after "154.18;" insert "168.66, subdivision 14; 168.71, subdivision 2; 168.75;"

Page 1, line 33, after the second semicolon, insert "216C.41, subdivision 1;"

Page 1, lines 34 and 35, delete "268.022, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kuisle from the Committee on Transportation Finance to which was referred:

H. F. No. 1071, A bill for an act relating to traffic regulations; providing for speed limits of 65 miles per hour during daytime and 55 miles per hour during nighttime on paved two-lane highways; amending Minnesota Statutes 2002, sections 169.14, subdivision 2; 169.99, subdivision 1b; 171.12, subdivision 6.

Reported the same back with the following amendments:

Page 1, lines 21 and 23, after "paved" insert "trunk"

Page 2, lines 28 and 35, strike "(3)" and delete ", (4)," and insert "(4)"

Page 3, after line 1, insert:

"Sec. 4. [REPORT.]

The commissioner of transportation shall report by February 1, 2004, to the chairs of the legislative committees having jurisdiction over transportation policy and finance on the commissioner's plans to implement sections 1 to 3. The report must identify (1) each segment of trunk highway described in section 1, paragraph (a), clause (3), on which the commissioner has conducted an engineering and traffic investigation under Minnesota Statutes, section 169.14, subdivision 4, since June 1, 2003, or on which the commissioner expects to conduct such an investigation before July 1, 2005, and (2) each segment of county highway and county state-aid highway described in section 1, paragraph (a), clause (3), for which the commissioner has received a request for an engineering and traffic investigation under Minnesota Statutes, section 169.14, subdivision 5, since June 1, 2003.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective June 1, 2004."

Amend the title as follows:

Page 1, line 4, after "two-lane" insert "trunk"

Page 1, line 5, after "highways" insert ", beginning June 1, 2004; requiring a report"

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.

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

S. F. No. 1511, A bill for an act relating to higher education; appropriating money for educational and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo Medical Foundation with certain restrictions; making various changes to the state grant program and the college savings plan; providing for purchasing and other administrative changes at MnSCU; authorizing revenue bonds; amending Minnesota Statutes 2002, sections 124D.42, subdivision 3; 135A.14, by adding a subdivision; 136A.08, subdivision 3; 136A.101, subdivision 5a;

136A.121, subdivisions 6, 7, 9, 9a, 13; 136A.125, subdivision 4; 136A.171; 136A.29, subdivision 9; 136A.69; 136F.12; 136F.40, subdivision 2; 136F.45, subdivisions 1, 2; 136F.581, subdivision 2; 136F.59, subdivision 3; 136F.60, subdivision 3; 136G.01; 136G.03, subdivision 31, by adding subdivisions; 136G.05, subdivisions 4, 5, 10; 136G.09, subdivisions 1, 2, 6, 7, 8, 9; 136G.11, subdivisions 1, 2, 3, 9, 13; 136G.13, subdivisions 1, 3; 137.44; 299A.45, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136F; 136G; repealing Minnesota Statutes 2002, sections 124D.95; 136A.1211; 136A.122; 136A.124; 136F.13; 136F.56; 136F.582; 136F.59, subdivision 2; 136G.03, subdivision 25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "2004" or "2005" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 2004, or June 30, 2005, respectively. "The first year" is fiscal year 2004. "The second year" is fiscal year 2005. "The biennium" is fiscal years 2004 and 2005.

SUMMARY BY FUND

	2004	2005	TOTAL
General	\$1,296,742,000	\$1,301,970,000	\$2,598,712,000
Health Care Access	2,157,000	2,157,000	4,314,000

SUMMARY BY AGENCY - ALL FUNDS

	2004	2005	TOTAL
Higher Education Services Office	177,102,000	192,734,000	369,836,000
Board of Trustees of the Minnesota State Colleges and Universities	567,381,000	554,194,000	1,121,575,000
Board of Regents of the University of Minnesota	552,941,000	555,724,000	1,108,665,000
Mayo Medical Foundation	1,475,000	1,475,000	2,950,000

APPROPRIATIONS
 Available for the Year
 Ending June 30
 2004 2005

Sec. 2. HIGHER EDUCATION SERVICES OFFICE

Subdivision 1. Total Appropriation	\$177,102,000	\$192,734,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Notwithstanding Minnesota Statutes, section 136A.1211, savings in the state grant program in fiscal years 2004 and 2005 resulting from any increases in the maximum federal grant must be used as provided in this section.

Subd. 2. State Grants	142,675,000	158,307,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

For the biennium, the private institution tuition maximum shall be \$8,983 in the first year and \$8,983 in the second year for four-year institutions and \$6,913 in the first year and \$6,913 in the second year for two-year institutions.

This appropriation contains money to set the living and miscellaneous expense allowance at \$5,405 in each year.

The appropriation contains money to provide educational benefits to dependent children under age 23 and the spouses of public safety officers killed in the line of duty pursuant to Minnesota Statutes 2002, section 299A.45.

Subd. 3. Interstate Tuition Reciprocity	3,600,000	3,600,000
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 4. State Work Study	12,444,000	12,444,000
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Subd. 5. Child Care Grants	4,743,000	4,743,000
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Subd. 6. Minitex	4,381,000	4,381,000
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APPROPRIATIONS
Available for the Year
Ending June 30

	2004	2005
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Subd. 7. MnLINK	450,000	450,000
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The base appropriation for MnLINK operations is \$400,000 each year in fiscal years 2006 and 2007.

Any unexpended funds from the appropriation in Laws 1997, chapter 183, article 1, section 2, subdivision 8, shall cancel on June 30, 2005.

Subd. 8. Learning Network of Minnesota	4,829,000	4,829,000
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Subd. 9. Minnesota College Savings Plan	1,120,000	1,120,000
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Subd. 10. Income Contingent Loans		
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The higher education services office shall administer an income-contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the office for this program may be disclosed to a consumer credit reporting agency under the same conditions as those that apply to the supplemental loan program under Minnesota Statutes, section 136A.162. No new applicants may be accepted after June 30, 1995.

Subd. 11. Agency Administration	2,860,000	2,860,000
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Subd. 12. Balances Forward		
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A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 13. Transfers		
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The higher education services office may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care appropriation, and the state work study appropriation.

Subd. 14. Reporting		
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The higher education services office shall collect data monthly from institutions disbursing state financial aid. The data collected shall include, but is not limited to, expenditures by type to date and unexpended balances.

APPROPRIATIONS
Available for the Year
Ending June 30

2004	2005
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The higher education services office shall evaluate and report monthly on state financial aid expenditures and unexpended balances to the chairs of the higher education finance committees of the senate and house of representatives and the commissioner of finance. By July 15, December 15, February 15, and April 15, the services office shall provide updated state grant spending projections taking into account the most current and projected enrollment and tuition and fee information, economic conditions, and other relevant factors. Before submitting state grant spending projections, the office shall meet and consult with representatives of public and private postsecondary education, the department of finance, governor's office, legislative staff, and financial aid administrators. The institutions are encouraged to provide tuition information to the higher education services office no later than July 1 of each year.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA
STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation

567,381,000

554,194,000

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

The legislature intends that state appropriations be used to strengthen and support education of students. To this end, all money appropriated in this section, except that in direct support of system office activities, shall be allocated by the board directly to the colleges and universities.

The legislature intends that the office of the chancellor must reduce its expenditures during the biennium ending June 30, 2005, in at least the same proportion as the reduction in the allocation of state appropriations to MnSCU institutions.

Subd. 2. Operations and Maintenance

564,381,000

551,194,000

Estimated Expenditures and Appropriations

The legislature estimates that instructional expenditures will be \$758,713,000 in the first year and \$738,933,000 in the second year. The legislature estimates that noninstructional expenditures will be \$61,572,000 in the first year and \$61,572,000 in the second year.

APPROPRIATIONS
Available for the Year
Ending June 30
2004 2005

During the biennium, neither the board nor campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

During the biennium, technical and consolidated colleges shall make use of instructional advisory committees consisting of employers, students, and instructors. The instructional advisory committee shall be consulted when a technical program is proposed to be created, modified, or eliminated. If a decision is made to eliminate a program, a college shall adequately notify students and make plans to assist students affected by the closure.

The board must publish an Internet-based student manual that identifies and describes how general education courses at two-year MnSCU institutions transfer to state universities within the Minnesota state colleges and universities system.

In each year, the board of trustees shall increase the percentage of the total general fund expenditures for direct instruction and academic support, as reported in the federal Integrated Postsecondary Education Data System (IPEDS).

By February 15 of each year, the board of trustees shall report to the higher education finance committees of the legislature the percentage of total general fund expenditures spent on direct instruction and on academic support during the previous fiscal year by institution and for the system as a whole.

The board may waive tuition for eligible Southwest Asia veterans, as provided in Minnesota Statutes, section 136F.28.

Subd. 3. Health Education

3,000,000

3,000,000

This appropriation is for health education to meet the health care needs of Minnesota by increasing nursing graduates, recruiting nursing faculty, and expanding the use of technology and distance education in nursing and allied healthcare.

Subd. 4. Accountability

The board shall continue to submit reports as required by Laws 2001, First Special Session chapter 1, article 1, section 3, subdivision 3.

APPROPRIATIONS
 Available for the Year
 Ending June 30
 2004 2005

The university must continue to provide support for the rapid agricultural response fund, and sustainable and organic agriculture initiatives including, but not limited to, the alternative swine systems program.

Any salary increases granted by the university to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county responsibility for the salary payments.

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of the range in size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(b) Health Sciences

5,016,000	5,016,000
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This appropriation is for the rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

(c) Institute of Technology

1,411,000	1,411,000
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This appropriation is for the Geological Survey and the Talented Youth Mathematics Program.

(d) System Specials

6,539,000	6,539,000
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This appropriation is for general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

Subd. 5. Academic Health Center

The appropriation under Minnesota Statutes, section 137.026, if enacted, is anticipated to be \$22,515,000 in the first year and \$22,403,000 in the second year.

ARTICLE 2

RELATED PROVISIONS

Section 1. Minnesota Statutes 2002, section 41D.01, subdivision 4, is amended to read:

Subd. 4. [EXPIRATION.] This section expires on June 30, ~~2003~~ 2008.

Sec. 2. Minnesota Statutes 2002, section 93.22, subdivision 2, is amended to read:

Subd. 2. [TACONITE LEASE REVENUE.] Notwithstanding subdivision 1, from July 1, 2001, to June 30, 2006, payments made under state taconite leases shall be distributed as follows:

~~(1) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of a school, swamp, or internal improvement land grant of Congress, payments made under the lease shall be distributed annually on September 1 to the school fund mineral lease suspense account created under section 93.223, subdivision 1; and,~~

~~(2) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of a university land grant of Congress, payments made under the lease shall be distributed annually on September 1 to the university mineral lease suspense account created under section 93.223, subdivision 2.~~

Sec. 3. Minnesota Statutes 2002, section 124D.42, subdivision 3, is amended to read:

Subd. 3. [POSTSERVICE BENEFIT.] (a) Each eligible organization must agree to provide to every participant who fulfills the terms of a contract under subdivision 2, a nontransferable postservice benefit. The benefit must be not less than \$4,725 per year of full-time service or prorated for part-time service or for partial service of at least 900 hours. Upon signing a contract under subdivision 2, each eligible organization must deposit funds to cover the full amount of postservice benefits obligated, except for national education awards that are deposited in the national service trust fund. Funds encumbered in fiscal years 1994 and 1995 for postservice benefits must be available until the participants for whom the funds were encumbered are no longer eligible to draw benefits.

(b) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).

~~(c) The higher education services office must establish an account for depositing funds for postservice benefits received from eligible organizations. If a participant does not complete the term of service or, upon successful completion of the program, does not use a postservice benefit according to subdivision 4 within seven years, the amount of the postservice benefit must be refunded to the eligible organization or, at the organization's discretion, dedicated to another eligible participant. Interest earned on funds deposited in the postservice benefit account is appropriated to the higher education services office for the costs of administering the postservice benefits accounts.~~

~~(d) The state must provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.~~

Sec. 4. Minnesota Statutes 2002, section 135A.14, is amended by adding a subdivision to read:

Subd. 6a. [MENINGITIS INFORMATION.] Each public and private postsecondary institution shall provide information on the risks of meningococcal disease and on the availability and effectiveness of any vaccine to each individual who is a first-time enrollee and who resides in on-campus student housing. The institution may provide the information in an electronic format. The institution must consult with the department of health on the preparation of the informational materials provided under this subdivision.

Sec. 5. [135A.157] [PENALTIES FOR RIOTING.]

A student in a postsecondary institution who is convicted of riot under section 609.71 is not eligible for a state grant award under section 136A.121 following conviction and must pay the highest applicable tuition rate, including the nonresident tuition rate, to attend a public postsecondary institution in any subsequent enrollment periods.

Sec. 6. Minnesota Statutes 2002, section 136A.03, is amended to read:

136A.03 [EXECUTIVE OFFICERS; EMPLOYEES.]

The office of higher education shall be under the administrative control of the director. The director of the ~~higher education services~~ office shall possess the powers and perform the duties as ~~prescribed by the higher education services council and shall provided in this chapter.~~ The director shall be appointed by the governor with the advice and consent of the senate and serve in the unclassified service of the state civil service. The director, or the director's designated representative, on behalf of the office is authorized to sign contracts and execute all instruments necessary or appropriate to carry out the purposes of sections 136A.01 to 136A.178 for the office. The salary of the director shall be established ~~by the higher education services council~~ according to section 15A.0815. The director shall be a person qualified by training or experience in the field of higher education or in financial aid administration. The director may appoint other professional employees who shall serve in the unclassified service of the state civil service. All other employees shall be in the classified civil service.

An officer or professional employee in the unclassified service as provided in this section is a person who has studied higher education or a related field at the graduate level or has similar experience and who is qualified for a career in financial aid and other aspects of higher education and for activities in keeping with the planning and administrative responsibilities of the office and who is appointed to assume responsibility for administration of educational programs or research in matters of higher education.

Sec. 7. Minnesota Statutes 2002, section 136A.031, subdivision 2, is amended to read:

Subd. 2. [HIGHER EDUCATION ADVISORY COUNCIL.] A higher education advisory council (HEAC) is established. The HEAC is composed of the director of the office of higher education, who shall serve as chair; the president and the senior vice president for academic affairs of the University of Minnesota or designee; the chancellor of the Minnesota state colleges and universities or designee; the associate vice chancellors of the state universities, community colleges, and technical colleges; the commissioner of children, families, and learning; the president of the private college council; and a representative from the Minnesota association of private post-secondary schools. The HEAC shall also be composed of the following members who shall be appointed by the governor: three citizen members, representing urban, rural, and regional areas of the state, who are qualified by training or experience in the fields of higher education, job skills training, and business; and six student members, one representing the University of Minnesota, three representing the Minnesota state colleges and universities, one student representing four-year universities, one student representing two-year community colleges, and one student representing two-year technical colleges, one private college student, and one private vocational school student. The term of citizen members is five years. The term of student members is two years. The HEAC shall (1) bring to the attention of the ~~higher education services council~~ governor any matters that the HEAC deems necessary, and (2) review and comment upon matters ~~before the council as requested.~~ before the council as requested. ~~The council shall refer all proposals to the HEAC before submitting recommendations to the governor and the legislature. The council shall provide time for a report from the HEAC at each meeting of the council.~~

Sec. 8. Minnesota Statutes 2002, section 136A.031, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION.] Notwithstanding section 15.059, subdivision ~~5a~~ 5, the advisory ~~groups~~ group established in this section ~~expire~~ expires on June 30, ~~2003~~ 2005.

Sec. 9. Minnesota Statutes 2002, section 136A.08, subdivision 3, is amended to read:

Subd. 3. [WISCONSIN.] A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin ~~provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement.~~ If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the office and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the office in the general fund of the state treasury. The amount required for the payments shall be certified by the director of the office to the commissioner of finance annually.

Sec. 10. Minnesota Statutes 2002, section 136A.101, subdivision 5a, is amended to read:

Subd. 5a. [ASSIGNED FAMILY RESPONSIBILITY.] "Assigned family responsibility" means the amount of a family contribution to a student's cost of attendance, as determined by a federal need analysis, except that, ~~beginning for the 1998-1999 academic year,~~ up to \$25,000 in savings and other assets shall be subtracted from the federal calculation of net worth before determining the contribution. For dependent students, the assigned family responsibility is the parental contribution. For independent students with dependents other than a spouse, the assigned family responsibility is the student contribution. For independent students without dependents other than a spouse, the assigned family responsibility is 80 percent of the student contribution. ~~Beginning in fiscal year 2002,~~ The assigned family responsibility for all independent students is reduced an additional ten percent.

Sec. 11. Minnesota Statutes 2002, section 136A.121, subdivision 6, is amended to read:

Subd. 6. [COST OF ATTENDANCE.] (a) The recognized cost of attendance consists of allowances specified in law for living and miscellaneous expenses, and an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the ~~private institution~~ tuition and fee maximums established in law.

(b) ~~For the purpose of paragraph (a), the private institution tuition and fee maximum for two- and four-year, private, residential, liberal arts, degree-granting colleges and universities must be the same.~~

(e) For a student registering for less than full time, the office shall prorate the living and miscellaneous expense allowance to the actual number of credits for which the student is enrolled.

The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

Sec. 12. Minnesota Statutes 2002, section 136A.121, subdivision 7, is amended to read:

Subd. 7. [INSUFFICIENT APPROPRIATION.] (a) If the amount appropriated is determined by the office to be insufficient to make full awards to applicants under subdivision 5, ~~before any award for that year has been disbursed, awards must be reduced~~ the office shall reduce awards by:

(1) prorating awards for summer academic terms;

(2) adding a surcharge to the applicant's assigned family responsibility, as defined in section 136A.101, subdivision 5a; and

(2) (3) adding a percentage increase in the applicant's assigned student responsibility, as defined in subdivision 5.

The office may establish an award cutoff deadline, if necessary. If a grant for a summer term is prorated under this section, credits earned during the term do not count toward the student's enrollment limit under subdivision 9.

Sec. 13. Minnesota Statutes 2002, section 136A.121, subdivision 9, is amended to read:

Subd. 9. [AWARDS.] An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for ~~ten~~ eight semesters or the equivalent, excluding courses taken from a Minnesota school or post-secondary institution which is not participating in the state grant program and from which a student transferred no credit. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 14. Minnesota Statutes 2002, section 136A.121, subdivision 9a, is amended to read:

Subd. 9a. [FULL-YEAR GRANTS.] Students may receive state grants for four consecutive quarters or three consecutive semesters during the course of a single fiscal year. In calculating a state grant for the fourth quarter or third semester, the office must use the same calculation as it would for any other term, except that the calculation must subtract any Pell grant for which a student would be eligible even if the student has exhausted the Pell grant for that fiscal year.

Sec. 15. Minnesota Statutes 2002, section 136A.121, subdivision 13, is amended to read:

Subd. 13. [DEADLINE.] The office shall accept applications for state grants until October 15 for awards for the first semester or equivalent enrollment period and until February 15 ~~and may establish a deadline for the acceptance of applications that is later than February 15 for awards for the second semester or equivalent enrollment period of each academic year.~~ A student who applies for state grant funds after the first semester or the equivalent of the academic year may not receive retroactive funding for the entire academic year.

Sec. 16. Minnesota Statutes 2002, section 136A.1211, is amended to read:

136A.1211 [USE OF STATE GRANT SAVINGS.]

Savings in the state grant program resulting from an increase in the maximum federal Pell grant from the anticipated level of ~~\$3,125~~ \$4,050 shall be used by the office to increase the living and miscellaneous expense allowance.

Sec. 17. Minnesota Statutes 2002, section 136A.125, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENTS.] An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in section 125A.02, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is income eligible as determined by the office's policies and rules, but is not a recipient of assistance from the Minnesota family investment program;
- (4) has not earned a baccalaureate degree and has been enrolled full time less than ~~ten~~ eight semesters or the equivalent;

(5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;

(6) is enrolled at least half time in an eligible institution; and

(7) is in good academic standing and making satisfactory academic progress.

