

STATE OF MINNESOTA

EIGHTY-FOURTH SESSION — 2006

SEVENTY-NINTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 27, 2006

The House of Representatives convened at 3:00 p.m. and was called to order by Steve Sviggum, Speaker of the House.

Prayer was offered by the Reverend Mike Cieniawski, Victory in Life Church, Elbow Lake, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dittrich	Hilstrom	Latz	Paulsen	Smith
Anderson, B.	Dorman	Hilty	Lenczewski	Paymar	Soderstrom
Anderson, I.	Dorn	Holberg	Lesch	Pelowski	Solberg
Atkins	Eastlund	Hoppe	Liebling	Penas	Sykora
Beard	Eken	Hornstein	Lieder	Peppin	Thao
Bernardy	Ellison	Hortman	Lillie	Peterson, A.	Thissen
Blaine	Emmer	Hosch	Loeffler	Peterson, N.	Tingelstad
Bradley	Entenza	Howes	Magnus	Peterson, S.	Urdahl
Brod	Erhardt	Huntley	Mahoney	Poppe	Vandev eer
Buesgens	Erickson	Jaros	Mariani	Powell	Wagenius
Carlson	Finstad	Johnson, J.	Marquart	Rukavina	Walker
Charron	Fritz	Johnson, R.	McNamara	Ruth	Wardlow
Clark	Garofalo	Johnson, S.	Meslow	Ruud	Walti
Cornish	Gazelka	Juhnke	Moe	Sailer	Westerberg
Cox	Goodwin	Kahn	Mullery	Samuelson	Westrom
Cybart	Greiling	Kelliher	Murphy	Scalze	Wilkin
Davids	Gunther	Klinzing	Nelson, M.	Seifert	Zellers
Davnie	Hackbarth	Knoblach	Nelson, P.	Sertich	Spk. Sviggum
Dean	Hamilton	Koenen	Newman	Severson	
DeLaForest	Hansen	Kohls	Nornes	Sieben	
Demmer	Hausman	Krinkie	Olson	Simon	
Dempsey	Haws	Lanning	Otremba	Simpson	
Dill	Heidgerken	Larson	Ozment	Slawik	

A quorum was present.

Abrams was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Blaine 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

March 22, 2006

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

Dear Speaker Sviggum:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1915, relating to health; providing an exception to the hospital construction moratorium for a hospital in Maple Grove.

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 Act of the 2006 Session of the State Legislature has been received from the Office of the Governor and is 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 2006</i>	<i>Date Filed 2006</i>
	1915	172	9:15 a.m. March 22	March 22

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Olson from the Committee on Local Government to which was referred:

H. F. No. 587, A bill for an act relating to elections; providing for periodic election days for state and local elections, other than special elections to fill a vacancy and elections conducted by mail; amending Minnesota Statutes 2004, sections 123B.63, subdivision 3; 126C.17, subdivision 11; 204C.05, by adding a subdivision; 205.10, subdivision 3; 205A.05, subdivision 1; 373.40, subdivision 2; 375.20; 458.40; 465.82, subdivision 2; 465.84; 469.053, subdivision 5; 469.0724; 469.190, subdivision 5; 475.521, subdivision 2; 475.58, subdivisions 1, 1a; 475.59; proposing coding for new law in Minnesota Statutes, chapters 204D; 205; 205A; repealing Minnesota Statutes 2004, sections 204C.05, subdivisions 1a, 1b; 205.175; 205A.09.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Civil Law and Elections.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 632, A bill for an act relating to taxation; income; providing for economic growth in rural counties of the state by allowing a credit against the income tax of an employer for the creation and retention of certain jobs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[290.0681] RURAL ECONOMIC GROWTH CREDIT.**

Subdivision 1. **Credit name.** The credit allowed by this section shall be known as the "Rural Minnesota Catch-Up Credit."

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible county" means a county, located outside the metropolitan area, as defined in section 473.121, subdivision 2, that experienced, between 1994 and 2004, a net new job growth rate of less than 15.6 percent, or a county that has a population of less than 25,000 according to the 2000 census.