Sec. 18. Minnesota Statutes 2002, section 136A.171, is amended to read:

136A.171 [REVENUE BONDS; ISSUANCE; PROCEEDS.]

The higher education services office may issue revenue bonds to obtain funds for loans made in accordance with the provisions of this chapter. The aggregate amount of revenue bonds, issued directly by the office, outstanding at any one time, not including refunded bonds or otherwise defeased or discharged bonds, shall not exceed ~~\$550,000,000~~ \$850,000,000. Proceeds from the issuance of bonds may be held and invested by the office pending disbursement in the form of loans. All interest and profits from the investments shall inure to the benefit of the office and shall be available to the office for the same purposes as the proceeds from the sale of revenue bonds including, but not limited to, costs incurred in administering loans under this chapter and loan reserve funds.

Sec. 19. Minnesota Statutes 2002, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$650,000,000~~ \$800,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 20. Minnesota Statutes 2002, section 136A.69, is amended to read:

136A.69 [FEES.]

The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge \$1,100 for initial registration fees and \$950 for annual renewal fees.

Sec. 21. Minnesota Statutes 2002, section 136F.12, is amended to read:

136F.12 [FOND DU LAC CAMPUS.]

Subdivision 1. [UNIQUE MISSIONS.] The Fond du Lac campus has a unique mission among two-year colleges to serve the lower division general education needs in Carlton and south St. Louis counties, and the education needs of American Indians throughout the state and especially in northern Minnesota. The campus has a further unique mission to provide programs in support of its federal land grant status. Accordingly, while the college is governed by the board of trustees, its governance is accomplished in conjunction with the board of directors of Fond du Lac tribal college.

Subd. 2. [SELECTED PROGRAMS.] Notwithstanding section 135A.052, subdivision 1, to better meet the education needs of Minnesota's American Indian students, and in furtherance of the unique missions provided in subdivision 1, Fond du Lac tribal and community college may offer a baccalaureate program in elementary education, as approved by the board of trustees of the Minnesota state colleges and universities, and the board of directors of Fond du Lac tribal and community college.

Subd. 3. [BARGAINING UNIT ASSIGNMENT.] Notwithstanding section 179A.10, subdivision 2, the state university instructional unit shall include faculty who teach upper division courses at the Fond du Lac tribal and community college.

Sec. 22. Minnesota Statutes 2002, section 136F.40, subdivision 2, is amended to read:

Subd. 2. [CONTRACTS.] (a) The board may enter into a contract with the chancellor, a vice-chancellor, or a president, containing terms and conditions of employment. The terms of the contract must be authorized under a plan approved under section 43A.18, subdivision 3a.

(b) Notwithstanding section 43A.17, subdivision 11, or other law to the contrary, a contract under this section may provide a liquidated salary amount or other compensation if a contract is terminated by the board prior to its expiration.

(c) Notwithstanding section 356.24 or other law to the contrary, a contract under this section may contain a deferred compensation plan made in conformance with section 457(f) of the Internal Revenue Code.

Sec. 23. Minnesota Statutes 2002, section 136F.45, subdivision 1, is amended to read:

Subdivision 1. [PURCHASE.] (a) At the request of an employee, the board may negotiate and purchase an individual ~~annuity contract~~ custodial account under section 403(b)(7) of the Internal Revenue Code, for an employee for retirement or other purposes from a company licensed to do business in Minnesota, and may allocate a portion of the compensation otherwise payable to the employee as salary for the purpose of paying the entire ~~premium contribution~~ due or to become due under the contract account. The allocation shall be made in a manner that will qualify the ~~annuity premiums custodial account contributions~~, or ~~a portion~~ portions thereof, for the benefit afforded under section 403(b)(7) of the current federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own the ~~contract account~~ and the employee's rights thereunder shall be nonforfeitable except for failure to pay ~~premiums contributions~~.

(b) At its discretion, and in the same manner provided in paragraph (a), the board may negotiate and purchase individual custodial accounts under section 403(b)(7) of the Internal Revenue Code, for employees of the higher education services office as defined in section 136A.03. Participation under this paragraph must be in accordance with any applicable federal law.

Sec. 24. Minnesota Statutes 2002, section 136F.45, subdivision 2, is amended to read:

Subd. 2. [DEPOSITS; PAYMENT.] All amounts so allocated shall be deposited in an ~~annuity~~ account established by the board. Payment of ~~annuity premiums custodial account contributions~~ shall be made when due or in accordance with the salary agreement entered into between the employee and the board. The money in the ~~annuity~~ account is not subject to the budget, allotment, and incumbrance system provided for in chapter 16A.

Sec. 25. Minnesota Statutes 2002, section 136F.581, subdivision 1, is amended to read:

Subdivision 1. [~~CONDITIONS AUTHORITY FOR PURCHASES AND CONTRACTS.~~] The board and the colleges and universities are subject to the provisions of section 471.345. In addition to the contracting authority under this chapter, the board of trustees may utilize any contracting options available to the commissioner of administration under chapters 16A, 16B, 16C, or any other contract option available under state law.

Sec. 26. Minnesota Statutes 2002, section 136F.581, subdivision 2, is amended to read:

Subd. 2. [POLICIES AND PROCEDURES.] The board shall develop policies, ~~and each college and university shall develop procedures,~~ for purchases and contracts that are consistent with the authority granted in subdivision 1. The policies and procedures shall be developed through the system and campus labor management committees and shall include provisions requiring the system and campuses to determine that they cannot use available staff before contracting with additional outside consultants or services. In addition, each college and university, in consultation with the ~~system~~ office of the chancellor, shall develop procedures for those purchases and contracts that can be accomplished by a college and university without board approval. The board policies must allow each college and university the local authority to enter into contracts for construction projects of up to \$250,000 and to make other purchases of up to \$50,000, without receiving board approval. The board may allow a college or university local authority to make purchases over \$50,000 without receiving board approval.

Sec. 27. Minnesota Statutes 2002, section 136F.59, subdivision 3, is amended to read:

Subd. 3. [OFFICE OF TECHNOLOGY.] The ~~system~~ office of the chancellor and the campuses shall cooperate with the office of technology in its responsibility to coordinate information and communications technology development throughout the state. ~~The system and campuses shall consult with the office of technology throughout any efforts to plan or implement information and communication systems to ensure that the systems are effective, efficient, and, where appropriate, compatible with other state systems.~~

Sec. 28. Minnesota Statutes 2002, section 136F.60, subdivision 3, is amended to read:

Subd. 3. [EASEMENTS.] (a) The board may grant permanent or temporary easements over, under, or across any land under its jurisdiction for reasonable purposes determined by the board as provided in paragraphs (b) and (c).

(b) The board may grant a revocable easement or permit under this paragraph. An easement or permit is revocable by written notice given by the board if at any time its continuance will conflict with a public use of the land over, under, or upon which it is granted, or for any other reason. The notice must be in writing and is effective 90 days after the notice is sent by certified mail to the last known address of the holder of record of the easement. If the address of the holder of the easement or permit is not known, it expires 90 days after the notice is recorded in the office of the county recorder of the county in which the land is located. Upon revocation of an easement or permit, the board may allow a reasonable time to vacate the premises affected.

(c) State land subject to an easement or permit granted by the board remains subject to sale or lease, and the sale or lease does not revoke the permit or easement granted.

Sec. 29. [136F.65] [ACCEPTANCE OF FEDERAL MONEY.]

The board of trustees is hereby designated the state agency empowered to accept any and all money provided for or made available to this state by the United States of America or any department or agency thereof for the construction and equipping of any building for university or college purposes in accordance with the provisions of federal law and any rules or regulations promulgated thereunder and are further authorized to do any and all things required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal money.

Sec. 30. Minnesota Statutes 2002, section 136G.01, is amended to read:

136G.01 [PLAN ESTABLISHED.]

A college savings plan known as the Minnesota college savings plan is established. In establishing this plan, the legislature seeks to encourage individuals to save for post-secondary education by:

- (1) providing a qualified ~~state~~ tuition plan under federal tax law;
- (2) providing matching grants for contributions to the program by low- and middle-income families; and
- (3) by encouraging individuals, foundations, and businesses to provide additional grants to participating students.

Sec. 31. Minnesota Statutes 2002, section 136G.03, is amended by adding a subdivision to read:

Subd. 4a. [APPLICATION.] "Application" means the form executed by a prospective account owner to enter into a participation agreement and open an account in the plan. The application incorporates by reference the participation agreement.

Sec. 32. Minnesota Statutes 2002, section 136G.03, is amended by adding a subdivision to read:

Subd. 21a. [MINOR TRUST ACCOUNT.] "Minor trust account" means a Uniform Gift to Minors Act account, a Uniform Transfers to Minors Act account, or a trust instrument naming a minor person as beneficiary, created and operating under the laws of Minnesota or another state.

Sec. 33. Minnesota Statutes 2002, section 136G.03, subdivision 31, is amended to read:

Subd. 31. [ROLLOVER DISTRIBUTION.] "Rollover distribution" means a transfer of funds made:

- (1) from one account to another account within 60 days of a distribution;
- (2) from another qualified state tuition program to an account within 60 days of the distribution; or
- (3) to another qualified state tuition program from an account within 60 days of a distribution.

~~Each~~ When there is a change of beneficiary in a rollover distribution, the transfer of funds must be made for the benefit of a new beneficiary who is a member of the family of the prior beneficiary. A rollover distribution is permitted from one qualified tuition plan to another once every 12 months without a change of beneficiary.

Sec. 34. Minnesota Statutes 2002, section 136G.05, subdivision 4, is amended to read:

Subd. 4. [PLAN TO COMPLY WITH FEDERAL LAW.] The director shall ensure that the plan meets the requirements for a qualified ~~state~~ tuition program under section 529(b)(1)(A)(ii) of the Internal Revenue Code. The director may request a private letter ruling or rulings from the Internal Revenue Service or take any other steps to ensure that the plan qualifies under section 529 of the Internal Revenue Code or other relevant provisions of federal law.

Sec. 35. Minnesota Statutes 2002, section 136G.05, subdivision 5, is amended to read:

Subd. 5. [~~MINIMUM PENALTY NONQUALIFIED DISTRIBUTIONS AND MATCHING GRANTS.~~] ~~In establishing the terms of the program, the office must provide that refunds of amounts in an account are subject to a~~

~~minimum penalty, as required by section 529(b)(3) of the Internal Revenue Code. If the refunds or payments are not used for qualified higher education expenses of the designated beneficiary, this penalty must equal, at least, the proportionate amount of any matching grants deposited in the account under section 136G.11 and the investment return on the grants, plus an additional penalty that meets the requirement of federal law. There cannot be a nonqualified withdrawal of matching grant funds and any refund of matching grants must be returned to the plan.~~

Sec. 36. Minnesota Statutes 2002, section 136G.05, subdivision 10, is amended to read:

Subd. 10. [DATA.] Account owner data, account data, and data on beneficiaries of accounts are private data on individuals or nonpublic data as defined in section 13.02, except that the names and addresses of the beneficiaries of accounts that receive matching grants are public.

Sec. 37. Minnesota Statutes 2002, section 136G.09, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTIONS TO AN ACCOUNT.] A person may make contributions to an account on behalf of a beneficiary. Contributions to an account made by persons other than the account owner become the property of the account owner. A person does not acquire an interest in an account by making contributions to an account. Contributions to an account must be made by check, ~~money order~~, or other commercially acceptable means as permitted by the United States Internal Revenue Service and other applicable federal and state law and authorized approved by the plan administrator in cooperation with the office and the board.

Sec. 38. Minnesota Statutes 2002, section 136G.09, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY OF ACCOUNT OWNER.] Except as provided for minor trust accounts in section 136G.14, an account owner is the only person entitled to:

- (1) select or change a beneficiary or a contingent account owner; or
- (2) request distributions or rollover distributions from an account.

Sec. 39. Minnesota Statutes 2002, section 136G.09, subdivision 6, is amended to read:

Subd. 6. [CHANGE OF BENEFICIARY.] Except as provided for minor trust accounts in section 136G.14, an account owner may change the beneficiary of an account to a member of the family of the current beneficiary, at any time without penalty, if the change will not cause the total account balance of all accounts held for the new beneficiary to exceed the maximum account balance limit as provided in subdivision 8. A change of beneficiary other than as permitted in this subdivision is treated as a nonqualified distribution under section 136G.13, subdivision 3.

Sec. 40. Minnesota Statutes 2002, section 136G.09, subdivision 7, is amended to read:

Subd. 7. [CHANGE OF ACCOUNT OWNERSHIP.] Except as provided for minor trust accounts in section 136G.14, an account owner may transfer ownership of an account to another person eligible to be an account owner. All transfers of ownership are absolute and irrevocable.

Sec. 41. Minnesota Statutes 2002, section 136G.09, subdivision 8, is amended to read:

Subd. 8. [MAXIMUM ACCOUNT BALANCE LIMIT.] (a) When a contribution is made, the total account balance of all accounts held for the same beneficiary, including matching grant accounts, must not exceed the maximum account balance limit as determined under this subdivision.

~~(b) The maximum account balance limit is reduced for withdrawals from any account for the same beneficiary that are qualified distributions, distributions due to the death or disability of the beneficiary, or distributions due to the beneficiary receiving a scholarship. Subsequent contributions must not be made to replenish an account if the contribution results in the total account balance of all accounts held for the beneficiary to exceed the reduced maximum account balance limit. Any subsequent contributions must be rejected. A subsequent contribution accepted in error must be returned to the account owner plus any earnings on the contribution less any applicable penalties.~~

~~(c) The maximum account balance limit is not reduced for a nonqualified distribution or a rollover distribution. When such distributions are taken, subsequent contributions may be made to replenish an account up to the maximum account balance limit.~~

~~(d) The office must establish a maximum account balance limit. The office must adjust the maximum account balance limit, as necessary, or on January 1 of each year. The maximum account balance limit must not exceed the amount permitted for the plan to qualify as a qualified state tuition program under section 529 of the Internal Revenue Code. For calendar years ~~2002~~ 2004 and ~~2003~~ 2005, the maximum account balance is \$235,000.~~

(e) If the total account balance of all accounts held for a single beneficiary reaches the maximum account balance limit prior to the end of that calendar year, the beneficiary may receive an applicable matching grant for that calendar year.

Sec. 42. Minnesota Statutes 2002, section 136G.09, subdivision 9, is amended to read:

Subd. 9. [EXCESS CONTRIBUTIONS AND BALANCES.] A contribution to any account for a beneficiary must be rejected if the contribution would cause the total account balance of all accounts held for the same beneficiary, including the matching grant account, to exceed the maximum account balance limit under section 529 of the Internal Revenue Code as established by the office. ~~If a contribution under this subdivision is accepted in error, the contribution must be returned to the account owner plus any earnings thereon, less applicable penalties. A payment of an excess contribution to the account owner may be a nonqualified distribution subject to a penalty.~~

Sec. 43. Minnesota Statutes 2002, section 136G.11, subdivision 1, is amended to read:

Subdivision 1. [MATCHING GRANT QUALIFICATION.] By ~~March 1~~ June 30 of each year, a state matching grant must be added to each account established under the program if the following conditions are met:

- (1) the contributor applies, in writing in a form prescribed by the director, for a matching grant;
- (2) a minimum contribution of \$200 was made during the preceding calendar year; and
- (3) the family income of the beneficiary did not exceed \$80,000.

Sec. 44. Minnesota Statutes 2002, section 136G.11, subdivision 2, is amended to read:

Subd. 2. [FAMILY INCOME.] (a) For purposes of this section, "family income" means:

(1) if the beneficiary is under age 25, the combined adjusted gross income of the beneficiary's parents or legal guardians as reported on the federal tax return or returns for the ~~most recently available tax~~ calendar year in which contributions were made. If the beneficiary's parents are divorced, the income of the parent claiming the beneficiary as a dependent on the federal individual income tax return and the income of that parent's spouse, if any, is used to determine family income; or

(2) if the beneficiary is age 25 or older, the combined adjusted gross income of the beneficiary and spouse, if any.

(b) For a parent or legal guardian of beneficiaries under age 25 and for beneficiaries age 25 or older who resided in Minnesota and filed a federal individual income tax return ~~two years prior to the year in which the matching grant is awarded, the matching grant must be based on family income from Internal Revenue Service tax data on file with the Minnesota department of revenue.~~

~~(c) Parents or legal guardians of beneficiaries under age 25 and beneficiaries age 25 or older who did not reside in Minnesota two years prior to the year in which the matching grant is awarded must provide a signed copy of their federal individual income tax return to the office, regardless of who the account owner is, in order to be considered for a matching grant, the matching grant must be based on family income from the calendar year in which contributions were made.~~

Sec. 45. Minnesota Statutes 2002, section 136G.11, subdivision 3, is amended to read:

Subd. 3. [RESIDENCY REQUIREMENT.] (a) If the beneficiary is under age 25, the beneficiary's parents or legal guardians must be Minnesota residents to qualify for a matching grant. If the beneficiary is age 25 or older, the beneficiary must be a Minnesota resident to qualify for a matching grant.

(b) To meet the residency requirements, the parent or legal guardian of beneficiaries under age 25 must have filed a Minnesota individual income tax return as a Minnesota resident, ~~claiming and claimed~~ the beneficiary as a dependent, two years prior to the year in which the matching grant is awarded on the federal tax return of the parent or legal guardian for the calendar year in which contributions were made. For beneficiaries age 25 or older, the beneficiary, and a spouse, if any, must have filed a Minnesota and a federal individual income tax return as a Minnesota resident ~~two years prior to the year in which the matching grant is awarded~~ for the calendar year in which contributions were made.

~~(c) A parent of beneficiaries under age 25 and beneficiaries age 25 or older who did not reside in Minnesota two years prior to the year in which the matching grant is awarded must establish Minnesota residency through the issuance of a Minnesota driver's license or identification card in the calendar year in which contributions were made are not eligible for a matching grant.~~

Sec. 46. Minnesota Statutes 2002, section 136G.11, subdivision 9, is amended to read:

Subd. 9. [ANNUAL APPLICATION.] An account owner must submit an application form for a matching grant on an annual basis. The application must be postmarked by ~~December 31~~ May 1 of the year ~~preceding the awarding of the~~ in which the matching grant would be awarded if the applicant qualifies for a matching grant.

Sec. 47. Minnesota Statutes 2002, section 136G.11, subdivision 13, is amended to read:

Subd. 13. [FORFEITURE OF MATCHING GRANTS.] (a) Matching grants are forfeited if:

(1) the account owner transfers the total account balance of an account to another account or to another qualified ~~state~~ tuition program;

(2) the beneficiary receives a full tuition scholarship or admission to a United States service academy;

(3) the beneficiary dies or becomes disabled;

(4) the account owner changes the beneficiary of the account; or

(5) the account owner closes the account with a nonqualified withdrawal.

(b) Matching grants must be proportionally forfeited if:

(1) the account owner transfers a portion of an account to another account or to another qualified ~~state~~ tuition program;

(2) the beneficiary receives a scholarship covering a portion of qualified higher education expenses; or

(3) the account owner makes a partial nonqualified withdrawal.

(c) If the account owner makes a misrepresentation in a participation agreement or an application for a matching grant that results in a matching grant, the matching grant associated with the misrepresentation is forfeited. The office and the board must instruct the plan administrator as to the amount to be forfeited from the matching grant account. The office and the board must withdraw the matching grant or the proportion of the matching grant that is related to the misrepresentation.

Sec. 48. Minnesota Statutes 2002, section 136G.13, subdivision 1, is amended to read:

Subdivision 1. [QUALIFIED DISTRIBUTION METHODS.] (a) Qualified distributions may be made:

(1) directly to participating eligible educational institutions on behalf of the beneficiary; or

(2) in the form of a check payable to both the beneficiary and the eligible educational institution; ~~or~~

~~(3) to an account owner with a receipt verifying the payment of qualified higher education expenses.~~

~~(b) When administratively feasible, distributions may be made when the account owner and beneficiary certify prior to the distribution that the distribution will be expended for qualified higher education expenses a reasonable time after the distribution. The plan administrator may retain a penalty on the earnings portion of the nonqualified distribution until payment of qualified higher education expenses are substantiated. A payment receipt showing payment for qualified higher education expenses must be submitted to the program administrator within 30 days of distribution.~~

~~(c)~~ Qualified distributions must be withdrawn proportionally from contributions and earnings in an account owner's account on the date of distribution as provided in section 529 of the Internal Revenue Code.

Sec. 49. Minnesota Statutes 2002, section 136G.13, subdivision 3, is amended to read:

Subd. 3. [NONQUALIFIED DISTRIBUTION.] An account owner may request a nonqualified distribution from an account at any time. Nonqualified distributions are based on the total account balances in an account owner's account and must be withdrawn proportionally from contributions and earnings as provided in section 529 of the Internal Revenue Code. The earnings portion of a nonqualified distribution is subject to ~~a penalty a federal~~ additional tax pursuant to section 529 of the Internal Revenue Code. For purposes of this subdivision, "earnings portion" means the ratio of the earnings in the account to the total account balance, immediately prior to the distribution, multiplied by the distribution. ~~The penalty must be withheld from the total amount of any distribution.~~

Sec. 50. [136G.14] [MINOR TRUST ACCOUNTS.]

(a) This section applies to a plan account in which funds of a minor trust account are invested.

(b) The account owner may not be changed to any person other than a successor custodian or the beneficiary unless a court order directing the change of ownership is provided to the plan administrator. The custodian must sign all forms and requests submitted to the plan administrator in the custodian's representative capacity. The custodian must notify the plan administrator in writing when the beneficiary becomes legally entitled to be the account owner. An account owner under this section may not select a contingent account owner.

(c) The beneficiary of an account under this section may not be changed. If the beneficiary dies, assets in a plan account become the property of the beneficiary's estate. Funds in an account must not be transferred or rolled over to another account owner or to an account for another beneficiary. A nonqualified distribution from an account, or a distribution due to the disability or scholarship award to the beneficiary, must be used for the benefit of the beneficiary.

Sec. 51. Minnesota Statutes 2002, section 137.0245, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The regent candidate advisory council shall consist of 24 members. Twelve members shall be appointed by the subcommittee on committees of the committee on rules and administration of the senate. Twelve members shall be appointed by the speaker of the house of representatives. Each appointing authority must appoint one member who is a student enrolled in a degree program at the University of Minnesota at the time of appointment. No more than one-third of the members appointed by each appointing authority may be current or former legislators. No more than two-thirds of the members appointed by each appointing authority may belong to the same political party; however, political activity or affiliation is not required for the appointment of any member. Geographical representation must be taken into consideration when making appointments. Section 15.0575 shall govern the advisory council, except that:

(1) the members shall be appointed to six-year terms with one-third appointed each even-numbered year; and

(2) student members are appointed to two-year terms with two students appointed each even-numbered year.

Sec. 52. [137.026] [APPROPRIATIONS; ACADEMIC HEALTH CENTER.]

Money deposited in the academic health center special revenue fund under section 297F.10 is annually appropriated to the board of regents for the academic health center at the University of Minnesota.

Sec. 53. Minnesota Statutes 2002, section 299A.45, subdivision 2, is amended to read:

Subd. 2. [AWARD AMOUNT.] (a) The amount of the award is the lesser of:

(1) ~~for public institutions, the actual tuition and fees charged by the institution; or~~

~~(2) for private institutions the lesser of (i) the actual tuition and fees charged by the institution; or (ii) the highest tuition and fees charged by a public institution in Minnesota~~

(2) the tuition maximums established in law.

(b) An award under this subdivision must not affect a recipient's eligibility for a state grant under section 136A.121.

Sec. 54. [LEARN AND EARN PROGRAM; POSTSECONDARY OPPORTUNITIES ACCOUNT.]

The higher education services office shall maintain a postsecondary opportunities account for students who earned stipends and bonuses that were deposited in the account through the learn and earn graduation achievement program under Minnesota Statutes 2000, section 124D.32. A participating student may, upon graduation from high school, use the funds accumulated for the student toward the costs of attending a Minnesota postsecondary institution or a career-training program, including the costs of tuition, books, and lab fees. Funds accumulated for a student must be available to the student from the time a student graduates from high school until ten years after the date the student entered the learn and earn graduation achievement program. After ten years, the office shall close the account and any remaining money in the account must cancel to the general fund.

Sec. 55. [OPTIONAL STUDENT FEES.]

The board of trustees of the Minnesota state colleges and universities must provide students with the opportunity to affirmatively choose to pay any optional student fee used to fund student groups. These optional fees must not be assessed by requiring a student to opt out of the fee. The board of regents of the University of Minnesota are requested to provide all students with opportunity to affirmatively choose to pay any optional student fee used to fund student groups and to not require students to opt out of these fees.

Sec. 56. [SURVEY OF EDUCATION FACULTY.]

(a) The board of trustees of the Minnesota state colleges and universities must evaluate the teaching experience of faculty providing instruction to prepare teachers for licensure in kindergarten through grade 12 education. The evaluation must include a survey of all tenured and adjunct faculty at a state university who provide instruction in a college of education or any other college or division that prepares students for teacher licensure. The survey must, at a minimum, address the following:

(1) the extent to which faculty are licensed to teach at the kindergarten through grade 12 level in Minnesota;

(2) the extent to which faculty members are licensed in the subject area or grade level in which they are providing instruction;

(3) for licensed faculty, the date of their most recent teaching experience in a kindergarten through grade 12 school and the date of their most recent teaching experience in a kindergarten through grade 12 school in the subject or grade level in which they are providing instruction at a Minnesota state colleges and universities institution.

(b) The board of regents of the University of Minnesota and the private colleges in Minnesota that participate in the state grant program under Minnesota Statutes, section 136A.121, that provide instruction leading to kindergarten through grade 12 teacher licensure are requested to evaluate the kindergarten through grade 12 teaching experience of faculty in their colleges of education or other colleges, divisions, or departments that provide instruction leading to licensure by surveying tenured and adjunct faculty. The survey must include the three issues in paragraph (a).

(c) By January 15, 2004, the board of trustees must, and the board of regents and the private colleges are requested to, report the results of this evaluation to the chairs of the higher education and the education policy committees in the senate and the house of representatives.

Sec. 57. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall substitute the term "office of higher education" for "higher education services office" wherever the term appears in Minnesota Statutes and Minnesota Rules. The revisor shall also make any grammatical changes related to the changes in terms.

Sec. 58. [REPEALER.]

Minnesota Statutes 2002, sections 15A.081, subdivision 7b; 17.985; 93.223, subdivision 2; 93.2235, subdivision 2; 124D.95; 136A.011; 136A.031, subdivisions 1, 3, and 4; 136A.07; 136A.124; 136F.13; 136F.56; 136F.582; 136F.59, subdivision 2; and 136G.03, subdivision 25, are repealed.

Sec. 59. [EFFECTIVE DATE.]

Sections 1, 4, 5, and 22 to 29 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to higher education; appropriating money for higher education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo Medical Foundation, with certain conditions; authorizing revenue bonds; making changes to financial aid programs, the higher education services office, and the Minnesota state colleges and universities; adding students to the regent candidate advisory council; amending Minnesota Statutes 2002, sections 41D.01, subdivision 4; 93.22, subdivision 2; 124D.42, subdivision 3; 135A.14, by adding a subdivision; 136A.03; 136A.031, subdivisions 2, 5; 136A.08, subdivision 3; 136A.101, subdivision 5a; 136A.121, subdivisions 6, 7, 9, 9a, 13; 136A.1211; 136A.125, subdivision 2; 136A.171; 136A.29, subdivision 9; 136A.69; 136F.12; 136F.40, subdivision 2; 136F.45, subdivisions 1, 2; 136F.581, subdivisions 1, 2; 136F.59, subdivision 3; 136F.60, subdivision 3; 136G.01; 136G.03, subdivision 31, by adding subdivisions; 136G.05, subdivisions 4, 5, 10; 136G.09, subdivisions 1, 2, 6, 7, 8, 9; 136G.11, subdivisions 1, 2, 3, 9, 13; 136G.13, subdivisions 1, 3; 137.0245, subdivision 2; 299A.45, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136F; 136G; 137; repealing Minnesota Statutes 2002, sections 15A.081, subdivision 7b; 17.985; 93.223, subdivision 2; 93.2235, subdivision 2; 124D.95; 136A.011; 136A.031, subdivisions 1, 3, 4; 136A.07; 136A.124; 136F.13; 136F.56; 136F.582; 136F.59, subdivision 2; 136G.03, subdivision 25."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 748 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1511 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lesch introduced:

H. F. No. 1584, A bill for an act relating to taxation; changing the sales price of cigarettes and tobacco products for purposes of the sales tax; eliminating certain discounts relating to cigarettes and tobacco products taxes; providing for use of the proceeds to fund youth tobacco use prevention programs; appropriating money; amending Minnesota Statutes 2002, sections 297A.62, by adding a subdivision; 297A.94; 297F.05, subdivision 1; 297F.08, subdivision 7; 297F.09, subdivision 2; 297F.10; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Samuelson introduced:

H. F. No. 1585, A bill for an act relating to the city of New Brighton; requiring a referendum for the city to impose an intoxicating beverage tax.

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

Paulsen moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CERTIFICATION PURSUANT TO RULE 4.03
ON FINANCE AND REVENUE BILLS

April 28, 2003

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

Dear Mr. Burdick:

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

Please accept this letter as certification that H. F. No. 627, Transportation Finance, and H. F. No. 750, Judiciary Finance, reconcile with the budget resolution and targets.

Sincerely,

REPRESENTATIVE JIM KNOBLACH
Chair, House Ways and Means Committee

FISCAL CALENDAR

Pursuant to rule 1.22, Knoblach requested immediate consideration of H. F. No. 750.

H. F. No. 750 was reported to the House.

Smith moved to amend H. F. No. 750, the second engrossment, as follows:

Page 3, article 1, line 22, delete "72,637,000" and "72,652,000" and insert "70,137,000" and "70,152,000"

Page 3, article 1, line 25, delete "\$71,585,000" and "71,600,000" and insert "69,085,000" and "69,100,000"

Page 3, article 1, line 35, delete "6,216,000" and "6,217,000" and insert "3,716,000" and "3,717,000"

Page 3, article 1, line 38, delete "6,167,000" and "6,168,000" and insert "3,667,000" and "3,668,000"

Page 5, article 1, line 41, delete "358,158,000" and "362,862,000" and insert "360,658,000" and "365,362,000"

Page 5, article 1, line 43, delete "357,158,000" and "361,862,000" and insert "359,658,000" and "364,362,000"

Page 6, article 1, line 54, delete "92,945,000" and "94,032,000" and insert "95,445,000" and "96,532,000"

Page 6, article 1, line 56, delete "92,825,000" and "93,912,000" and insert "95,325,000" and "96,412,000"

The motion prevailed and the amendment was adopted.

Atkins, Pugh, Entenza and Murphy moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 3, delete lines 4 to 10

Pages 10 and 11, delete article 2, section 2

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 Atkins et al amendment and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, S.	Mariani	Paymar	Solberg
Anderson, I.	Eken	Juhnke	Marquart	Pelowski	Stang
Atkins	Ellison	Kahn	Meslow	Peterson	Strachan
Bernardy	Entenza	Kelliher	Mullery	Powell	Thao
Biernat	Goodwin	Koenen	Murphy	Pugh	Thissen
Brod	Greiling	Larson	Nelson, M.	Rhodes	Wagenius
Carlson	Hilstrom	Latz	Opatz	Rukavina	Walker
Clark	Hilty	Lenczewski	Osterman	Sertich	Wasiluk
Davids	Hornstein	Lesch	Otremba	Sieben	
Davnie	Huntley	Lieder	Otto	Slawik	
Dill	Jaros	Mahoney	Ozment	Smith	

Those who voted in the negative were:

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

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

Walz, Lesch, Strachan and Johnson, S., moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 67, after line 3, insert:

"Sec. 7. Minnesota Statutes 2002, section 609.66, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR AND GROSS MISDEMEANOR CRIMES.] (a) Whoever does any of the following is guilty of a crime and may be sentenced as provided in paragraph (b):

(1) recklessly handles or uses a gun or other dangerous weapon or explosive so as to endanger the safety of another; or

(2) intentionally points a gun of any kind, capable of injuring or killing a human being and whether loaded or unloaded, at or toward another; or

(3) ~~manufactures or sells for any unlawful purpose any weapon known as a slungshot or sand club; or~~

(4) manufactures, transfers, or possesses metal knuckles or a switch blade knife opening automatically; or

(5) (4) possesses any other dangerous article or substance for the purpose of being used unlawfully as a weapon against another; or

(6) (5) outside of a municipality and without the parent's or guardian's consent, furnishes a child under 14 years of age, or as a parent or guardian permits the child to handle or use, outside of the parent's or guardian's presence, a firearm or airgun of any kind, or any ammunition or explosive.

Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under clause (6).

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(2) otherwise, including where the act was committed on residential premises within a zone described in clause (1) if the offender was at the time an owner, tenant, or invitee for a lawful purpose with respect to those residential premises, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

[EFFECTIVE DATE.] This section is effective August 1, 2003, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2002, section 609.66, subdivision 1a, is amended to read:

Subd. 1a. [FELONY CRIMES; SILENCERS PROHIBITED; RECKLESS DISCHARGE.] (a) Except as otherwise provided in subdivision 1h, whoever does any of the following is guilty of a felony and may be sentenced as provided in paragraph (b):

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm;

(2) intentionally discharges a firearm under circumstances that endanger the safety of another; or

(3) recklessly discharges a firearm within a municipality.

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was a violation of paragraph (a), clause (2), or if the act was a violation of paragraph (a), clause (1) or (3), and was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both; or

(2) otherwise, to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

[EFFECTIVE DATE.] This section is effective August 1, 2003, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2002, section 609.66, is amended by adding a subdivision to read:

Subd. 1h. [SILENCERS; AUTHORIZED FOR LAW ENFORCEMENT PURPOSES.] (a) Notwithstanding subdivision 1a, paragraph (a), clause (1), licensed peace officers may use devices designed to silence or muffle the discharge of a firearm for tactical emergency response operations. Tactical emergency response operations include execution of high risk search and arrest warrants, incidents of terrorism, hostage rescue, and any other tactical deployments involving high risk circumstances. The chief law enforcement officer of a law enforcement agency that has the need to use silencing devices must establish and enforce a written policy governing the use of the devices.

(b) A federally licensed firearms dealer may possess devices designed to silence or muffle the discharge of a firearm for sale to licensed peace officers under paragraph (a) and for demonstration purposes.

[EFFECTIVE DATE.] This section is effective August 1, 2003, and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Abrams to the Chair.

Lesch moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 21, after line 11, insert:

"Sec. 2. [545A.01] [APPEAL OF PRETRIAL ORDERS; ATTORNEY FEES; DEFENDANT; NOT GOVERNMENT RESPONSIBILITY.]

Subdivision 1. [APPEAL; RESPONSIBILITY.] Notwithstanding Rule 28.04, subdivision 2, clause (6), of the Rules of Criminal Procedure, unless ordered by the court, the government unit is not required to pay the attorney fees and costs incurred by the defendant on the unit's appeal of the following:

(1) in any case, from a pretrial order of the trial court;

(2) in felony cases from any sentence imposed or stayed by the trial court;

(3) in any case, from an order granting postconviction relief;

(4) in any case, from a judgment of acquittal by the trial court entered after the jury returns a verdict of guilty under Rule 26.03, subdivision 17, clause (2) or (3), of the Rules of Criminal Procedure; and

(5) in any case, from an order of the trial court vacating judgment and dismissing the case made after the jury returns a verdict of guilty under Rule 26.04, subdivision 2, of the Rules of Criminal Procedure.

Subd. 2. [PUBLIC DEFENDER.] This section shall not apply to appeals when a defendant is represented by the public defender."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Ellison moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 14, after line 14, insert:

"Sec. 6. Minnesota Statutes 2002, section 363.073, is amended by adding a subdivision to read:

Subd. 1a. [FILING FEE; ACCOUNT; APPROPRIATION.] The commissioner shall collect a \$75 fee for each certificate of compliance issued by the commissioner or the commissioner's designated agent. The proceeds of the fee must be deposited in a human rights fee special revenue account. Money in the account is appropriated to the commissioner to fund the cost of issuing certificates and investigating grievances.

[EFFECTIVE DATE.] This section is effective July 1, 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 Ellison amendment and the roll was called. There were 103 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, J.	Bernardy	Brod	Cornish	Davnie
Abrams	Atkins	Biernat	Carlson	Cox	Demmer
Anderson, I.	Beard	Bradley	Clark	Davids	Dempsey

Dill	Hausman	Koenen	Mullery	Peterson	Sykora
Dorn	Heidgerken	Lanning	Murphy	Pugh	Thao
Eken	Hilstrom	Larson	Nelson, C.	Rhodes	Thissen
Ellison	Hilty	Latz	Nelson, M.	Rukavina	Tingelstad
Entenza	Hornstein	Lenczewski	Nelson, P.	Ruth	Urdahl
Erhardt	Howes	Lesch	Nornes	Samuelson	Wagenius
Erickson	Huntley	Lieder	Opatz	Seagren	Walker
Finstad	Jaros	Lindgren	Osterman	Sertich	Walz
Fuller	Johnson, J.	Lipman	Otremba	Sieben	Wardlow
Goodwin	Johnson, S.	Magnus	Otto	Simpson	Wasiluk
Greiling	Juhnke	Mahoney	Ozment	Slawik	
Gunther	Kahn	Mariani	Paulsen	Smith	
Haas	Kelliher	Marquart	Paymar	Soderstrom	
Hackbarth	Klinzing	McNamara	Pelowski	Strachan	
Harder	Knoblach	Meslow	Penas	Swenson	

Those who voted in the negative were:

Adolphson	Buesgens	Holberg	Kuisle	Seifert	Westerberg
Anderson, B.	DeLaForest	Hoppe	Lindner	Severson	Westrom
Blaine	Dorman	Jacobson	Olsen, S.	Solberg	Wilkin
Borrell	Eastlund	Kielkucki	Olson, M.	Stang	Zellers
Boudreau	Gerlach	Kohls	Powell	Vandevveer	Spk. Sviggum

The motion prevailed and the amendment was adopted.

Slawik moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 10, article 2, after line 7, insert:

"Sec. 2. [12A.01] [FALSE CLAIMS ACT.]

Subdivision 1. [CITATION.] This section may be cited as the Minnesota False Claims Act.

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

(a) "Claim" includes any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the state provides any portion of the money or property which is requested or demanded, or if the state will reimburse the contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

(b) "Knowing" and "knowingly" mean that a person, with respect to information:

(1) has actual knowledge of the information;

(2) acts in deliberate ignorance of the truth or falsity of the information; or

(3) acts in reckless disregard of the truth or falsity of the information, and no proof of specific intent to defraud is required.

(c) "Person" means any natural person, partnership, corporation, association or other legal entity, including the state and any department, agency, or political subdivision of the state.

(d) "State" means the state of Minnesota and includes any department, agency, or political subdivision of the state.