(c) "Qualifying job" means a job in an industry that produces goods or services that bring outside wealth into an eligible county. A qualifying job includes jobs in the following industries: value-added manufacturing, technologically innovative and information industries, forestry, mining, agriprocessing, and tourism attractions. At a minimum, a qualifying job must provide full-time employment and pay not less than \$12 per hour, or \$10 per hour plus health insurance benefits, or its equivalent. A qualifying job does not include any job for which a tax credit is received under section 469.318 or for which a grant is made under section 469.309.

Subd. 3. **Credit allowed.** A taxpayer that is awarded a credit under subdivision 4 may take a credit against the tax imposed by this chapter, equal to \$4,000 per qualifying job created by the taxpayer, per year for three years, and \$3,000 in the fourth year.

Subd. 4. **Qualification; application.** (a) To qualify for a credit under this section, a taxpayer must create a new qualifying job within an eligible county. The taxpayer must create the qualifying job within 12 months of being awarded the credit. If a taxpayer does not create the qualifying job within 12 months, the credit is forfeited and, if claimed by the taxpayer, subject to recapture, and the credit amount accrues back to the eligible county for allocation under subdivision 5.

(b) A taxpayer seeking a credit under this section must apply to an eligible county at least 60 days before the award date in paragraph (c) on a form and in a manner prescribed by the commissioner.

(c) Eligible counties shall award credits under this section twice each year, by March 15 and September 15. An eligible county shall publish a notice advertising the award date, at least 90 days before the date. The county board of commissioners of an eligible county, or the duly appointed representatives of the county board of commissioners, shall award credits under this section to applicants using uniform criteria established by the commissioner. In selecting among applicants for awarding credits under this section, criteria must contemplate and place greater weight on the following factors: whether the qualifying job provides higher wages, better benefits, or on-the-job training; whether the taxpayer's business is locally owned and owns, rather than leases, its own facilities or buildings; whether the taxpayer's business provides employee stock ownership plans or employee profit sharing; and whether a higher percentage of the business's employees are hired with tax credits under this section. For purposes of this section, "duly appointed representatives" include a county or regional economic development agency or authority.

Subd. 5. **Limitation; carryforward.** (a) The total amount of credits under this section may not exceed \$150,000 per eligible county over two years. If a county fails to award \$150,000 within a year, it may carry forward the amount that remains unawarded to the following year. Unawarded amounts may not be carried beyond the following year and are lost.

(b) A taxpayer may claim the credit under this section for the year following the year in which the new qualifying job is created and for each year the new qualifying job remains in existence, up to a maximum of four years or \$15,000 per qualifying job created. The taxpayer may claim the credit under this section for years in which the qualifying job was in existence for the entire year. A credit under this section is awarded to the taxpayer for, and attaches to, a designated employee. If the designated employee for whom a credit under this section was awarded leaves the employment of the taxpayer for any reason, the remaining credit the taxpayer would otherwise be eligible to receive is forfeited and may not be claimed by the taxpayer unless a replacement employee is hired to fill the qualifying job within a reasonable period, not to exceed three months. Credit amounts forfeited under this paragraph accrue back to and may be awarded by an eligible county as if the amount had been unawarded, as provided in paragraph (a).

Subd. 6. **Credit refundable.** If the amount of credit that the taxpayer is eligible to receive under this section exceeds the liability for tax under this chapter, the commissioner shall refund the excess to the claimant. An amount sufficient to pay the refunds authorized by this subdivision is appropriated to the commissioner from the general fund.

Subd. 7. **Manner of claiming.** The commissioner shall prescribe the manner in which the credit may be issued and claimed. This may include providing for the issuance of credit certificates or allowing the credit only as a separately processed claim for a refund.

Subd. 8. **Report.** The commissioner shall report to the legislature by February 15, 2009, on credits claimed under this section and shall evaluate the feasibility and benefit of continuing the program. The commissioner may consult with the commissioner of economic security and the commissioner of trade and economic development in preparing this report.

Subd. 9. **Expiration.** This section expires for taxable years beginning after December 31, 2011.