Subd. 3. [LIABILITY FOR CERTAIN ACTS.] Any person who:

(1) knowingly presents, or causes to be presented, to an officer or employee of the state of Minnesota, a false or fraudulent claim for payment or approval;

(2) knowingly makes, uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the state;

(3) conspires to defraud the state by getting a false or fraudulent claim allowed or paid;

(4) has possession, custody, or control of property or money used, or to be used, by the state and, intending to defraud the state or willfully to conceal the property, delivers, or causes to be delivered, less property than the amount for which the person receives a certificate or receipt;

(5) is authorized to make or deliver a document certifying receipt of property used, or to be used, by the state and, intending to defraud the state, makes or delivers the receipt having knowledge it is false in any material respect;

(6) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the state who lawfully may not sell or pledge the property; or

(7) knowingly makes, uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the state, is liable to the state for a civil penalty of not less than \$5,000 and not more than \$10,000, plus three times the amount of damages which the state sustains because of the act of that person, except that if the court finds that:

(i) the person committing a violation under this section furnished officials of the state responsible for investigating the false claims violations with all information known to the person about the violation within 30 days after the date on which the defendant first obtained the information;

(ii) the person fully cooperated with any state investigation of the violation; and

(iii) at the time the person furnished the state with information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this section with respect to the violation, and the person did not have actual knowledge of the existence of an investigation into the violation, the court may assess not less than two times the amount of damages which the state sustains because of the act of the person. A person violating this section shall also be liable to the state for the costs of a civil action brought to recover any penalty or damages.

Subd. 4. [EXCLUSION.] This section does not apply to claims, records, or statements made under portions of Minnesota Statutes relating to taxation.

Subd. 5. [RESPONSIBILITIES OF ATTORNEY GENERAL.] The attorney general may investigate violations of this section. If the attorney general finds that a person has violated or is violating this section, the attorney general may bring a civil action under this section against the person to enjoin any act in violation of this section and to recover damages and penalties. The attorney general need not prove actual damages to the state in order to maintain an action under this section. In any action brought by the attorney general under this section, the state is also entitled to recover attorney fees, investigative expenses, and costs.

Subd. 6. [LIMITATIONS PERIOD.] A civil action brought by the attorney general under this section to redress a violation shall not be brought more than six years after the date on which the violation occurred or the date on which the state should have discovered the violation through the exercise of reasonable diligence.

Subd. 7. [STANDARD OF PROOF.] In any action brought by the attorney general under this section, the state shall be required to prove all essential elements of the cause of action by a preponderance of the evidence.

Subd. 8. [REMEDIES CUMULATIVE.] The remedies prescribed in this section are cumulative and in addition to all other applicable criminal, civil, or administrative remedies and penalties.

Subd. 9. [COLLATERAL ESTOPPEL.] Notwithstanding any other provision of law, the Minnesota Rules of Criminal Procedure, or the Minnesota Rules of Evidence, a final judgment rendered in favor of the state in any criminal proceeding charging fraud or false statements, whether upon a verdict after trial or upon a plea of guilty, shall stop the defendant from denying the essential elements of the offense in any action which involves the same transaction as in the criminal proceeding and which is brought under this section.

[EFFECTIVE DATE.] This section is effective August 1, 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 Slawik amendment and the roll was called. There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Eken	Huntley	Lieder	Paymar	Thissen
Atkins	Ellison	Jaros	Lipman	Pelowski	Wagenius
Bernardy	Entenza	Johnson, S.	Mahoney	Peterson	Walker
Biernat	Goodwin	Juhnke	Mariani	Pugh	Wasiluk
Carlson	Greiling	Kahn	Mullery	Sertich	
Clark	Hausman	Kelliher	Murphy	Sieben	
Davnie	Hilstrom	Koenen	Nelson, M.	Slawik	
Dill	Hilty	Latz	Otremba	Solberg	
Dorn	Hornstein	Lesch	Otto	Thao	

Those who voted in the negative were:

Abeler	Brod	Erhardt	Holberg	Lanning	Nornes
Abrams	Buesgens	Erickson	Hoppe	Larson	Olsen, S.
Adolphson	Cornish	Finstad	Howes	Lindgren	Olson, M.
Anderson, B.	Cox	Fuller	Jacobson	Lindner	Opatz
Anderson, J.	Dauids	Gerlach	Johnson, J.	Magnus	Osterman
Beard	DeLaForest	Gunther	Kielkucki	Marquart	Ozment
Blaine	Demmer	Haas	Klinzing	McNamara	Paulsen
Borrell	Dempsey	Hackbarth	Knoblach	Meslow	Penas
Boudreau	Dorman	Harder	Kohls	Nelson, C.	Powell
Bradley	Eastlund	Heidgerken	Kuisle	Nelson, P.	Rhodes

Rukavina	Seifert	Soderstrom	Sykora	Walz	Wilkin
Ruth	Severson	Stang	Tingelstad	Wardlow	Zellers
Samuelson	Simpson	Strachan	Urdahl	Westerberg	Spk. Sviggum
Seagren	Smith	Swenson	Vandev eer	Westrom	

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

The Speaker resumed the Chair.

Hilty moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 6, line 36, delete the first comma and insert "and" and after "renovation" delete ", and the"

Page 6, line 37, delete "operation"

Page 6, line 39, delete "and operation"

Page 44, delete section 8

Pages 45 to 47, delete sections 11, 12, 13 and 14

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 Hilty amendment and the roll was called. There were 58 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Howes	Lieder	Otto	Soderstrom
Anderson, J.	Eken	Jaros	Mahoney	Paymar	Solberg
Atkins	Ellison	Johnson, S.	Mariani	Pelowski	Thao
Bernardy	Entenza	Juhnke	Marquart	Pugh	Thissen
Biernat	Goodwin	Kahn	McNamara	Rhodes	Vandev eer
Carlson	Greiling	Kelliher	Mullery	Rukavina	Wagenius
Clark	Hausman	Koenen	Murphy	Sertich	Walker
Davnie	Hilstrom	Larson	Nelson, M.	Severson	Wasiluk
Dempsey	Hilty	Lenczewski	Opatz	Sieben	
Dill	Hornstein	Lesch	Otremba	Slawik	

Those who voted in the negative were:

Abeler	Anderson, B.	Borrell	Brod	Cox	Demmer
Abrams	Beard	Boudreau	Buesgens	Dauids	Dorman
Adolphson	Blaine	Bradley	Cornish	DeLaForest	Eastlund

Erhardt	Holberg	Lanning	Olson, M.	Simpson	Westerberg
Erickson	Hoppe	Lindgren	Osterman	Smith	Westrom
Finstad	Jacobson	Lindner	Ozment	Stang	Wilkin
Fuller	Johnson, J.	Lipman	Paulsen	Strachan	Zellers
Gerlach	Kielkucki	Magnus	Penas	Swenson	Spk. Sviggum
Gunther	Klinzing	Meslow	Powell	Sykora	
Haas	Knoblach	Nelson, C.	Ruth	Tingelstad	
Hackbarth	Kohls	Nelson, P.	Samuelson	Urdahl	
Harder	Krinkie	Nornes	Seagren	Walz	
Heidgerken	Kuisle	Olsen, S.	Seifert	Wardlow	

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

Smith moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 9, line 32, strike "and" and insert "or"

The motion prevailed and the amendment was adopted.

Paymar moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 5, after line 5, insert:

"The commissioner may not reduce base funding for battered women shelters per diem by more than ten percent of the current base. The commissioner must reallocate funds from the department's base funding to satisfy this requirement. This provision supersedes any inconsistent provision of law."

A roll call was requested and properly seconded.

The question was taken on the Paymar amendment and the roll was called. There were 66 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dorn	Jacobson	Lindgren	Otremba	Severson
Anderson, J.	Eken	Jaros	Mahoney	Otto	Sieben
Atkins	Ellison	Juhnke	Mariani	Paymar	Slawik
Bernardy	Entenza	Kahn	Marquart	Pelowski	Soderstrom
Biernat	Goodwin	Koenen	McNamara	Peterson	Solberg
Brod	Greiling	Lanning	Mullery	Pugh	Thao
Carlson	Hausman	Larson	Murphy	Rhodes	Thissen
Clark	Hilstrom	Latz	Nelson, C.	Rukavina	Urdahl
Cox	Hilty	Lenczewski	Nelson, M.	Samuelson	Wagenius
Davnie	Hornstein	Lesch	Opatz	Seagren	Walker
Dill	Huntley	Lieder	Osterman	Sertich	Wasiluk

Those who voted in the negative were:

Abeler	DeLaForest	Hackbarth	Krinkie	Penas	Walz
Abrams	Demmer	Harder	Kuisle	Powell	Wardlow
Adolphson	Dempsey	Heidgerken	Lindner	Ruth	Westerberg
Anderson, B.	Dorman	Holberg	Lipman	Seifert	Westrom
Beard	Eastlund	Hoppe	Magnus	Simpson	Wilkin
Blaine	Erhardt	Howes	Meslow	Smith	Zellers
Borrell	Erickson	Johnson, J.	Nelson, P.	Stang	Spk. Sviggum
Boudreau	Finstad	Johnson, S.	Nornes	Strachan	
Bradley	Fuller	Kelliher	Olsen, S.	Swenson	
Buesgens	Gerlach	Kielkucki	Olson, M.	Sykora	
Cornish	Gunther	Klinzing	Ozment	Tingelstad	
Davids	Haas	Kohls	Paulsen	Vandever	

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

The Speaker called Olson, M., to the Chair.

Howes, Fuller, Lindgren and Simpson moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 34, after line 8, insert:

"(c) Resorts classified as 1c or 4c under section 273.13 are exempt from the fee requirements of this subdivision."

Abrams moved to amend the Howes et al amendment to H. F. No. 750, the second engrossment, as amended, as follows:

Page 1, line 4, after "1c" delete "or 4c"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 92 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abeler	Brod	Dorn	Hackbarth	Klinzing	Lipman
Abrams	Carlson	Eastlund	Harder	Knoblach	Magnus
Adolphson	Clark	Eken	Hausman	Kohls	Mahoney
Anderson, B.	Cornish	Ellison	Heidgerken	Krinkie	Mariani
Anderson, J.	Cox	Erhardt	Hilty	Kuisle	McNamara
Beard	DeLaForest	Erickson	Holberg	Lanning	Meslow
Blaine	Demmer	Finstad	Hoppe	Larson	Nelson, C.
Borrell	Dempsey	Gerlach	Johnson, J.	Lenczewski	Nelson, P.
Boudreau	Dill	Gunther	Kahn	Lieder	Nornes
Bradley	Dorman	Haas	Kielkucki	Lindner	Olson, M.

Opatz	Penas	Seagren	Soderstrom	Urdahl	Zellers
Osterman	Peterson	Seifert	Stang	Wagenius	Spk. Sviggum
Otremba	Powell	Severson	Strachan	Wardlow	
Ozment	Rhodes	Sieben	Swenson	Wasiluk	
Paulsen	Ruth	Simpson	Sykora	Westerberg	
Pelowski	Samuelson	Smith	Thissen	Westrom	

Those who voted in the negative were:

Anderson, I.	Entenza	Huntley	Latz	Paymar	Tingelstad
Atkins	Fuller	Jacobson	Lesch	Pugh	Vandever
Bernardy	Goodwin	Jaros	Lindgren	Rukavina	Walker
Biernat	Greiling	Johnson, S.	Marquart	Sertich	Walz
Buesgens	Hilstrom	Juhnke	Nelson, M.	Slawik	Wilkin
Davids	Hornstein	Kelliher	Olsen, S.	Solberg	
Davnie	Howes	Koenen	Otto	Thao	

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

The question recurred on the Howes et al amendment, as amended, to H. F. No. 750, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Ellison moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Article 7, delete sections 3, 4, 5, 7 and 9

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

The Speaker resumed the Chair.

Latz moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Pages 15 and 16, delete section 7

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 Latz amendment and the roll was called. There were 48 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Hilty	Larson	Murphy	Pugh
Anderson, I.	Eken	Hornstein	Latz	Nelson, M.	Rhodes
Atkins	Ellison	Huntley	Lenczewski	Opatz	Sieben
Bernardy	Entenza	Jaros	Lesch	Otremba	Slawik
Biernat	Goodwin	Johnson, S.	Lieder	Otto	Thao
Carlson	Greiling	Kahn	Mahoney	Paymar	Wagenius
Clark	Hausman	Kelliher	Mariani	Pelowski	Walker
Davnie	Hilstrom	Koenen	Mullery	Peterson	Wasiluk

Those who voted in the negative were:

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

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

Latz moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 16, line 26, delete "\$25,000,000" and insert "\$100,000,000"

A roll call was requested and properly seconded.

The question was taken on the Latz amendment and the roll was called. There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Goodwin	Huntley	Larson	Mariani
Anderson, I.	Davnie	Greiling	Jaros	Latz	Mullery
Atkins	Dorn	Hausman	Johnson, S.	Lenczewski	Murphy
Bernardy	Eken	Hilstrom	Kahn	Lesch	Nelson, M.
Biernat	Ellison	Hilty	Kelliher	Lieder	Opatz
Carlson	Entenza	Hornstein	Koenen	Mahoney	Otremba

Otto	Peterson	Sieben	Thao	Wasiluk
Paymar	Pugh	Slawik	Wagenius	
Pelowski	Rhodes	Solberg	Walker	

Those who voted in the negative were:

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

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

Lesch moved to amend H. F. No. 750, the second engrossment, as amended, as follows:

Page 44, after line 2, insert:

"Sec. 8. Minnesota Statutes 2002, section 626.77, subdivision 3, is amended to read:

Subd. 3. [DEFINITION.] As used in this section, "federal law enforcement officer" means an officer or employee whether employed inside or outside the state of the Federal Bureau of Investigation, the Drug Enforcement Administration, the United States Marshal Service, the Secret Service, the Bureau of Alcohol, Tobacco, and Firearms, the United States Postal Inspection Service, or the Immigration and Naturalization Service, who is responsible for the prevention or detection of crimes or for the enforcement of the United States Code and who is authorized to arrest, with or without a warrant, any individual for a violation of the United States Code.

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

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lesch amendment and the roll was called. There were 52 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Biernat	Cox	Dorn	Entenza	Hausman
Atkins	Carlson	Davnie	Eken	Goodwin	Hilstrom
Bernardy	Clark	Dill	Ellison	Greiling	Hilty

Hornstein	Koenen	Mahoney	Opatz	Pugh	Thissen
Huntley	Larson	Mariani	Otremba	Rukavina	Wagenius
Jaros	Latz	Marquart	Otto	Sertich	Walker
Johnson, S.	Lenczewski	Mullery	Paymar	Sieben	Wasiluk
Kahn	Lesch	Murphy	Pelowski	Slawik	
Kelliher	Lieder	Nelson, M.	Peterson	Thao	

Those who voted in the negative were:

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

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

H. F. No. 750, A bill for an act relating to appropriations; appropriating money to fund corrections, public safety, courts, and other agencies; establishing, funding, modifying, or regulating certain corrections, public safety, court, and other criminal justice programs, policies, duties, activities, or practices; making technical, conforming, and clarifying changes; providing criminal penalties; setting fines, surcharges, and fees; amending Minnesota Statutes 2002, sections 8.06; 152.021, subdivisions 2a, 3; 169A.03, subdivision 21, by adding a subdivision; 169A.20, subdivision 2; 169A.25, subdivision 1; 169A.26, subdivision 1; 169A.27, subdivision 1; 169A.275, subdivisions 3, 4, by adding a subdivision; 169A.40, subdivision 3; 169A.44; 169A.51, subdivision 5; 169A.53, subdivision 3; 169A.54, subdivision 6; 169A.60, subdivisions 8, 13; 241.016, subdivision 1; 243.49; 243.53, subdivision 1; 260B.105, subdivisions 1, 2; 260B.125, subdivision 8; 260B.130, subdivision 1; 260B.141, subdivision 4; 260B.143, subdivision 1; 260B.193, subdivision 5; 260C.163, subdivision 5; 270A.03, subdivision 5; 299C.05; 299C.06; 299C.10, subdivision 4, by adding a subdivision; 299C.48; 299F.46, subdivision 1, by adding subdivisions; 299M.01, by adding subdivisions; 299M.03, by adding subdivisions; 299M.04; 299M.11, subdivisions 1, 2; 357.021, subdivisions 2, 6, 7; 357.022; 357.08; 363.073, by adding a subdivision; 546.27; 550.36; 590.05; 609.055, subdivision 2; 609.101, subdivision 4; 609.105, subdivision 1, by adding subdivisions; 609.115, subdivision 1; 609.119; 609.135, subdivisions 1, 2; 609.185; 609.322, by adding a subdivision; 609.324; 609.3241; 609.527, subdivision 3; 609.66, subdivisions 1, 1a, by adding a subdivision; 609.68; 609.681; 609.748, subdivisions 3, 4, 5; 611.14; 611.17; 611.18; 611.25, subdivision 1; 611.26, subdivision 6; 611.272; 629.471, by adding a subdivision; 641.14; 641.263, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 169A; 243; 244; 299A; 299F; 641; proposing coding for new law as Minnesota Statutes, chapter 545A; repealing Minnesota Statutes 2002, sections 123B.73; 152.135, subdivision 4; 241.41; 241.42; 241.43; 241.44; 241.441; 241.45; 244.19, subdivision 3a; 626A.17; Laws 2002, chapter 220, article 6, section 6.

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 78 yeas and 56 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Knoblach announced his intention to place H. F. No. 779 and S. F. No. 1511 on the Fiscal Calendar for Tuesday, April 29, 2003.

FISCAL CALENDAR

Pursuant to rule 1.22, Knoblach requested immediate consideration of H. F. No. 627.

H. F. No. 627 was reported to the House.

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

Erhardt moved to amend H. F. No. 627, the fourth engrossment, as follows:

Pages 68 to 71, delete article 3 and insert:

"ARTICLE 3

TRANSPORTATION FUNDING

"Section 1. [16A.89] [METROPOLITAN TRANSPORTATION FUND.]

Subdivision 1. [FUND CREATED.] A metropolitan transportation fund is created in the state treasury, consisting of money credited to the fund under section 297A.94, paragraph (g), and other money credited to the fund by law.

Subd. 2. [TRANSFER TO GENERAL FUND.] Within ten days of the end of each fiscal year through fiscal year 2007 the commissioner shall determine if the amount of sales and use tax revenue credited in the fund under section 297A.94, paragraph (g), has been greater in that fiscal year than an amount equal to 32 percent of revenue from the motor vehicle sales tax in that fiscal year. If the first amount is greater than the second amount, the commissioner shall transfer an amount equal to the difference from the metropolitan transportation fund to the general fund.

Subd. 3. [APPORTIONMENT OF FUND.] Money in the metropolitan transportation fund not transferred under subdivision 2 must be allocated as follows:

(a) 37.5 percent must be allocated to a transit ways account. Money in the account is appropriated to the commissioner of transportation for expenditure on planning, design, engineering, construction, and operation of the following transit ways:

(1) the northwest busway from downtown Minneapolis to Rogers;

(2) the Rush line busway from St. Paul to Rush City;

(3) the Cedar Avenue busway connecting the Mall of America in Bloomington with Eagan, Apple Valley, Burnsville, and Lakeville;

(4) the marked interstate highway 494 busway between the Mall of America and marked trunk highway 100;

(5) for operating assistance only, the Hiawatha light rail transit line; and

(6) other projects designated by law for funding from the transit ways account.

The commissioner may make grants from the account to the metropolitan council for transit way projects identified in this subdivision that will be planned, designed, engineered, constructed, or operated by the council.

(b) 15 percent must be allocated to a transit operations account. Money in the account is appropriated as follows:

(1) 80 percent to the metropolitan council for public transit systems the council operates or assists, including transitways and replacement transit; and

(2) 20 percent to the commissioner of transportation for public transit operating assistance under section 174.24, subdivision 3b.

(c) 47.5 percent must be allocated to a metropolitan highway improvement account. Money in the account is appropriated to the commissioner of transportation for planning, design, engineering, and construction of trunk highway projects that are in (1) the department of transportation metropolitan division's 20-year transportation system plan, or (2) the division's project list of unmet needs over 20 years.

Sec. 2. Minnesota Statutes 2002, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] (a) After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided in section 162.06, subdivisions 2 through 5, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and the excess sum. shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(a) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

(b) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(c) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane miles of approved county state aid highways bears to the total lane miles of approved statewide county state aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane miles rather than miles of approved county state aid highways, an apportionment that is less than its apportionment in 1996.

(d) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

(b) For purposes of this section and section 162.07:

(1) the "excess sum" is the money available for apportionment to the counties that is attributable to (i) motor fuel tax rates under section 296A.07, subdivision 3, and 296A.08, subdivision 2, that are in excess of the rates for the taxes under those provisions that were in effect on January 1, 2003, and (ii) changes in passenger automobile taxes under section 168.013, subdivision 1a; and

(2) the "apportionment sum" is the total sum less the excess sum.

Sec. 3. Minnesota Statutes 2002, section 162.07, is amended by adding a subdivision to read:

Subd. 1a. [APPORTIONMENT SUM.] The commissioner shall apportion the apportionment sum to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(a) An amount equal to ten percent of the apportionment sum must be apportioned equally among the 87 counties.

(b) An amount equal to ten percent of the apportionment sum must be apportioned among the several counties so that each county receives of that amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(c) An amount equal to 30 percent of the apportionment sum must be apportioned among the several counties so that each county receives of that amount the percentage that its total lane-miles of approved county state-aid highways bears to the total lane-miles of approved statewide county state-aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this paragraph based on lane-miles rather than miles of approved county state-aid highways, an apportionment that is less than its apportionment in 1996.

(d) An amount equal to 50 percent of the apportionment sum must be apportioned among the several counties so that each county receives of that amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of the amount that each county is to receive must be adjusted so that each county receives in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further, that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 4. Minnesota Statutes 2002, section 162.07, is amended by adding a subdivision to read:

Subd. 1b. [EXCESS SUM.] (a) In fiscal years 2004 and 2005, the commissioner shall apportion the excess sum to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(1) An amount equal to 50 percent of the excess sum must be apportioned among the several counties so that each county receives of that amount the percentage that its population bears to the total population of the state.

(2) An amount equal to 50 percent of the excess sum must be apportioned among the several counties so that each county receives of that amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties.

(b) In fiscal years 2006 and subsequently the commissioner shall apportion the excess sum in the same manner as the apportionment sum under subdivision 1a.

Sec. 5. Minnesota Statutes 2002, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILE; HEARSE.] (a) On passenger automobiles as defined in section 168.011, subdivision 7, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge using list price information published by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If the manufacturer's list price information contains a single vehicle identification number followed by various descriptions and suggested retail prices, the registrar shall select from those listings only the lowest price for determining base value.

(d) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(e) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(f) The base value for purposes of this section shall be the middle point between the extremes of its class.

(g) The registrar shall establish the base value, when new, of every passenger automobile and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The registrar shall calculate tax using base value information available to dealers and deputy registrars at the time the application for registration is submitted. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of paragraph (h).

(h) The annual additional tax computed upon the base value as provided herein, during the first ~~and second years~~ year of vehicle life shall be computed upon 100 percent of the base value; for the second year, 90 percent of such value; for the third ~~and fourth years, 90 year,~~ 80 percent of such value; for the fourth year, 70 percent of such value; for the fifth ~~and sixth years, 75 year,~~ 60 percent of such value; for the sixth year, 50 percent of such value; for the seventh year, ~~60 40 percent of such value;~~ for the eighth year, ~~40 30 percent of such value;~~ for the ninth year, ~~30 20 percent of such value;~~ for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25. In no event shall the annual additional tax be less than \$25. ~~The total tax under this subdivision shall not exceed \$189 for the first renewal period and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the second year of vehicle life shall not exceed \$189 and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the third or subsequent year of vehicle life shall not exceed \$99 and shall not exceed \$99 in any subsequent renewal period.~~

(i) ~~As used in this subdivision and section 168.017, the following terms have the meanings given: "initial registration" means the 12 consecutive months calendar period from the day of first registration of a vehicle in Minnesota; and "renewal periods" means the 12 consecutive calendar months periods following the initial registration period. Notwithstanding any other provision of this subdivision, the additional tax on any passenger automobile registered on and after July 1, 2003, may not exceed the additional tax on that passenger automobile in its last full registration period.~~

Sec. 6. Minnesota Statutes 2002, section 296A.07, subdivision 3, is amended to read:

Subd. 3. [RATE OF TAX.] The gasoline excise tax is imposed at the following rates:

- (1) E85 is taxed at the rate of ~~14.2~~ 17.75 cents per gallon;
- (2) M85 is taxed at the rate of ~~11.4~~ 14.25 cents per gallon; and
- (3) all other gasoline is taxed at the rate of ~~20~~ 25 cents per gallon.

Sec. 7. Minnesota Statutes 2002, section 296A.08, subdivision 2, is amended to read:

Subd. 2. [RATE OF TAX.] The special fuel excise tax is imposed at the following rates:

- (1) Liquefied petroleum gas or propane is taxed at the rate of ~~15~~ 18.75 cents per gallon.
- (2) Liquefied natural gas is taxed at the rate of ~~12~~ 15 cents per gallon.
- (3) Compressed natural gas is taxed at the rate of ~~\$1.739~~ \$2.174 per thousand cubic feet; or ~~20~~ 25 cents per gasoline equivalent, as defined by the National Conference on Weights and Measures, which is 5.66 pounds of natural gas.
- (4) All other special fuel is taxed at the same rate as the gasoline excise tax as specified in section 296A.07, subdivision 2. The tax is payable in the form and manner prescribed by the commissioner.

Sec. 8. Minnesota Statutes 2002, section 297A.94, is amended to read:

297A.94 [DEPOSIT OF REVENUES.]

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 87.1 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota zoological garden, the Como park zoo and conservatory, and the Duluth zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

(g) The commissioner shall deposit 7.7 percent of the revenues from taxes imposed under sections 297A.61 to 297A.93 that the commissioner determines are derived from sales and use in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington into the metropolitan transportation fund created in section 16A.89.

Sec. 9. Minnesota Statutes 2002, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF REVENUES.] (a) Money collected and received under this chapter must be deposited as provided in this subdivision.

~~(b) From July 1, 2001, to June 30, 2002, 30.86 percent of the money collected and received must be deposited in the highway user tax distribution fund, and the remaining money must be deposited in the general fund.~~

~~(e) On and after July 1, 2002 2003, 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be deposited in the greater Minnesota transit fund under section 16A.88.~~

(c) In fiscal year 2004 and thereafter, two percent of the money collected and received must be deposited in the metropolitan area transit appropriation account under section 16A.88. The remaining money must be deposited in the general fund.

(d) On and after July 1, 2007, 54.125 percent of the money collected and received must be deposited in the highway user tax distribution fund.

(e) On and after July 1, 2009, 76.25 percent of the money collected and received must be deposited in the highway user fund.

Sec. 10. [APPROPRIATION.]

(a) \$550,000,000 is appropriated to the commissioner of transportation from the bond proceeds account in the trunk highway fund for the actual construction, reconstruction, and improvement of trunk highways. Of this appropriation:

(1) \$250,000,000 is for trunk highway improvements within the seven-county metropolitan area primarily for improving traffic flow and expanding highway capacity by eliminating traffic bottlenecks and improving segments of at-risk interregional corridors within the seven-county metropolitan area;

(2) \$250,000,000 is for trunk highway improvements on high-risk interregional corridors located outside the seven-county metropolitan area; and

(3) \$50,000,000 is for accelerating transit capital improvements on trunk highways such as shoulder bus lanes, bus park-and-ride facilities, and ramp meter bypass facilities.

(b) The commissioner may use up to \$93,500,000 of this appropriation for program delivery.

(c) These appropriations include the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

Sec. 11. [BOND SALE EXPENSES.]

\$550,000 is appropriated to the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8. This appropriation is from the trunk highway bond proceeds account in the trunk highway fund.

Sec. 12. [BOND SALE.]

To provide the money appropriated in sections 10 and 11, from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$550,550,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 13. [ADVANCE CONSTRUCTION.]

(a) Through June 30, 2009, the commissioner of transportation may spend up to \$550,000 on trunk highway improvements from funds approved for expenditure by the Federal Highway Administration and designated as advance construction funds.

(b) Any additional advance construction expenditures by the commissioner approved by the Federal Highway Administration through June 30, 2009, may be added to the amount in paragraph (a).

Sec. 14. [COUNTY STATE-AID APPORTIONMENT STUDY.]

Subdivision 1. [MEMBERSHIP.] (a) The commissioner of transportation shall convene a study group to study the current distribution of county state aid highway funds and make recommendations for a county state-aid distribution formula or formulas that would insure fairness in the distribution of county state aids. The study group must consist of:

(1) a county engineer of a county in greater Minnesota that contains a level 1 or level 2 regional trade center as identified by the commissioner;

(2) a county engineer of a county in greater Minnesota that does not contain such a regional trade center;

(3) a county engineer of a county in the seven county metropolitan area that does not contain a city of the first class;

(4) a county engineer of a county in the seven county metropolitan area that contains a city of the first class; and

(5) the department of transportation's director of state aid to local transportation or the director's designate.

The director or director's designee is the chair of the study group.

(b) The commissioner shall select a county engineer to fill positions (1) through (3) from a list of three persons for each position submitted by the association of Minnesota counties.

Subd. 2. [STUDY CONSIDERATIONS.] In making recommendations, if any, for changes in the distribution of county state aid highway funds the study group shall consider:

(1) population, vehicle miles traveled, county state aid mileage, and county state aid money needs in each county, and changes in the distribution of each since the original county state aid formula was enacted;

(2) the relative ability of counties to finance necessary improvements to and maintenance of their county state aid highway system; and

(3) the role of the county state aid system in creating an integrated regional and statewide transportation system.

Subd. 3. [REPORT.] The study group shall report to the governor and legislature on the results of its study by January 15, 2004.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 5, 8, and 9 are effective July 1, 2003. Sections 6 and 7 are effective June 1, 2003, and section 6 applies to all gasoline in distributor storage on that date. Sections 10 to 14 are effective the day following final enactment."

Amend the title accordingly

Dorman moved to amend the Erhardt amendment to H. F. No. 627, the fourth engrossment, as follows:

Page 8, after line 31, insert:

"Sec. 8. Minnesota Statutes 2002, section 297A.62, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as otherwise provided in subdivision 2 or ~~3~~ 4 or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as defined in section 297A.61, subdivision 4, made in this state or to a destination in this state by a person who is required to have or voluntarily obtains a permit under section 297A.83, subdivision 1.

Sec. 9. Minnesota Statutes 2002, section 297A.62, is amended by adding a subdivision to read:

Subd. 4. [SALES IN METROPOLITAN COUNTIES.] A sales tax of seven percent is imposed on the gross receipts from retail sales, as defined in section 270A.61, subdivision 4, made in the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 10, delete lines 35 and 36

Page 11, delete lines 1 to 4 and insert:

"(g) The commissioner shall deposit the revenues from the tax imposed under section 297A.62, subdivision 4, attributable to a tax rate of more than 6.5 percent, into the metropolitan transportation fund created in section 16A.89. The commissioner shall deposit remaining revenues into the general fund."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the amendment to the amendment and the roll was called. There were 6 yeas and 126 nays as follows:

Those who voted in the affirmative were:

Dorman	Jaros	Juhnke	Koenen	Marquart	Rukavina
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Those who voted in the negative were:

Abeler	Anderson, B.	Atkins	Biernat	Boudreau	Buesgens
Abrams	Anderson, I.	Beard	Blaine	Bradley	Carlson
Adolphson	Anderson, J.	Bernardy	Borrell	Brod	Clark

Cornish	Greiling	Kelliher	Mariani	Penas	Strachan
Cox	Gunther	Kielkucki	McNamara	Peterson	Swenson
Davids	Haas	Klinzing	Meslow	Powell	Sykora
Davnie	Hackbarth	Knoblach	Mullery	Pugh	Thao
DeLaForest	Harder	Kohls	Murphy	Rhodes	Thissen
Demmer	Hausman	Krinkie	Nelson, C.	Ruth	Tingelstad
Dempsey	Heidgerken	Kuisle	Nelson, M.	Samuelson	Urdahl
Dill	Hilstrom	Lanning	Nelson, P.	Seagren	Vanderveer
Dorn	Hilty	Larson	Nornes	Seifert	Wagenius
Eastlund	Holberg	Latz	Olsen, S.	Sertich	Walker
Eken	Hoppe	Lenczewski	Olson, M.	Severson	Walz
Ellison	Hornstein	Lesch	Opatz	Sieben	Wardlow
Entenza	Howes	Lieder	Osterman	Simpson	Wasiluk
Erhardt	Huntley	Lindgren	Otto	Slawik	Westerberg
Finstad	Jacobson	Lindner	Ozment	Smith	Westrom
Fuller	Johnson, J.	Lipman	Paulsen	Soderstrom	Wilkin
Gerlach	Johnson, S.	Magnus	Paymar	Solberg	Zellers
Goodwin	Kahn	Mahoney	Pelowski	Stang	Spk. Sviggum

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

CALL OF THE HOUSE

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

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

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

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

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

There were 53 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abeler	Dorn	Hilty	Larson	Nelson, M.	Slawik
Anderson, I.	Eken	Hornstein	Latz	Osterman	Solberg
Atkins	Ellison	Huntley	Lenczewski	Paymar	Thao
Bernardy	Entenza	Jaros	Lesch	Pelowski	Thissen
Biernat	Erhardt	Johnson, S.	Lieder	Peterson	Tingelstad
Carlson	Goodwin	Juhnke	Mahoney	Pugh	Wagenius
Clark	Greiling	Kahn	Mariani	Rhodes	Walker
Davnie	Hausman	Kelliher	Mullery	Sertich	Wasiluk
Dill	Hilstrom	Koenen	Murphy	Sieben	

Those who voted in the negative were:

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

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

Lipman, Kuisle and Thissen moved to amend H. F. No. 627, the fourth engrossment, as follows:

Page 55, line 9, delete "filed"

Page 55, delete line 10 and insert "without substantial justification such that it did not have a reasonable basis in law and fact, based on the totality of the circumstances before and after the action."

The motion prevailed and the amendment was adopted.

The Speaker called Abrams to the Chair.

Howes and Solberg moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 22, after line 12, insert:

"Sec. 14. Minnesota Statutes 2002, section 168.013, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELLATION; EXCESSIVE GROSS WEIGHT FORBIDDEN.] (a) The applicant for all licenses based on gross weight shall state the unloaded weight of the motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry on it, the sum of which constitutes the gross weight upon which the license tax must be paid. However, the declared gross weight upon which the tax is paid must not be less than 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18, and tow trucks or towing vehicles defined in section 169.01, subdivision 52. The gross weight of a tow truck or towing vehicle is the actual weight of the tow truck or towing vehicle fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

(b) The gross weight of a motor vehicle, trailer, or semitrailer must not exceed the gross weight upon which the license tax has been paid by more than four percent or 1,000 pounds, whichever is greater; provided that, a vehicle transporting unfinished forest products on a highway, other than a highway that is part of the system of interstate and defense highways, unless a federal exemption is granted, in accordance with paragraph (d)(3) shall not exceed its gross vehicle weight upon which the license tax has been paid, or gross axle weight on any axle, by more than five percent and, notwithstanding other law to the contrary, is not subject to any fee, fine, or other assessment or penalty for exceeding a gross vehicle or axle weight by up to five percent.

(c) The gross weight of the motor vehicle, trailer, or semitrailer for which the license tax is paid must be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates must be kept clean and clearly visible at all times.

(d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight, is guilty of a misdemeanor and subject to increased registration or reregistration according to the following schedule:

(1) Upon conviction for transporting a gross weight in excess of the gross weight for which a motor vehicle, trailer, or semitrailer is registered by more than the allowance set forth in paragraph (b) but less than 25 percent, or for operating or using a motor vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by more than the allowance set forth in paragraph (b) but less than 25 percent, the owner, driver, or user of the motor vehicle, trailer, or semitrailer used to commit the violation, in addition to any penalty imposed for the misdemeanor, shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight the owner, driver, or user was convicted of carrying. The increase is computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for the vehicle under sections 169.822 to 169.829, that additional amount must nevertheless be paid into the highway fund, but the additional tax thus paid does not authorize or permit any person to operate the vehicle with a gross weight in excess of the maximum legal weight as provided by sections 169.822 to 169.829. Unless the owner within 30 days after a conviction applies to increase the authorized weight and pays the additional tax as provided in this section, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued on that registration.

(2) Upon conviction of an owner, driver, or user of a motor vehicle, trailer, or semitrailer for transporting a gross weight in excess of the gross weight for which the motor vehicle, trailer, or semitrailer was registered by 25 percent or more or for operating or using the vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by 25 percent or more, and in addition to any penalty imposed for the misdemeanor, the registrar shall either (i) cancel the reciprocity privileges on the vehicle involved if the vehicle is being operated under reciprocity or (ii) if the vehicle is not being operated under reciprocity, cancel the certificate of registration on the vehicle operated and demand the return of the registration certificate and registration plates. The registrar may not cancel the registration or reciprocity privileges for any vehicle found in violation of seasonal load restrictions imposed under section 169.87 unless the axle weight exceeds the year-round weight limit for the highway on which the violation occurred. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed is paid.

(3) Clause (1) does not apply to the first haul of unprocessed or raw farm products or unfinished forest products, when the registered gross weight is not exceeded by more than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous transportation of unprocessed or raw farm products from the place of production or on-farm storage site to any other location within 50 miles of the place of production or on-farm storage site, or (ii) the continuous or noncontinuous transportation of unfinished forest products from the place of production to the place of final processing or manufacture located within 200 miles of the place of production.

(4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the registrar according to this section, the vehicle must not be operated on the highways of the state until it is registered or reregistered, as the case may be, and new plates issued, and the registration fee is the annual tax for the total gross weight of the vehicle at the time of violation. The reregistration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to section 168.181 or 168.187 must be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state."

Page 31, after line 5, insert:

"Sec. 26. Minnesota Statutes 2002, section 169.826, subdivision 1, is amended to read:

Subdivision 1. [WINTER INCREASE AMOUNTS.] The limitations provided in sections 169.822 to 169.829 are increased:

~~(1) by ten percent between the dates set by the commissioner for each zone established by the commissioner based on a freezing index model each winter, statewide;~~

~~(2) by ten percent between the dates set by the commissioner based on a freezing index model each winter, in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior to the northeastern city limits of Duluth; thence along the eastern and southern city limits of Duluth to the junction with trunk highway No. 210; thence westerly along trunk highway No. 210 to the junction with trunk highway No. 10; thence northwesterly along trunk highway No. 10 to the Minnesota North Dakota border; thence northerly along that border to the Minnesota Canadian Border; thence easterly along said Border to Lake Superior; and~~

~~(3) Subd. 1a. [HARVEST SEASON INCREASE AMOUNT.] The limitations provided in sections 169.822 to 169.829 are increased by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets, carrots, and potatoes from the field of harvest to the point of the first unloading. Transfer of the product from a farm vehicle or small farm trailer, within the meaning of chapter 168, to another vehicle is not considered to be the first unloading. The commissioner shall not issue permits under this ~~clause~~ subdivision if to do so will result in a loss of federal highway funding to the state.~~

Sec. 27. Minnesota Statutes 2002, section 169.826, is amended by adding a subdivision to read:

Subd. 1b. [NINE-TON COUNTY ROADS.] Despite the provisions of subdivision 5 and sections 169.824, subdivision 2, paragraph (a), clause (2), and 169.832, subdivision 11, a vehicle or combination of vehicles with a gross vehicle weight up to 88,000 pounds may be operated on a nine-ton county road, consistent with the increases allowed for vehicles operating on a ten-ton road, during the time when the increases under subdivision 1 are in effect in that zone.

Sec. 28. Minnesota Statutes 2002, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEE; PROCEEDS TO TRUNK HIGHWAY FUND.] The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 4, ~~clause (3)~~ 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width; and

(6) noncommercial transportation of a boat by the owner or user of the boat.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

(4) implements of husbandry when the movement is not made according to the provisions of paragraph (i);

(5) double-deck buses;

(6) commercial boat hauling.