EFFECTIVE DATE. This section is effective January 1, 2007."

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

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 1863, A bill for an act relating to capital investments; establishing an electronic medical record system loan program and fund; authorizing the sale of state revenue bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

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

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

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

(6) to the extent not deducted in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

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

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

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

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

(11) the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes services performed exclusively for purposes of basic combat training, advanced individual training, annual training, and periodic inactive duty training; special training periodically made available to reserve members; and service performed in accordance with section 190.08, subdivision 3;

(12) the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a nonresident who is a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Service Member Civil Relief Act, Public Law 108-189, section 101(2); ~~and~~

(16) international economic development zone income as provided under section 469.325-; and

(17) premiums paid for a health plan, as defined in section 62A.011, subdivision 3, obtained as an individual health plan.

Sec. 2. **[290.0677] HEALTH INSURANCE CREDIT.**

Subdivision 1. **Credit.** An individual is allowed a credit against the tax imposed by this chapter for health insurance premiums paid during the tax year. The credit equals 7.85 percent of health insurance premiums and applies to premiums of up to \$2,500 for a single person and up to \$7,500 for married couples filing jointly. For a nonresident or part-year resident, the credit determined under this section must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

Subd. 2. **Credit refundable.** If the amount of credit which the individual is eligible to receive under this section exceeds the individual's tax liability under this chapter, the commissioner shall refund the excess to the individual.

Subd. 3. **Appropriation.** An amount sufficient to pay the refunds required by this section is appropriated to the commissioner from the general fund.

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

Delete the title and insert:

"A bill for an act relating to income taxation; providing a subtraction from federal taxable income for certain health plan premiums; providing a credit for health insurance premiums; appropriating money; amending Minnesota Statutes 2005 Supplement, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapter 290."

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

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 2492, A bill for an act relating to education; making school lock-down, tornado, and fire drills a crisis management requirement; requiring a secondary school law enforcement teacher to be licensed as a peace officer; integrating school safety procedures and fire drills; establishing a task force to advise the legislature on K-12

emergency/all hazard procedures; authorizing rulemaking by the board of school administrators; amending Minnesota Statutes 2004, sections 121A.035; 299F.30; Laws 2005, First Special Session chapter 5, article 2, section 81; proposing coding for new law in Minnesota Statutes, chapter 122A.

Reported the same back with the following amendments:

Page 2, delete lines 3 to 20 and insert:

"Sec. 2. **[121A.037] SCHOOL SAFETY DRILLS.**

Private schools and educational institutions not subject to section 121A.035 must have at least five school lock-down drills and five school fire drills consistent with section 299F.30, and one tornado drill.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later."

Page 2, line 23, delete "section 121A.035" and insert "sections 121A.035, 121A.037,"

Page 2, line 25, reinstate the stricken "at least" and after the stricken "nine" insert "five"

Page 2, lines 27 to 29, delete the new language

Page 4, line 10, after the second semicolon, insert "nonlicensed school employees;"

Page 4, line 12, delete "Heath" and insert "Health" and after the second semicolon, insert "Minnesota State Colleges and Universities; Minnesota Association of School Administrators;"

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before the semicolon and insert "requiring nonpublic school lockdowns, tornado drills, and fire drills"

Correct the title numbers accordingly

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

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 2514, A bill for an act relating to securities; enacting and modifying the 2002 Uniform Securities Act of the National Conference of Commissioners on Uniform State Laws; prescribing criminal penalties; amending Minnesota Statutes 2004, sections 60A.077, subdivision 9; 82.23; 82.43, subdivision 7; 144A.01, subdivision 4; 245A.02, subdivision 5a; 302A.011, subdivision 26; 302A.251, subdivision 4; 308A.505; 308B.465, subdivision 2; 322B.03, subdivision 43; 322B.663, subdivision 4; 356A.06, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 80A; repealing Minnesota Statutes 2004, sections 80A.01; 80A.02; 80A.03; 80A.04; 80A.041; 80A.05; 80A.06; 80A.07; 80A.08; 80A.09; 80A.10; 80A.11; 80A.115; 80A.12; 80A.122; 80A.125; 80A.13; 80A.14; 80A.15; 80A.16; 80A.17; 80A.18; 80A.19; 80A.22; 80A.23; 80A.24; 80A.25; 80A.26; 80A.27; 80A.28; 80A.29; 80A.30; 80A.31.