(e) For vehicles which have axle weights exceeding the weight limitations of sections 169.822 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limitations on axles	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, construction equipment, machinery, and supplies. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) For vehicles exclusively transporting implements of husbandry, an annual permit fee of \$24. A vehicle operated under a permit authorized by this paragraph may be moved at the discretion of the permit holder without prior route approval by the commissioner if:

(1) the total width of the transporting vehicle, including load, does not exceed 14 feet;

(2) the vehicle is operated only between sunrise and 30 minutes after sunset, and is not operated at any time after 12:00 noon on Sundays or holidays;

(3) the vehicle is not operated when visibility is impaired by weather, fog, or other conditions that render persons and other vehicles not clearly visible at 500 feet;

(4) the vehicle displays at the front and rear of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds 126 inches; and

(5) the vehicle is not operated on a trunk highway with a surfaced roadway width of less than 24 feet unless such operation is authorized by the permit.

A permit under this paragraph authorizes movements of the permitted vehicle on an interstate highway, and movements of 75 miles or more on other highways."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE LIFTED

Juhnke moved that the call of the House be suspended. The motion prevailed and it was so ordered.

Wagenius moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 67, delete section 68

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 Wagenius amendment and the roll was called. There were 65 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hoppe	Lenczewski	Osterman	Solberg
Anderson, I.	Dorn	Hornstein	Lesch	Otto	Strachan
Atkins	Eken	Huntley	Lieder	Ozment	Swenson
Bernardy	Ellison	Jaros	Mariani	Paymar	Thao
Biernat	Entenza	Johnson, S.	Marquart	Pelowski	Thissen
Carlson	Goodwin	Juhnke	McNamara	Pugh	Tingelstad
Clark	Greiling	Kahn	Meslow	Rhodes	Vandever
Cornish	Hackbarth	Kelliher	Mullery	Rukavina	Wagenius
Cox	Hausman	Koenen	Murphy	Sertich	Walker
Davids	Hilstrom	Larson	Nelson, M.	Sieben	Wasiluk
Davnie	Hilty	Latz	Opatz	Slawik	

Those who voted in the negative were:

Abrams	Demmer	Heidgerken	Lindgren	Powell	Walz
Adolphson	Dempsey	Holberg	Lindner	Ruth	Wardlow
Anderson, B.	Dorman	Howes	Lipman	Samuelson	Westerberg
Anderson, J.	Eastlund	Jacobson	Magnus	Seagren	Westrom
Beard	Erhardt	Johnson, J.	Mahoney	Seifert	Wilkin
Blaine	Erickson	Kielkucki	Nelson, C.	Severson	Zellers
Borrell	Finstad	Klinzing	Nelson, P.	Simpson	Spk. Sviggum
Boudreau	Fuller	Knoblach	Nornes	Smith	
Bradley	Gerlach	Kohls	Olsen, S.	Soderstrom	
Brod	Gunther	Krinkie	Olson, M.	Stang	
Buesgens	Haas	Kuisle	Paulsen	Sykora	
DeLaForest	Harder	Lanning	Penas	Urdahl	

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

Howes, Dill, Walz and Erhardt moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 62, after line 12, insert:

"Sec. 56. Laws 2000, chapter 433, section 4, is amended to read:

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment ~~and are repealed June 1, 2003.~~

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Howes, Dill, Fuller, Walz, Juhnke, Soderstrom, Eken, Vandevener, Erickson, Penas, Hilty, Seifert, Marquart and Peterson moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 15, after line 15, insert:

"Sec. 5. Minnesota Statutes 2002, section 84.87, subdivision 1, is amended to read:

Subdivision 1. [OPERATION ON STREETS AND HIGHWAYS.] (a) No person shall operate a snowmobile upon the roadway, shoulder, or inside bank or slope of any trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.81 to 84.90. No person shall operate a snowmobile within the right-of-way of any trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of ~~such~~ the right-of-way and in the same direction as the highway traffic on the nearest lane of the roadway adjacent ~~thereto~~ to the right-of-way. No snowmobile shall be operated at any time within the right-of-way of any interstate highway or freeway within this state.

(b) Notwithstanding any provision of paragraph (a) to the contrary, but under conditions prescribed by the commissioner of transportation, the commissioner of transportation may allow two-way operation of snowmobiles on either side of the trunk highway right-of-way where the commissioner of transportation determines that two-way operation will not endanger users of the trunk highway or snowmobilers using the trail.

(c) A snowmobile may make a direct crossing of a street or highway at any hour of the day provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing; and

(2) the snowmobile is brought to a complete stop before crossing the shoulder or main traveled way of the highway; and

(3) the driver yields the right-of-way to all oncoming traffic ~~which~~ that constitutes an immediate hazard; and

(4) in crossing a divided highway, the crossing is made only at an intersection of ~~such~~ that highway with another public street or highway; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on; and

(6) a snowmobile may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the snowmobile is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge, and the crossing is made without undue delay.

(~~e~~) (d) No snowmobile shall be operated upon a public street or highway unless it is equipped with at least one headlamp, and one tail lamp, each of minimum candlepower as prescribed by rules of the commissioner, with reflector material of a minimum area of 16 square inches mounted on each side forward of the handle bars, and with brakes each of which ~~shall conform~~ conforms to standards prescribed by rule of the commissioner pursuant to the authority vested in the commissioner by section 84.86, and each of which ~~shall be~~ is subject to approval of the commissioner of public safety.

~~(d)~~ (e) A snowmobile may be operated upon a public street or highway other than as provided by ~~clause (b)~~ paragraph (c) in an emergency during the period of time when and at locations where snow upon the roadway renders travel by automobile impractical.

(e) (f) All provisions of chapters 169 and 169A ~~shall~~ apply to the operation of snowmobiles upon streets and highways, except for those relating to required equipment, and except those which by their nature have no application. Section 169.09 applies to the operation of snowmobiles anywhere in the state or on the ice of any boundary water of the state.

~~(f)~~ (g) Any sled, trailer, or other device being towed by a snowmobile must be equipped with reflective materials as required by rule of the commissioner.

[EFFECTIVE DATE.] This section is effective August 1, 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 Howes et al amendment and the roll was called. There were 120 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Biernat	Goodwin	Hausman	Johnson, S.	Paymar	Wagenius
Clark	Greiling	Hornstein	Kahn	Thao	Walker

The motion prevailed and the amendment was adopted.

Rukavina and Strachan moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 27, after line 27, insert:

"Sec. 20. Minnesota Statutes 2002, section 169.18, subdivision 11, is amended to read:

Subd. 11. [PASSING PARKED EMERGENCY VEHICLE.] (a) When approaching and before passing an authorized emergency vehicle that is parked or otherwise stopped on or next to a street or highway having two or more lanes in the same direction, the driver of a vehicle shall safely move the vehicle to a lane away from the emergency vehicle.

(b) A person who violates paragraph (a) shall be assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25."

Page 31, after line 5, insert:

"Sec. 25. Minnesota Statutes 2002, section 171.13, is amended by adding a subdivision to read:

Subd. 1i. [DRIVER'S MANUAL; EMERGENCY VEHICLES.] The commissioner shall include in each edition of the driver's manual published by the department after August 1, 2003, a section relating to the responsibilities of drivers to (1) drive at an appropriate reduced speed when approaching an emergency vehicle stopped on a highway as required under section 169.14, subdivision 3, and (2) move vehicles to a lane safely away from an emergency vehicle stopped on a highway as required under section 169.18, subdivision 11."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Rukavina and Heidgerken moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 31, after line 5, insert:

"Sec. 25. Minnesota Statutes 2002, section 169.87, is amended by adding a subdivision to read:

Subd. 7. [VEHICLE TRANSPORTING PROPANE.] A weight restriction imposed under subdivision 1 or 2 by the commissioner of transportation or a local road authority does not apply to a vehicle primarily designed and used for transporting propane for delivery in bulk, while the vehicle is engaged in that activity. This subdivision does not authorize a vehicle described in this subdivision to exceed a weight allowed for a utility vehicle under subdivision 5, paragraph (a)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jaros moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 83, after line 4, insert:

"ARTICLE 5

TRAFFIC REGULATIONS

Section 1. [609.782] [CELL PHONE USE; DRIVING A MOTOR VEHICLE.]

If a person is driving a motor vehicle, the person may only use a hands free cell phone except in the case of emergencies.

[EFFECTIVE DATE.] This section is effective August 1, 2003, and applies to crimes committed on or after that date."

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.

Westrom, Rukavina, Peterson and Howes moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 22, after line 12, insert:

"Sec. 14. Minnesota Statutes 2002, section 168.013, subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELLATION; EXCESSIVE GROSS WEIGHT FORBIDDEN.] (a) The applicant for all licenses based on gross weight shall state the unloaded weight of the motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry on it, the sum of which constitutes the gross weight upon which the license tax must be paid. However, the declared gross weight upon which the tax is paid must not be less than 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18, and tow trucks or towing vehicles defined in section 169.01, subdivision 52. The gross weight of a tow truck or towing vehicle is the actual weight of the tow truck or towing vehicle fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

(b) The gross weight of a motor vehicle, trailer, or semitrailer must not exceed the gross weight upon which the license tax has been paid by more than four percent or 1,000 pounds, whichever is greater;

provided that, a vehicle transporting unfinished forest products in accordance with paragraph (d)(3);

(1) shall not exceed its gross vehicle weight upon which the license tax has been paid, or gross axle weight on any axle, by more than five percent and, notwithstanding other law to the contrary, is not subject to any fee, fine, or other assessment or penalty for exceeding a gross vehicle or axle weight by up to five percent; and

(2) is not subject to any provision of paragraph (d) or chapter 169 limiting the gross axle weight of any individual axle unless the entire vehicle also exceeds its gross vehicle weight plus its weight allowance allowed in clause (1) and plus any weight allowance permitted under section 169.826, in which case the vehicle is subject to all applicable penalties for excess weight violations.

(c) The gross weight of the motor vehicle, trailer, or semitrailer for which the license tax is paid must be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates must be kept clean and clearly visible at all times.

(d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight, is guilty of a misdemeanor and subject to increased registration or reregistration according to the following schedule:

(1) Upon conviction for transporting a gross weight in excess of the gross weight for which a motor vehicle, trailer, or semitrailer is registered by more than the allowance set forth in paragraph (b) but less than 25 percent, or for operating or using a motor vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by more than the allowance set forth in paragraph (b) but less than 25 percent, the owner, driver, or user of the motor vehicle, trailer, or semitrailer used to commit the violation, in addition to any penalty imposed for the misdemeanor, shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight the owner, driver, or user was convicted of carrying. The increase is computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for the vehicle under sections 169.822 to 169.829, that additional amount must nevertheless be paid into the highway fund, but the additional tax thus paid does not authorize or permit any person to operate the vehicle with a gross weight in excess of the maximum legal weight as provided by sections 169.822 to 169.829. Unless the owner within 30 days after a conviction applies to increase the authorized weight and pays the additional tax as provided in this section, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued on that registration.

(2) Upon conviction of an owner, driver, or user of a motor vehicle, trailer, or semitrailer for transporting a gross weight in excess of the gross weight for which the motor vehicle, trailer, or semitrailer was registered by 25 percent or more or for operating or using the vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by 25 percent or more, and in addition to any penalty imposed for the misdemeanor, the registrar shall either (i) cancel the reciprocity privileges on the vehicle involved if the vehicle is being operated under reciprocity or (ii) if the vehicle is not being operated under reciprocity, cancel the certificate of registration on the vehicle operated and demand the return of the registration certificate and registration plates. The registrar may not cancel the registration or reciprocity privileges for any vehicle found in violation of seasonal load restrictions imposed under section 169.87 unless the axle weight exceeds the year-round weight limit for the highway on which the violation occurred. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed is paid.

(3) Clause (1) does not apply to the first haul of unprocessed or raw farm products or unfinished forest products, when the registered gross weight is not exceeded by more than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous transportation of unprocessed or raw farm products from the place of production or on-farm storage site to any other location within 50 miles of the place of production or on-farm storage site, or (ii) the continuous or noncontinuous transportation of unfinished forest products from the place of production to the place of final processing or manufacture located within 200 miles of the place of production.

(4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the registrar according to this section, the vehicle must not be operated on the highways of the state until it is registered or reregistered, as the case may be, and new plates issued, and the registration fee is the annual tax for the total gross weight of the vehicle at the time of violation. The reregistration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to section 168.181 or 168.187 must be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state."

Page 31, after line 5, insert:

"Sec. 25. Minnesota Statutes 2002, section 169.824, subdivision 2, is amended to read:

Subd. 2. [GROSS VEHICLE WEIGHT OF ALL AXLES.] (a) Notwithstanding the provisions of section 169.85, the gross vehicle weight of all axles of a vehicle or combination of vehicles shall not exceed:

(1) except as provided in clause (2), 80,000 pounds for any vehicle or combination of vehicles on all state trunk highways as defined in section 160.02, subdivision 29, and for all routes designated under section 169.832, subdivision 11;

(2) 88,000 pounds for any vehicle or combination of vehicles with six or more axles on all state trunk highways other than interstate highways;

(3) 73,280 pounds for any vehicle or combination of vehicles with five axles or less on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11; and

~~(3)~~ (4) 80,000 pounds for any vehicle or combination of vehicles with six or more axles on all routes, other than state trunk highways and routes that are designated under section 169.832, subdivision 11.

(b) The maximum weights specified in this section for five consecutive axles shall not apply to a four-axle ready-mix concrete truck which was equipped with a fifth axle prior to June 1, 1981. The maximum gross weight on four or fewer consecutive axles of vehicles excepted by this clause shall not exceed any maximum weight specified for four or fewer consecutive axles in this section.

(c) If the commissioner determines that a bridge is not structurally able to support a vehicle with a gross vehicle weight over 88,000 pounds, under paragraph (a), clause (2), the commissioner may post signage prohibiting such vehicles from crossing the bridge.

Sec. 26. Minnesota Statutes 2002, section 169.85, subdivision 2, is amended to read:

Subd. 2. [UNLOADING.] (a) Upon weighing a vehicle and load, as provided in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under either section 168.013, subdivision 3, paragraph (b), or sections 169.822 to 169.829, whichever is the lesser violation, if any. A suitable place is a location where loading or tampering with the load is not prohibited by federal, state, or local law, rule, or ordinance.

(b) Except as provided in paragraph (c), a driver may be required to unload a vehicle only if the weighing officer determines that (1) on routes subject to the provisions of sections 169.822 to 169.829, the weight on an axle exceeds the lawful gross weight prescribed by sections 169.822 to 169.829, by 2,000 pounds or more, or the weight on a group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by sections 169.822 to

169.829, by 4,000 pounds or more; or (2) on routes designated by the commissioner in section 169.832, subdivision 11, the overall weight of the vehicle or the weight on an axle or group of consecutive axles exceeds the maximum lawful gross weights prescribed by sections 169.822 to 169.829; or (3) the weight is unlawful on an axle or group of consecutive axles on a road restricted in accordance with section 169.87. Material unloaded must be cared for by the owner or driver of the vehicle at the risk of the owner or driver.

(c) If the gross weight of the vehicle does not exceed the vehicle's registered gross weight plus the weight allowance set forth in section 168.013, subdivision 3, paragraph (b), and plus, if applicable, the weight allowance permitted under section 169.826, then the driver is not required to unload under paragraph (b)."

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 Westrom et al amendment and the roll was called. There were 11 yeas and 120 nays as follows:

Those who voted in the affirmative were:

Demmer	Finstad	Howes	Marquart	Rukavina	Westrom
Dill	Hilty	Jaros	Peterson	Seifert	

Those who voted in the negative were:

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

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

The Speaker resumed the Chair.

The Speaker called Boudreau to the Chair.

Seagren, Lenczewski, Sviggum and Larson moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 9, line 59, delete "\$2,240,000" and insert "\$2,400,000"

Page 10, line 1, delete "\$3,120,000" and insert "\$3,343,000"

Page 10, line 6, delete everything after "Minneapolis"

Page 10, delete line 7

Page 10, line 8, delete everything before the period

Adjust amounts accordingly

Renumber or reletter the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Rhodes, Latz and Erhardt moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Pages 66 to 67, delete section 66

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 Rhodes et al amendment and the roll was called. There were 55 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abeler	Biernat	Cox	Ellison	Goodwin	Hilstrom
Atkins	Carlson	Davnie	Entenza	Greiling	Hilty
Bernardy	Clark	Dorn	Erhardt	Hausman	Hornstein

Huntley	Larson	Meslow	Pelowski	Slawik	Wasiluk
Jaros	Latz	Murphy	Peterson	Solberg	Westerberg
Johnson, S.	Lenczewski	Nelson, M.	Pugh	Thao	
Juhnke	Lesch	Opatz	Rhodes	Thissen	
Kahn	Lieder	Osterman	Rukavina	Tingelstad	
Kelliher	Mahoney	Otto	Sertich	Wagenius	
Koenen	Mariani	Paymar	Sieben	Walker	

Those who voted in the negative were:

Abrams	Dauids	Haas	Krinkie	Olson, M.	Stang
Adolphson	DeLaForest	Hackbarth	Kuisle	Ozment	Strachan
Anderson, B.	Demmer	Harder	Lanning	Paulsen	Swenson
Anderson, I.	Dempsey	Heidgerken	Lindgren	Penas	Sykora
Anderson, J.	Dill	Holberg	Lindner	Powell	Urdahl
Beard	Dorman	Hoppe	Lipman	Ruth	Vandevveer
Blaine	Eastlund	Howes	Magnus	Samuelson	Walz
Borrell	Eken	Jacobson	Marquart	Seagren	Wardlow
Boudreau	Erickson	Johnson, J.	McNamara	Seifert	Westrom
Bradley	Finstad	Kielkucki	Nelson, C.	Severson	Wilkin
Brod	Fuller	Klinzing	Nelson, P.	Simpson	Zellers
Buesgens	Gerlach	Knoblach	Nornes	Smith	Spk. Sviggum
Cornish	Gunther	Kohls	Olsen, S.	Soderstrom	

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

Holberg and Kuisle moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 33, after line 35, insert:

"Sec. 28. Minnesota Statutes 2002, section 174.22, is amended by adding a subdivision to read:

Subd. 16. [DUTY TO PASSENGER.] A public bus operator's duty to a passenger, including a student passenger, applies only when the passenger is riding upon, boarding, or disembarking from the public transit vehicle. At all other times the passenger is a pedestrian and the public bus operator's duty is limited to the duties owed by motorists to pedestrians."

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 Holberg and Kuisle amendment and the roll was called. There were 95 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, B.	Beard	Boudreau	Buesgens	Cox
Abrams	Anderson, I.	Blaine	Bradley	Carlson	Dauids
Adolphson	Anderson, J.	Borrell	Brod	Cornish	DeLaForest

Demmer	Haas	Knoblach	McNamara	Powell	Swenson
Dempsey	Hackbarth	Kohls	Meslow	Rhodes	Thissen
Dill	Harder	Krinkie	Nelson, C.	Ruth	Tingelstad
Dorman	Hausman	Kuisle	Nelson, M.	Samuelson	Urdahl
Dorn	Heidgerken	Lanning	Nornes	Seifert	Vandever
Eastlund	Holberg	Larson	Olsen, S.	Severson	Walz
Erhardt	Hoppe	Lenczewski	Olson, M.	Sieben	Wardlow
Erickson	Howes	Lieder	Opatz	Simpson	Westerberg
Finstad	Jacobson	Lindgren	Otto	Slawik	Westrom
Fuller	Johnson, J.	Lindner	Ozment	Smith	Wilkin
Gerlach	Johnson, S.	Lipman	Paulsen	Soderstrom	Zellers
Greiling	Kielkucki	Magnus	Pelowski	Stang	Spk. Sviggum
Gunther	Klinzing	Marquart	Penas	Strachan	

Those who voted in the negative were:

Atkins	Ellison	Huntley	Lesch	Paymar	Solberg
Bernardy	Entenza	Jaros	Mahoney	Peterson	Sykora
Biernat	Goodwin	Kahn	Mariani	Pugh	Thao
Clark	Hilstrom	Kelliher	Murphy	Rukavina	Wagenius
Davnie	Hilty	Koenen	Nelson, P.	Seagren	Walker
Eken	Hornstein	Latz	Osterman	Sertich	Wasiluk

The motion prevailed and the amendment was adopted.

Olson, M.; Tingelstad; Hackbarth; Westerberg; Kuisle; Abeler and Opatz moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 4, after line 14, insert:

"The commissioner and the metropolitan council shall take all necessary and feasible steps to continue the full or partial operations of the Northstar commuter coach bus service in the trunk highway 10 corridor during the 2004-2005 biennium without additional state subsidy, including operation of the service by a private entity using its own vehicles or leasing vehicles, including those presently operating in the highway 10 corridor. Local subsidies may be accepted under this provision."

The motion prevailed and the amendment was adopted.

Wagenius and Larson moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 19, after line 32, insert:

"Sec. 11. [161.169] [ALLOCATION; TRUNK HIGHWAY CONSTRUCTION SPENDING.]

The commissioner shall in each biennium allocate spending of legislative appropriations for trunk highway construction in such a manner that the percentage of such spending in the department of transportation's

metropolitan district is at least equal to the percentage of motor fuel tax collected in the previous biennium that the commissioner determines is attributable to the counties in that district."

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 Wagenius and Larson amendment and the roll was called. There were 48 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Bernardy	Erhardt	Johnson, S.	Mahoney	Paymar	Sykora
Biernat	Erickson	Kahn	Mariani	Pugh	Thao
Carlson	Goodwin	Kelliher	McNamara	Rhodes	Thissen
Clark	Greiling	Krinkie	Meslow	Samuelson	Vandever
Davnie	Hausman	Larson	Mullery	Seagren	Wagenius
DeLaForest	Hilstrom	Latz	Nelson, M.	Sieben	Walker
Ellison	Hornstein	Lenczewski	Osterman	Slawik	Wasiluk
Entenza	Jacobson	Lesch	Otto	Strachan	Westerberg

Those who voted in the negative were:

Abeler	Cox	Harder	Kuisle	Ozment	Stang
Abrams	Davids	Heidgerken	Lanning	Paulsen	Swenson
Adolphson	Demmer	Hilty	Lieder	Pelowski	Tingelstad
Anderson, B.	Dempsey	Holberg	Lindgren	Penas	Urdahl
Anderson, I.	Dill	Hoppe	Lindner	Peterson	Walz
Anderson, J.	Dorman	Howes	Lipman	Powell	Wardlow
Atkins	Dorn	Huntley	Magnus	Rukavina	Westrom
Beard	Eastlund	Jaros	Marquart	Ruth	Wilkin
Blaine	Eken	Johnson, J.	Murphy	Seifert	Zellers
Borrell	Finstad	Juhnke	Nelson, C.	Sertich	Spk. Sviggum
Boudreau	Fuller	Kielkucki	Nelson, P.	Severson	
Bradley	Gerlach	Klinzing	Nornes	Simpson	
Brod	Gunther	Knoblach	Olsen, S.	Smith	
Buesgens	Haas	Koenen	Olson, M.	Soderstrom	
Cornish	Hackbarth	Kohls	Opatz	Solberg	

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

The Speaker called Abrams to the Chair.

Lenczewski moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 20, after line 7, insert:

"Sec. 12. Minnesota Statutes 2002, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

~~(a) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.~~

~~(b) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.~~

~~(c) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane miles of approved county state aid highways bears to the total lane miles of approved statewide county state aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane miles rather than miles of approved county state aid highways, an apportionment that is less than its apportionment in 1996.~~

~~(d) An amount equal to 50 percent of the apportionment sum must be apportioned among the several counties so that each county receives of that amount the percentage that its population bears to the total population of the state.~~

(b) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Dorman moved to amend the Lenczewski amendment to H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 1, line 14, strike "(a)"

Page 1, line 22, reinstate everything after the stricken "(c)"

Page 1, line 22, strike the reinstated "30" and insert "50"

Page 1, line 23, to page 2, line 7, reinstate the stricken language

Page 2, line 12, delete "(b)" and strike the rest of the line

Page 2, strike lines 13 to 23

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

The Speaker resumed the Chair.

The question recurred on the Lenczewski amendment and the roll was called. There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Beard	Greiling	Larson	Nelson, C.	Rhodes	Wagenius
Bernardy	Hausman	Latz	Nelson, M.	Samuelson	Walker
Biernat	Hilstrom	Lenczewski	Olsen, S.	Seagren	Wasiluk
Buesgens	Hornstein	Lesch	Opatz	Sieben	Westerberg
Carlson	Jacobson	Lindner	Osterman	Slawik	
Clark	Johnson, S.	Mahoney	Otto	Smith	
Davnie	Kahn	McNamara	Paymar	Thao	
Ellison	Kelliher	Meslow	Powell	Thissen	
Erhardt	Krinkie	Mullery	Pugh	Vandever	

Those who voted in the negative were:

Abeler	Davids	Goodwin	Kielkucki	Nornes	Solberg
Abrams	DeLaForest	Gunther	Klinzing	Olson, M.	Stang
Adolphson	Demmer	Haas	Knoblach	Ozment	Strachan
Anderson, B.	Dempsey	Hackbarth	Koenen	Paulsen	Swenson
Anderson, I.	Dill	Harder	Kohls	Pelowski	Sykora
Anderson, J.	Dorman	Heidgerken	Kuisle	Penas	Tingelstad
Atkins	Dorn	Hilty	Lanning	Peterson	Urdahl
Blaine	Eastlund	Holberg	Lieder	Rukavina	Walz
Borrell	Eken	Hoppe	Lindgren	Ruth	Wardlow
Boudreau	Entenza	Howes	Lipman	Seifert	Westrom
Bradley	Erickson	Huntley	Magnus	Sertich	Wilkin
Brod	Finstad	Jaros	Marquart	Severson	Zellers
Cornish	Fuller	Johnson, J.	Murphy	Simpson	Spk. Sviggum
Cox	Gerlach	Juhnke	Nelson, P.	Soderstrom	

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

Tingelstad, Rhodes, Greiling, Cox, Lanning and Abeler moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 23, line 10, after "section" insert "and section 168.1297"

Page 25, after line 15, insert:

"Sec. 16. [168.1297] [SPECIAL "ROTARY MEMBER" LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The registrar shall issue special "Rotary member" license plates to an applicant who:

- (1) is an owner or joint owner of a passenger automobile, pickup truck, or van;
- (2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;
- (3) pays the registration tax required under section 168.013;
- (4) pays the fees required under this chapter;
- (5) submits proof to the registrar that the applicant is a member of Rotary International; and
- (6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] A special license plate under this section consists of a special license plate as described in section 168.1291 with a unique symbol that is the recognized emblem of Rotary International.

Subd. 3. [COMPLIANCE WITH OTHER LAW.] The commissioner shall take no action under this section unless the commissioner determines that Rotary International, or one or more districts of Rotary International, has complied with section 168.1293, subdivision 2, paragraph (a). Issuance and renewal of license plates under this section are subject to section 168.1293, subdivisions 3 to 6."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Lenczewski moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 20, after line 7, insert:

"Sec. 12. Minnesota Statutes 2002, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] (a) After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided in section 162.06, subdivisions 2 through 5, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(a) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

~~(b) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.~~

~~(c) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane miles of approved county state aid highways bears to the total lane miles of approved statewide county state aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane miles rather than miles of approved county state aid highways, an apportionment that is less than its apportionment in 1996.~~

~~(d) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958 the excess sum.~~

(b) For purposes of this section and section 162.07:

(1) the "apportionment sum" is the total amount apportioned to the counties in calendar year 2003; and

(2) the "excess sum" is the money available for apportionment to the counties that exceeds the total amount apportioned to the counties in calendar year 2003.

Sec. 13. Minnesota Statutes 2002, section 162.07, is amended by adding a subdivision to read:

Subd. 1a. [APPORTIONMENT SUM.] The commissioner shall apportion the apportionment sum to the several counties on the basis of the following formula:

(a) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

(b) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(c) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane-miles of approved county state-aid highways bears to the total lane-miles of approved statewide county state-aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane-miles rather than miles of approved county state-aid highways, an apportionment that is less than its apportionment in 1996.

(d) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 14. Minnesota Statutes 2002, section 162.07, is amended by adding a subdivision to read:

Subd. 1b. [EXCESS SUM.] The commissioner shall apportion the excess sum to the counties on the basis of the following formula:

(a) An amount equal to 50 percent of the excess sum must be apportioned among the several counties so that each county receives of that amount the percentage that its population bears to the total population of the state.

(b) An amount equal to 50 percent of the excess sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties."

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 Lenczewski amendment and the roll was called. There were 50 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Bernardy	Hausman	Krinkie	Meslow	Powell	Thissen
Biernat	Hilstrom	Larson	Mullery	Pugh	Vandever
Buesgens	Holberg	Latz	Nelson, C.	Rhodes	Walker
Carlson	Hornstein	Lenczewski	Nelson, M.	Samuelson	Wasiluk
Davnie	Jacobson	Lesch	Olsen, S.	Seagren	Westerberg
Ellison	Johnson, S.	Lindner	Opatz	Sieben	
Erhardt	Kahn	Lipman	Osterman	Slawik	
Goodwin	Kelliher	Mahoney	Otto	Sykora	
Greiling	Knoblach	McNamara	Paymar	Thao	

Those who voted in the negative were:

Abeler	Cox	Gunther	Koenen	Paulsen	Strachan
Abrams	Davids	Haas	Kohls	Pelowski	Swenson
Adolphson	DeLaForest	Hackbarth	Kuisle	Penas	Tingelstad
Anderson, B.	Demmer	Harder	Lanning	Peterson	Urdahl
Anderson, I.	Dempsey	Heidgerken	Lieder	Rukavina	Walz
Anderson, J.	Dorman	Hilty	Lindgren	Ruth	Wardlow
Atkins	Dorn	Hoppe	Magnus	Seifert	Westrom
Beard	Eastlund	Howes	Mariani	Sertich	Wilkin
Blaine	Eken	Huntley	Marquart	Severson	Zellers
Borrell	Entenza	Jaros	Murphy	Simpson	Spk. Sviggum
Boudreau	Erickson	Johnson, J.	Nelson, P.	Smith	
Bradley	Finstad	Juhnke	Nornes	Soderstrom	
Brod	Fuller	Kielkucki	Olson, M.	Solberg	
Cornish	Gerlach	Klinzing	Ozment	Stang	

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

Krinkie, Seagren, Wilkin, Buesgens, Gerlach and Holberg moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 68, after line 7, insert:

"Sec. 71. [REQUEST FOR PROPOSALS.]

Notwithstanding Minnesota Statutes, section 473.4051, the metropolitan council must prepare a request for proposals to operate the Hiawatha light rail transit line. The request must invite proposals from vendors from within and outside of Minnesota, including from its own metropolitan transit operations division. The metropolitan council must consult with the departments of administration and transportation, as appropriate, in preparing the request. The department of administration must evaluate the proposals received in a report to the council.

Sec. 72. [TIMETABLE; DECISION.]

The council must issue the request prepared under section 71 by July 1, 2003, which must remain open until August 1, 2003. By September 1, 2003, the commissioner must select a vendor to operate the line. The council's selection decision must take into account the department of administration's evaluations."

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 Krinkie et al amendment and the roll was called. There were 83 yeas and 48 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler	Carlson	Ellison	Hilstrom	Johnson, S.	Lieder
Anderson, I.	Clark	Entenza	Hilty	Kahn	Mahoney
Atkins	Davnie	Goodwin	Hornstein	Kelliher	Mariani
Bernardy	Dill	Greiling	Huntley	Latz	Mullery
Biernat	Eken	Hausman	Jaros	Lesch	Murphy

Nelson, M.	Paymar	Rhodes	Sieben	Solberg	Wagenius
Opatz	Peterson	Rukavina	Slawik	Thao	Walker
Otto	Pugh	Sertich	Smith	Tingelstad	Wasiluk

The motion prevailed and the amendment was adopted.

Dorman, Simpson, Marquart, Koenen, Urdahl, Juhnke and Lanning moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 68, line 30, before "This" insert "Of"

Page 68, line 31, delete "is for"

Page 68, line 32, after "(1)" insert "\$250,000,000 is for"

Page 69, line 1, after "(2)" insert "\$250,000,000 is for"

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

Hornstein offered an amendment to H. F. No. 627, the fourth engrossment, as amended.

POINT OF ORDER

Knoblach raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills, that the Hornstein amendment was not in order. The Speaker ruled the point of order well taken and the Hornstein amendment out of order.

Hornstein moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 42, line 31, strike "2002" and insert "2005"

Page 42, lines 33 to 34, reinstate the stricken language

Page 43, lines 3 to 5, delete the new language

A roll call was requested and properly seconded.

The question was taken on the Hornstein amendment and the roll was called. There were 51 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	Entenza	Jaros	Mahoney	Pelowski	Solberg
Atkins	Erhardt	Johnson, S.	Mariani	Peterson	Thao
Bernardy	Goodwin	Juhnke	McNamara	Pugh	Tingelstad
Biernat	Greiling	Kahn	Mullery	Rhodes	Wagenius
Carlson	Hausman	Kelliher	Murphy	Samuelson	Walker
Clark	Hilstrom	Koenen	Nelson, M.	Sertich	Wasiluk
Cox	Hilty	Latz	Opatz	Severson	
Davnie	Hornstein	Lenczewski	Osterman	Sieben	
Ellison	Huntley	Lesch	Paymar	Slawik	

Those who voted in the negative were:

Abrams	DeLaForest	Hackbarth	Lanning	Otto	Swenson
Adolphson	Demmer	Harder	Larson	Ozment	Sykora
Anderson, B.	Dempsey	Heidgerken	Lieder	Paulsen	Thissen
Anderson, I.	Dill	Holberg	Lindgren	Penas	Urdahl
Anderson, J.	Dorman	Hoppe	Lindner	Powell	Vanderveer
Beard	Dorn	Howes	Lipman	Rukavina	Walz
Blaine	Eastlund	Jacobson	Magnus	Ruth	Wardlow
Borrell	Eken	Johnson, J.	Marquart	Seagren	Westerberg
Boudreau	Erickson	Kielkucki	Meslow	Seifert	Westrom
Bradley	Finstad	Klinzing	Nelson, C.	Simpson	Wilkin
Brod	Fuller	Knoblach	Nelson, P.	Smith	Zellers
Buesgens	Gerlach	Kohls	Nornes	Soderstrom	Spk. Sviggum
Cornish	Gunther	Krinkie	Olsen, S.	Stang	
Davids	Haas	Kuisle	Olson, M.	Strachan	

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

Beard, Juhnke and Kuisle moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 51, after line 18, insert:

"Sec. 40. Minnesota Statutes 2002, section 299E.01, is amended by adding a subdivision to read:

Subd. 6. [TOWING.] The capitol complex security division must conform to section 169.041 in its towing policy and practice for vehicles in public parking spaces within the capitol complex."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Juhnke, Lieder and Hausman moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Article 1, delete section 35

Page 68, delete lines 25 to 36

Delete page 69

Page 70, delete lines 1 to 10 and insert:

"EXPENDITURE OF FEDERAL FUNDS"

Renumber the remaining sections in article 3 in sequence

Page 83, after line 4, insert:

"ARTICLE 5

TRANSPORTATION FUNDING

Section 1. [161.086] [MAJOR HIGHWAY PROJECTS ACCOUNT.]

A major highway projects account is created in the trunk highway fund. The account consists of money credited to the fund under section 297B.09, subdivision 1, and other money credited by law. Money in the account may be appropriated by law for:

(1) improvements to trunk highways in at-risk interregional corridors located primarily or entirely outside the seven-county metropolitan area;

(2) removal of significant highway bottlenecks within the metropolitan area;

(3) trunk highway safety and capacity improvement projects not included in clauses (1) and (2), including but not limited to the addition of lanes on trunk highway corridors with known safety problems; and

(4) trunk highway advantages to transit.

Sec. 2. Minnesota Statutes 2002, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILE; HEARSE.] (a) On passenger automobiles as defined in section 168.011, subdivision 7, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge using list price information published by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If the manufacturer's list price information contains a single vehicle identification number followed by various descriptions and suggested retail prices, the registrar shall select from those listings only the lowest price for determining base value.

(d) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(e) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(f) The base value for purposes of this section shall be the middle point between the extremes of its class.

(g) The registrar shall establish the base value, when new, of every passenger automobile and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The registrar shall calculate tax using base value information available to dealers and deputy registrars at the time the application for registration is submitted. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of paragraph (h).

(h) The annual additional tax computed upon the base value as provided herein, during the first ~~and second~~ year of vehicle life shall be computed upon 100 percent of the base value; for the second year, 80 percent of such value; for the third ~~and fourth~~ years, 90 year, 70 percent of such value; for the fourth year, 60 percent of such value; for the fifth ~~and sixth~~ years, 75 year, 50 percent of such value; for the sixth year, 40 percent of such value; for the seventh year, ~~60~~ 35 percent of such value; for the eighth year, ~~40~~ 30 percent of such value; for the ninth year, ~~30~~ 20 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25. In no event shall the annual additional tax be less than \$25. ~~The total tax under this subdivision shall not exceed \$189 for the first renewal period and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the second year of vehicle life shall not exceed \$189 and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the third or subsequent year of vehicle life shall not exceed \$99 and shall not exceed \$99 in any subsequent renewal period.~~

(i) ~~As used in this subdivision and section 168.017, the following terms have the meanings given: "initial registration" means the 12 consecutive months calendar period from the day of first registration of a vehicle in Minnesota; and "renewal periods" means the 12 consecutive calendar months periods following the initial registration period.~~

Sec. 3. Minnesota Statutes 2002, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF REVENUES.] (a) Money collected and received under this chapter must be deposited as provided in this subdivision.

(b) ~~From July 1, 2001, to June 30, 2002, 30.86 percent of the money collected and received must be deposited in the highway user tax distribution fund, and the remaining money must be deposited in the general fund.~~

~~(c) On and after July 1, 2002, 32~~ Of the money collected and received from July 1, 2003, through June 30, 2007, 27.46 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 23.3 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 1.95 percent must be deposited in the greater Minnesota transit fund under section 16A.88. In fiscal year 2004 and thereafter, and two percent of the money collected and received must be deposited in the metropolitan area transit appropriation account under section 16A.88. The remaining money must be deposited in the general fund.

(c) Of the money collected and received on and after July 1, 2007:

(1) 20.5 percent must be deposited in the metropolitan area transit fund;

(2) 1.25 percent must be deposited in the greater Minnesota transit fund;

(3) two percent must be deposited in the metropolitan area transit appropriation account;

(4) 21.25 percent must be deposited in the transit assistance fund;

(5) 23 percent must be deposited in the major highway projects account in the trunk highway fund; and

(6) 32 percent must be deposited in the highway user tax distribution fund.

Sec. 4. [BUDGET BASE REDUCTIONS.]

For the biennium ending June 30, 2005, and subsequent bienniums, the commissioner of transportation shall make the following reductions in the department of transportation's 2002-2003 trunk highway fund budget base:

- (1) multimodal programs, \$1,000,000;
- (2) state roads, \$32,421,000; and
- (3) general support, \$16,665,000.

Sec. 5. [TRANSPORTATION APPROPRIATIONS.]

Subdivision 1. [TRUNK HIGHWAY IMPROVEMENTS.] (a) The following amounts in the following fiscal years are appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation:

- (1) in fiscal year 2004, \$150,000,000;
- (2) in fiscal year 2005, \$150,000,000;
- (3) in fiscal year 2006, \$200,000,000;
- (4) in fiscal year 2007, \$250,000,000;
- (5) in fiscal year 2008, \$250,000,000;
- (6) in fiscal year 2009, \$250,000,000; and
- (7) in fiscal year 2010, \$250,000,000.