Reported the same back with the following amendments:

Page 57, delete lines 14 to 18

With the recommendation that when so amended the bill pass.

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 2574, A bill for an act relating to health; providing an exception to the hospital construction moratorium for a facility in Cass County; amending Minnesota Statutes 2005 Supplement, section 144.551, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Seifert from the Committee on State Government Finance to which was referred:

H. F. No. 2677, A bill for an act relating to local government; authorizing towns to contract without competitive bidding in certain circumstances; amending Minnesota Statutes 2004, section 471.345, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 2688, A bill for an act relating to veterans; authorizing the placement of a plaque on the Capitol grounds honoring the nation's war dogs and their handlers.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 2807, A bill for an act relating to human services; providing an exception for notification of a variance or set-aside; amending Minnesota Statutes 2005 Supplement, sections 245C.22, subdivision 7; 245C.301.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 2839, A bill for an act relating to the environment; requiring the replacement or discontinued operation of straight-pipe systems for sewage disposal within ten months of notice; amending Minnesota Statutes 2004, section 115.55, subdivision 1, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 27, after the period, insert "Before any inspection on private property, the inspector must have probable cause to believe a straight-pipe system exists on the property."

With the recommendation that when so amended the bill pass.

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 2843, A bill for an act relating to consumer protections; reducing identity theft and assisting its victims; providing penalties; amending Minnesota Statutes 2004, sections 13.05, subdivision 5; 138.17, subdivision 7; 609.527, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 325E.61, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 13; 13C; 325E; 325G; 609.

Reported the same back with the following amendments:

Page 9, after line 30, insert:

"(b) "Credit" means the right granted to a borrower to defer payment of a debt, to incur debt and defer its payment, or to purchase property or services and defer payment. Credit does not include an overdraft from a person's deposit account, whether through a check, ATM withdrawal, debit card, or otherwise, that is not pursuant to a written agreement to pay overdrafts with the right to defer payment of them."

Page 9, line 31, delete "(b)" and insert "(c)"

Page 9, line 32, delete "(c)" and insert "(d)"

Page 9, line 33, delete "(d)" and insert "(e)"

Page 10, line 1, delete "(e)" and insert "(f)"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety Policy and Finance.

The report was adopted.

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

H. F. No. 2846, A bill for an act relating to eminent domain; defining public use or purpose; prohibiting the use of eminent domain for economic development; requiring clear and convincing evidence for certain takings; providing for attorney fees and other additional elements of compensation; making other changes in the exercise of eminent domain; amending Minnesota Statutes 2004, sections 117.025; 117.075, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 117.

Reported the same back with the following amendments:

Page 5, after line 20, insert:

"Sec. 7. [117.1845] OTHER REGULATORY TAKINGS.

A state or local government preservation designation adopted on or after August 1, 2002, that reduced the fair market value of real property or interferes with the owner's use and quiet enjoyment of the property, constitutes a regulatory taking for which the owner must be paid just compensation. The state or local government may repeal or amend the official control or historic preservation designation to eliminate the adverse impact on the property instead of paying damages."

Page 6, after line 9, insert:

"Subd. 4. Use of appraisal at commissioners' hearing. An appraisal of the going concern must not be used or considered in a condemnation commissioner's hearing, nor may the appraiser who prepared the appraisal testify, unless a copy of the appraiser's written report is provided to the opposing party at least five days before the hearing."

Page 6, line 13, delete "of the points of access to and"

Page 6, line 14, delete "exit from" and insert "of the driveway access into and out of"

Page 6, line 16, delete "and one year" and insert a period

Page 6, delete line 17

Page 6, before line 18, insert:

"A claim for compensation under this section must be made no later than one year after the completion of the project that eliminated the driveway access. Compensation must not exceed (1) the addition of revenue from the two previous years, minus (2) the addition of cost of goods sold from the two previous years."