(b) The commissioner shall spend the amounts appropriated under paragraph (a) in each fiscal year as follows:

(1) 45 percent for improvements to trunk highways in at-risk interregional corridors located primarily or entirely outside the seven-county metropolitan area;

(2) 45 percent for removal of significant highway bottlenecks within the metropolitan area;

(3) five percent for trunk highway advantages to transit; and

(4) five percent for trunk highway safety and capacity improvement projects not included in clauses (1) and (2), including but not limited to the addition of lanes on trunk highway corridors with known safety problems. In spending the amount under this clause, the commissioner shall select from projects submitted by local units of government. All necessary additional right-of-way, engineering costs, and local cost share for these projects are the responsibility of local units of government. Amounts allocated for this purpose in fiscal year 2004 are available in fiscal years 2004, 2005, and 2006.

Subd. 2. [TRANSIT CAPITAL IMPROVEMENTS.] (a) The following amounts in the following fiscal years are appropriated from the bond proceeds fund to the commissioner of transportation:

- (1) in fiscal year 2004, \$6,800,000;
- (2) in fiscal year 2005, \$6,800,000;
- (3) in fiscal year 2006, \$9,200,000;
- (4) in fiscal year 2007, \$11,400,000;
- (5) in fiscal year 2008, \$11,400,000;
- (6) in fiscal year 2009, \$11,400,000; and
- (7) in fiscal year 2010, \$11,400,000.

(b) The commissioner shall spend the amounts appropriated in paragraph (a) for assistance to eligible recipients, as defined in Minnesota Statutes, section 174.24, subdivision 2, for transit capital improvements under Minnesota Statutes, section 174.24, subdivision 3c. Any facilities constructed or acquired with funds under this paragraph must be publicly owned.

Subd. 3. [TRUNK HIGHWAY BOND DEBT SERVICE.] \$15,833,000 in fiscal year 2004 and \$38,623,000 in fiscal year 2005 are appropriated from the trunk highway fund to the commissioner of transportation for payment of principal and interest on trunk highway bonds issued under section 6, subdivision 2.

Subd. 4. [METROPOLITAN TRANSIT CAPITAL IMPROVEMENTS.] (a) The following amounts in the following fiscal years are appropriated from the bond proceeds fund to the metropolitan council:

- (1) in fiscal year 2004, \$27,200,000;
- (2) in fiscal year 2005, \$27,200,000;
- (3) in fiscal year 2006, \$36,800,000;
- (4) in fiscal year 2007, \$45,600,000;
- (5) in fiscal year 2008, \$45,600,000;
- (6) in fiscal year 2009, \$45,600,000; and
- (7) in fiscal year 2010, \$45,600,000.

(b) The council shall use amounts appropriated under paragraph (a) for transit capital improvements for transit systems operated or assisted by the council. Any facilities constructed or acquired with funds under this paragraph must be publicly owned.

Sec. 6. [BOND SALE AUTHORIZATIONS.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated by section 5, subdivisions 2 and 5, from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$342,000,000 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 from the sale of the bonds, except accrued interest and any premium received on the sale of the bonds, must be deposited in the bond proceeds fund.

Subd. 2. [TRUNK HIGHWAY FUND.] To provide the money appropriated by section 5, subdivision 1, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,500,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 7. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution, article XIV, is proposed to the people. If the amendment is adopted, a section must be added to article XIV, to read:

Sec. 12. Beginning July 1, 2007, all revenue from a tax imposed by the state on the sale of new and used motor vehicles must be dedicated solely to highway and public transit purposes.

Sec. 8. [SUBMISSION TO VOTERS.]

The constitutional amendment proposed in section 7 must be submitted to the people at the 2004 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to dedicate all revenue from a state tax on the sale of new and used motor vehicles solely to highway and public transit purposes, beginning July 1, 2007?"

Yes

No"

Sec. 9. [AUTOMOBILE LICENSE TAXES; REVERSION.]

Notwithstanding any other law, if the constitutional amendment proposed in section 7 is adopted at the 2004 general election, beginning December 1, 2009, the maximum taxes on passenger automobiles under Minnesota Statutes, section 168.013, subdivision 1a, paragraph (h), and the depreciation schedule in that paragraph, revert to the maximum taxes and depreciation schedule that were in effect on January 1, 2003.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 2003."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Juhnke et al amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Eken	Hornstein	Lesch	Otto	Swenson
Anderson, I.	Ellison	Huntley	Lieder	Paymar	Thao
Atkins	Entenza	Jaros	Mahoney	Pelowski	Thissen
Beard	Erhardt	Johnson, S.	Mariani	Peterson	Wagenius
Bernardy	Finstad	Juhnke	Meslow	Pugh	Walker
Biernat	Goodwin	Kahn	Mullery	Rhodes	Wasiluk
Carlson	Greiling	Kelliher	Murphy	Rukavina	
Clark	Hausman	Koenen	Nelson, M.	Sertich	
Cox	Heidgerken	Larson	Nelson, P.	Sieben	
Davnie	Hilstrom	Latz	Opatz	Slawik	
Dorn	Hilty	Lenczewski	Osterman	Solberg	

Those who voted in the negative were:

Abrams	DeLaForest	Holberg	Lindgren	Penas	Sykora
Adolphson	Demmer	Hoppe	Lindner	Powell	Tingelstad
Anderson, B.	Dempsey	Howes	Lipman	Ruth	Urdahl
Anderson, J.	Dorman	Jacobson	Magnus	Samuelson	Vandever
Blaine	Eastlund	Johnson, J.	Marquart	Seagren	Walz
Borrell	Erickson	Kielkucki	McNamara	Seifert	Wardlow
Boudreau	Fuller	Klinzing	Nelson, C.	Severson	Westerberg
Bradley	Gerlach	Knoblach	Nornes	Simpson	Westrom
Brod	Gunther	Kohls	Olsen, S.	Smith	Wilkin
Buesgens	Haas	Krinkie	Olson, M.	Soderstrom	Zellers
Cornish	Hackbarth	Kuisle	Ozment	Stang	Spk. Sviggum
Davids	Harder	Lanning	Paulsen	Strachan	

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

Thissen moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 63, delete section 58

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 Thissen amendment and the roll was called. There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Biernat	Davnie	Ellison	Hausman	Hornstein
Atkins	Carlson	Dorn	Goodwin	Hilstrom	Huntley
Bernardy	Clark	Eken	Greiling	Hilty	Jaros

Johnson, S.	Latz	Mullery	Pelowski	Slawik	Wasiluk
Juhnke	Lenczewski	Murphy	Peterson	Solberg	
Kahn	Lesch	Nelson, M.	Pugh	Thao	
Kelliher	Lieder	Opatz	Rukavina	Thissen	
Koenen	Mahoney	Otto	Sertich	Wagenius	
Larson	Mariani	Paymar	Sieben	Walker	

Those who voted in the negative were:

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

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

Lieder, Hausman and Juhnke moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Pages 42 to 43, delete section 35

Re-number the remaining sections in sequence

Page 83, after line 4, insert:

"ARTICLE 5

MOTOR VEHICLE SALES TAX

Section 1. Minnesota Statutes 2002, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF REVENUES.] (a) Money collected and received under this chapter must be deposited as provided in this subdivision.

(b) From July 1, 2001, to June 30, 2002, 30.86 percent of the money collected and received must be deposited in the highway user tax distribution fund, and the remaining money must be deposited in the general fund.

(c) On and after July 1, 2002, 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be deposited in the greater Minnesota transit fund under section 16A.88. In fiscal year 2004 and thereafter, two percent of the money collected and received must be deposited in the metropolitan area transit appropriation account under section 16A.88. The remaining money must be deposited in the general fund.

(d) Of the money collected and received on and after July 1, 2007:

- (1) 20.5 percent must be deposited in the metropolitan area transit fund;
- (2) 1.25 percent must be deposited in the greater Minnesota transit fund;
- (3) two percent must be deposited in the metropolitan area transit appropriation account;
- (4) 21.25 percent must be deposited in the transit assistance fund;
- (5) 23 percent must be deposited in the major highway projects account in the trunk highway fund; and
- (6) 32 percent must be deposited in the highway user tax distribution fund.

Sec. 2. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution, article XIV, is proposed to the people. If the amendment is adopted, a section must be added to article XIV, taking effect on July 1, 2007, or as soon thereafter as the commissioner of finance certifies the existence of state budget reserves in excess of \$500,000,000, to read:

Sec. 12. All revenue from a tax imposed by the state on the sale of new and used motor vehicles must be dedicated solely to highway and public transit purposes.

Sec. 3. [SUBMISSION TO VOTERS.]

The constitutional amendment proposed in section 2 must be submitted to the people at the 2004 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to dedicate all revenue from a state tax on the sale of new and used motor vehicles solely to highway and public transit purposes, no sooner than July 1, 2007?"

Yes
No"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lieder et al amendment and the roll was called. There were 58 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Eken	Jaros	Mahoney	Osterman	Seagren
Atkins	Ellison	Johnson, S.	Mariani	Otto	Sertich
Biernat	Entenza	Juhnke	Marquart	Paymar	Severson
Brod	Erhardt	Kahn	McNamara	Pelowski	Smith
Carlson	Goodwin	Kelliher	Mullery	Peterson	Solberg
Clark	Hausman	Koenen	Murphy	Powell	Thao
Cox	Hilstrom	Larson	Nelson, M.	Pugh	Wasiluk
Davnie	Hilty	Lenczewski	Nelson, P.	Rhodes	Westerberg
DeLaForest	Hornstein	Lesch	Olsen, S.	Rukavina	
Dorn	Huntley	Lieder	Opatz	Samuelson	

Those who voted in the negative were:

Abeler	Davids	Harder	Latz	Seifert	Wagenius
Abrams	Demmer	Heidgerken	Lindgren	Sieben	Walker
Adolphson	Dempsey	Hoppe	Lindner	Simpson	Walz
Anderson, B.	Dorman	Howes	Lipman	Slawik	Wardlow
Anderson, J.	Eastlund	Jacobson	Magnus	Soderstrom	Westrom
Beard	Erickson	Johnson, J.	Meslow	Stang	Wilkin
Bernardy	Finstad	Kielkucki	Nelson, C.	Strachan	Zellers
Blaine	Fuller	Klinzing	Nornes	Swenson	Spk. Sviggum
Borrell	Gerlach	Knoblach	Olson, M.	Sykora	
Boudreau	Greiling	Kohls	Ozment	Thissen	
Bradley	Gunther	Krinkie	Paulsen	Tingelstad	
Buesgens	Haas	Kuisle	Penas	Urdahl	
Cornish	Hackbarth	Lanning	Ruth	Vandev eer	

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

Latz moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 68, after line 7, insert:

"Sec. 71. [COMMISSIONER OF TRANSPORTATION; HIGH-OCCUPANCY VEHICLE LANES.]

The commissioner of transportation shall by order permit the use and determine the fee to be charged for use, in freeway lanes within the metropolitan area that on the effective date of this act were reserved exclusively for high-occupancy vehicles, of the following vehicles without regard to the number of occupants:

(1) taxis licensed by a political subdivision;

(2) limousines bearing license plates issued under Minnesota Statutes, section 168.128;

(3) buses outwardly equipped and readily identifiable as school buses or Head Start buses;

(4) passenger vehicles with a capacity of ten or more persons including the driver;

(5) any other passenger vehicles operated by motor carriers of passengers as defined in Minnesota Statutes, section 221.011, subdivision 48; and

(6) motor vehicles certified by the department of transportation as special transportation service vehicles."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Thissen and Hornstein moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 52, delete section 42

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.

Paymar and Mariani moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 27, after line 27, insert:

"Sec. 20. Minnesota Statutes 2002, section 169.14, is amended by adding a subdivision to read:

Subd. 5f. [TRUNK HIGHWAY 77.] The commissioner shall designate the maximum speed limit on marked trunk highway 77, from its intersection with marked trunk highway 38 in Apple Valley to its intersection with marked trunk highway 46, as 70 miles per hour. Any speed in excess of the speed designated in this subdivision is unlawful."

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.

Paymar and Mariani moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 27, after line 27, insert:

"Sec. 20. Minnesota Statutes 2002, section 169.14, is amended by adding a subdivision to read:

Subd. 5f. [TRUNK HIGHWAY 30.] The commissioner shall designate the maximum speed limit on marked trunk highway 30, from its intersection with marked interstate highway 35E in Eagan, to its intersection with marked trunk highway 3, as 70 miles per hour. Any speed in excess of the speed designated in this subdivision is unlawful."

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.

Paymar and Mariani moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 27, after line 27, insert:

"Sec. 20. Minnesota Statutes 2002, section 169.14, is amended by adding a subdivision to read:

Subd. 5f. [ANOKA COUNTY ROAD 16.] The commissioner shall designate the maximum speed limit on Anoka county road 16, from its intersection with Xeon Street in Andover to its intersection with Prairie Road, as 70 miles per hour. Any speed in excess of the speed designated in this subdivision is unlawful."

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.

Paymar and Mariani moved to amend H. F. No. 627, the fourth engrossment, as amended, as follows:

Page 26, delete section 18

A roll call was requested and properly seconded.

The question was taken on the Paymar and Mariani amendment and the roll was called. There were 44 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Ellison	Jaros	Latz	Otto	Thissen
Anderson, I.	Entenza	Johnson, S.	Lenczewski	Paymar	Wagenius
Atkins	Greiling	Juhnke	Lesch	Pelowski	Walker
Biernat	Hausman	Kahn	Mariani	Peterson	Wasiluk
Carlson	Hilstrom	Kelliher	Marquart	Rukavina	
Davnie	Hilty	Knoblach	Murphy	Seagren	
Dill	Hornstein	Koenen	Nelson, M.	Sertich	
Dorn	Huntley	Larson	Opatz	Thao	

Those who voted in the negative were:

Abeler	Buesgens	Erhardt	Holberg	Lieder	Osterman
Abrams	Clark	Erickson	Hoppe	Lindgren	Ozment
Adolphson	Cornish	Finstad	Howes	Lindner	Paulsen
Anderson, J.	Cox	Fuller	Jacobson	Magnus	Penas
Beard	Dauids	Gerlach	Johnson, J.	McNamara	Powell
Bernardy	DeLaForest	Goodwin	Kielkucki	Meslow	Pugh
Blaine	Demmer	Gunther	Klinzing	Nelson, C.	Rhodes
Borrell	Dempsey	Haas	Kohls	Nelson, P.	Ruth
Boudreau	Dorman	Hackbarth	Krinkie	Nornes	Samuelson
Bradley	Eastlund	Harder	Kuisle	Olsen, S.	Seifert
Brod	Eken	Heidgerken	Lanning	Olson, M.	Severson

Sieben	Soderstrom	Swenson	Vandevor	Westrom
Simpson	Solberg	Sykora	Walz	Wilkin
Slawik	Stang	Tingelstad	Wardlow	Zellers
Smith	Strachan	Urdahl	Westerberg	Spk. Sviggum

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

H. F. No. 627, A bill for an act relating to appropriations; appropriating money for transportation, public safety, and other purposes; authorizing issuance of state bonds; modifying provisions relating to reverse auctions, land appraisal, archaeological or historic sites, high-occupancy vehicle lanes, highways and transportation corridors, town line roads and easements, major transportation projects commission, advertisements for bids, regional railroad authorities, city transit capital improvement projects in metropolitan area, bus rapid transit and other transit, bus operator liability, local government permits, and other transportation-related activities; providing for fees, funds and accounts, transfers, allocations, and expenditures; modifying provisions regulating special mobile equipment, special vehicle license plates, speed limits and other traffic regulations, vehicle weight limits and other vehicle regulations, vehicle insurance requirements, drivers' licenses and identification cards, essential employee status, the capitol complex security oversight committee, and other activities related to public safety; authorizing administrative powers, penalties, and remedies for public safety purposes; requiring studies and reports; making technical and clarifying changes; changing transit funding, aid, and tax levy provisions; amending Minnesota Statutes 2002, sections 10A.01, subdivision 24; 13.44, subdivision 3; 16A.88, subdivision 1; 16C.10, subdivision 7; 84.87, subdivision 1; 138.40, subdivisions 2, 3; 160.28, by adding a subdivision; 161.08; 161.20, subdivision 3; 164.12; 168.011, subdivision 22; 168.013, subdivision 3; 168.12, subdivision 5; 168.54, subdivision 4; 168A.29, subdivision 1; 169.14, subdivision 5a, by adding a subdivision; 169.18, subdivision 11; 169.791, subdivision 1; 169.796, by adding a subdivision; 169.797, subdivision 4a; 169.798, subdivision 1, by adding a subdivision; 169.826, subdivision 1, by adding a subdivision; 169.86, subdivision 5; 169.87, by adding a subdivision; 171.06, subdivision 3; 171.07, subdivisions 1, 3; 171.13, by adding a subdivision; 171.14; 171.20, subdivision 4; 171.22, subdivision 2; 171.29, subdivision 2; 174.03, subdivision 6a; 174.22, by adding a subdivision; 174.24, subdivisions 1, 3b; 174.55, subdivision 2; 179A.03, subdivision 7; 179A.10, subdivision 2; 275.065, subdivision 3; 275.71, subdivision 5; 297B.09, subdivision 1; 299A.465, subdivision 4; 299E.01, by adding a subdivision; 299E.03, subdivision 3; 398A.03, subdivision 1; 471.345, subdivision 14; 473.399, subdivision 1; 473.3994, subdivision 2; 473.3997; 473.446, subdivision 1; 609.531, subdivision 1; Laws 1999, chapter 238, article 1, section 2, subdivision 2; Laws 2000, chapter 433, section 4; Laws 2001, First Special Session chapter 8, article 1, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 117; 160; 168; 171; 299A; 331A; 373; 398A; 414; 473; repealing Minnesota Statutes 2002, sections 16A.88, subdivision 3; 169.794; 169.799; 174.242; Minnesota Rules, parts 7403.1300; 7413.0400; 7413.0500.

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 80 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Fuller	Johnson, J.	Magnus	Penas
Abrams	Cornish	Gerlach	Kielkucki	McNamara	Powell
Adolphson	Cox	Gunther	Klinzing	Meslow	Ruth
Anderson, B.	Davids	Haas	Knoblach	Nelson, C.	Samuelson
Anderson, J.	DeLaForest	Hackbarth	Kohls	Nelson, P.	Seagren
Beard	Demmer	Harder	Krinkie	Nornes	Seifert
Blaine	Dempsey	Heidgerken	Kuisle	Olsen, S.	Severson
Borrell	Dorman	Holberg	Lanning	Olson, M.	Simpson
Boudreau	Eastlund	Hoppe	Lindgren	Osterman	Slawik
Bradley	Erickson	Howes	Lindner	Ozment	Smith
Brod	Finstad	Jacobson	Lipman	Paulsen	Soderstrom

Stang	Sykora	Vandever	Westerberg	Zellers
Strachan	Tingelstad	Walz	Westrom	Spk. Sviggum
Swenson	Urdahl	Wardlow	Wilkin	

Those who voted in the negative were:

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

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Monday, April 28, 2003:

S. F. No. 515; H. F. Nos. 1336, 326, 279, 643, 1044 and 981; and S. F. No. 433.

CALENDAR FOR THE DAY

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

MOTIONS AND RESOLUTIONS

Lipman moved that the names of Zellers and Hoppe be added as authors on H. F. No. 174. The motion prevailed.

Greiling moved that the name of Samuelson be shown as chief author on H. F. No. 766. The motion prevailed.

Seifert moved that the name of Magnus be added as an author on H. F. No. 1149. The motion prevailed.

Erhardt moved that the name of Samuelson be added as an author on H. F. No. 1546. The motion prevailed.

Slawik moved that the name of Kahn be added as an author on H. F. No. 1583. The motion prevailed.

Entenza, Clark, Ellison, Hornstein and Latz introduced:

House Resolution No. 11, A House resolution relating to Representative Arlon Lindner.

The resolution was referred to the Committee on Ethics.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 10:30 a.m., Tuesday, April 29, 2003. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:30 a.m., Tuesday, April 29, 2003.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