Page 6, line 20, delete "similar house or building of equivalent size" and insert "comparable property"

Page 6, line 22, before the period, insert ", to the extent the damages will not be duplicated in the compensation otherwise awarded to the owner of the property"

Renumber the sections in sequence

Amend the title accordingly

Correct the title numbers accordingly

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.

Sykora from the Committee on Education Finance to which was referred:

H. F. No. 2847, A bill for an act relating to retirement; merging the Minneapolis Teachers Retirement Fund Association and the Teachers Retirement Association; adjusting contribution rates; making technical changes; providing a benefit increase; making state aid adjustment; appropriating money; amending Minnesota Statutes 2004, sections 127A.50, subdivision 1; 128D.10; 354.05, subdivisions 2, 13; 354.42, subdivisions 2, 3; 354A.011, subdivisions 15a, 27; 354A.021, subdivision 1; 354A.092; 354A.093, subdivision 1; 354A.095; 354A.096; 354A.12, subdivisions 1, 2, 2a, 3a, 3b, 3c, 3d; 354A.30; 354A.32, subdivision 1; 354A.39; 354A.40, subdivision 1; 354A.41; 356.20, subdivision 2; 356.214, subdivision 1; 356.215, subdivision 11; 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; 356.315, by adding subdivisions; 356.42, subdivision 3; 356.465, subdivision 3; 423A.02, subdivision 1b; Minnesota Statutes 2005 Supplement, sections 354.44, subdivision 6; 354A.31, subdivision 4; 356.215, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 128D; 354; repealing Minnesota Statutes 2004, sections 354A.051; 354A.105; 354A.23, subdivision 1; 354A.28.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"ARTICLE 1

MINNESOTA POSTRETIREMENT INVESTMENT FUND CHANGES

Section 1. Minnesota Statutes 2004, section 11A.18, subdivision 9, is amended to read:

Subd. 9. **Calculation of postretirement adjustment.** (a) Annually, following June 30, the state board shall use the procedures in paragraphs (b), (c), and (d) to determine whether a postretirement adjustment is payable and to determine the amount of any postretirement adjustment.

(b) If the Consumer Price Index for urban wage earners and clerical workers all items index published by the Bureau of Labor Statistics of the United States Department of Labor increases from June 30 of the preceding year to June 30 of the current year, the state board shall certify the percentage increase. The amount certified must not exceed the lesser of the difference between the preretirement interest assumption and postretirement interest assumption in section 356.215, subdivision 8, paragraph (a), or 2.5 percent. For the Minneapolis Employees Retirement Fund, the amount certified must not exceed 3.5 percent.

(c) In addition to any percentage increase certified under paragraph (b), the board shall use the following procedures to determine if a postretirement adjustment is payable under this paragraph:

(1) The state board shall determine the market value of the fund on June 30 of that year;

(2) The amount of reserves required as of the current June 30 for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds must be determined by the ~~commission-retained~~ actuary as of the current June 30 retained under section 356.214. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12 full months as of the current June 30 is eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment. This amount is known as "noneligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each

fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves must be separately reported as additional "noneligible reserves." The amount of "eligible" and "noneligible" required reserves must be certified to the board by the commission-retained actuary as soon as is practical following the current June 30;

(3) The state board shall determine the percentage increase certified under paragraph (b) multiplied by the eligible required reserves, as adjusted for mortality gains and losses under subdivision 11, determined under clause (2);

(4) The state board shall add the amount of reserves required for the annuities or benefits payable to annuitants and benefit recipients of the participating public pension plans or funds as of the current June 30 to the amount determined under clause (3);

(5) The state board shall subtract the amount determined under clause (4) from the market value of the fund determined under clause (1);

(6) The state board shall adjust the amount determined under clause (5) by the cumulative current balance determined ~~pursuant to~~ under clause (8) and any negative balance carried forward under clause (9);

(7) A positive amount resulting from the calculations in clauses (1) to (6) is the excess market value. A negative amount is the negative balance;

(8) The state board shall allocate one-fifth of the excess market value or one-fifth of the negative balance to each of five consecutive years, beginning with the fiscal year ending the current June 30; and

(9) To calculate the postretirement adjustment under this paragraph based on investment performance for a fiscal year, the state board shall add together all excess market value allocated to that year and subtract from the sum all negative balances allocated to that year. If this calculation results in a negative number, the entire negative balance must be carried forward and allocated to the next year. If the resulting amount is positive, a postretirement adjustment is payable under this paragraph. The board shall express a positive amount as a percentage of the total eligible required reserves certified to the board under clause (2).

(d) The state board shall determine the amount of any postretirement adjustment which is payable using the following procedure:

(1) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment as determined by clause (2) must be certified to the state board by the ~~commission-retained~~ actuary retained under section 356.214. The total "eligible" required reserves must be determined by the ~~commission-retained~~ actuary retained under section 356.214 on the assumption that all annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment will be alive on the January 1 in question; and

(2) The state board shall add the percentage certified under paragraph (b) to any positive percentage calculated under paragraph (c). The board shall not subtract from the percentage certified under paragraph (b) any negative amount calculated under paragraph (c). The sum of these percentages must be carried to five decimal places and must be certified to each participating public pension fund or plan as the full postretirement adjustment percentage. The full postretirement adjustment percentage certified to each participating public pension plan or fund must not exceed five percent. For the Minneapolis Employees Retirement Fund, no maximum percentage adjustment is applicable.

(e) A retirement annuity payable in the event of retirement before becoming eligible for Social Security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity must be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective July 1, 2010.

ARTICLE 2

DEFERRED ANNUITY AUGMENTATION RATE CHANGE

Section 1. Minnesota Statutes 2004, section 352.116, subdivision 1a, is amended to read:

Subd. 1a. **Actuarial reduction for early retirement.** This subdivision applies to a person who has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity is higher when calculated under section 352.115, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction with subdivision 1. A covered employee who retires before the normal retirement age shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at an annual rate of 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee initially becomes an employee after June 30, 2006.

Sec. 2. Minnesota Statutes 2004, section 352.72, subdivision 2, is amended to read:

Subd. 2. **Computation of deferred annuity.** (a) The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, must be computed as provided in section 352.22, subdivision 3, on the basis of allowable service before termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity must be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose must be five percent compounded annually until January 1, 1981, and three percent compounded annually thereafter until January 1 of the year following the year in which the former employee attains age 55-, and from that date to the effective date of retirement, the rate is five percent compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented by interest under this subdivision. The sum of the augmented required reserves so determined is the present value of the annuity. "Uninterrupted service" for the purpose of this subdivision means periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refund, the service restored by the repayment must be considered continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period of uninterrupted service must be those applicable to a new employee. The mortality table and interest assumption used to compute the annuity must be those in effect when the employee files application for annuity. This section does not reduce the annuity otherwise payable under this chapter.

(b) The retirement annuity or disability benefit of, or the survivor benefit payable on behalf of, a former state employee who terminated service before July 1, 1997, which is not first payable until after June 30, 1997, must be increased on an actuarial equivalent basis to reflect the change in the postretirement interest rate actuarial assumption under section 356.215, subdivision 8, from five percent to six percent under a calculation procedure and the tables adopted by the board and approved by the actuary retained by the Legislative Commission on Pensions and Retirement.

Sec. 3. Minnesota Statutes 2004, section 352B.30, subdivision 2, is amended to read:

Subd. 2. **Computation of deferred annuity.** Deferred annuities must be computed according to this chapter on the basis of allowable service before termination of service and augmented as provided in this chapter. The required reserves applicable to a deferred annuity must be augmented by interest compounded annually from the first day of the month following the month in which the member terminated service, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be five percent per year compounded annually until January 1, 1981, and after that date three percent per year compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. The mortality table and interest assumption used to compute the annuity shall be those in effect when the member files application for annuity.

Sec. 4. Minnesota Statutes 2004, section 353.30, subdivision 5, is amended to read:

Subd. 5. **Actuarial reduction for early retirement.** This subdivision applies to a member who has become at least 55 years old and first became a public employee after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under section 353.29, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 353.29, subdivision 3, paragraph (a), in conjunction with subdivision 1, 1a, 1b, or 1c. An employee who retires before normal retirement age shall be paid the retirement annuity provided in section 353.29, subdivision 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee initially becomes an employee after June 30, 2006.

Sec. 5. Minnesota Statutes 2004, section 353.71, subdivision 2, is amended to read:

Subd. 2. **Deferred annuity computation; augmentation.** (a) The deferred annuity accruing under subdivision 1, or under sections 353.34, subdivision 3, and 353.68, subdivision 4, must be computed on the basis of allowable service prior to the termination of public service and augmented as provided in this paragraph. The required reserves applicable to a deferred annuity, or to any deferred segment of an annuity must be determined as of the first day of the month following the month in which the former member ceased to be a public employee, or July 1, 1971, whichever is later. These required reserves must be augmented at the rate of five percent annually compounded annually until January 1, 1981, and at the rate of three percent thereafter until January 1 of the year following the year in which the former member attains age 55- and from that date to the effective date of retirement, the rate is five percent compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented as specified in this paragraph. The sum of the augmented required reserves is the present value of the annuity. Uninterrupted service for the purpose of this subdivision means periods of covered employment during which the employee has not been separated from public service for more than two years. If a person repays a refund, the restored service must be considered as continuous with the next period of service for which the employee has credit with this association.

This section must not reduce the annuity otherwise payable under this chapter. This paragraph applies to individuals who become deferred annuitants on or after July 1, 1971. For a member who became a deferred annuitant before July 1, 1971, the paragraph applies from July 1, 1971, if the former active member applies for an annuity after July 1, 1973.

(b) The retirement annuity or disability benefit of, or the survivor benefit payable on behalf of, a former member who terminated service before July 1, 1997, or the survivor benefit payable on behalf of a basic or police and fire member who was receiving disability benefits before July 1, 1997, which is first payable after June 30, 1997, must be increased on an actuarial equivalent basis to reflect the change in the postretirement interest rate actuarial assumption under section 356.215, subdivision 8, from five percent to six percent under a calculation procedure and tables adopted by the board and approved by the actuary retained by the Legislative Commission on Pensions and Retirement.

Sec. 6. Minnesota Statutes 2005 Supplement, section 354.44, subdivision 6, is amended to read:

Subd. 6. **Computation of formula program retirement annuity.** (a) The formula retirement annuity must be computed in accordance with the applicable provisions of the formulas stated in paragraph (b) or (d) on the basis of each member's average salary under section 354.05, subdivision 13a, for the period of the member's formula service credit.

(b) This paragraph, in conjunction with paragraph (c), applies to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (d), in conjunction with paragraph (e), produces a higher annuity amount, in which case paragraph (d) applies. The average salary as defined in section 354.05, subdivision 13a, multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	the percent specified in section 356.315, subdivision 1, per year	the percent specified in section 356.315, subdivision 3, per year
Each year of service thereafter	the percent specified in section 356.315, subdivision 2, per year	the percent specified in section 356.315, subdivision 4, per year

(c) (i) This paragraph applies only to a person who first became a member of the association or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under paragraph (b), in conjunction with this paragraph than when calculated under paragraph (d), in conjunction with paragraph (e).

(ii) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in paragraph (b) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in paragraph (b), without any reduction by reason of early retirement.

(d) This paragraph applies to a member who has become at least 55 years old and first became a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this paragraph and in conjunction with paragraph (e), is higher than it is when calculated under paragraph (b), in conjunction with paragraph (c). The average salary, as defined in section 354.05, subdivision 13a, multiplied by the percent specified by section 356.315, subdivision 4, for each year of service for a basic member and by the percent specified in section 356.315, subdivision 2, for each year of service for a coordinated member shall determine the amount of the retirement annuity to which the member is entitled.

(e) This paragraph applies to a person who has become at least 55 years old and first becomes a member of the association after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under paragraph (d) in conjunction with this paragraph than when calculated under paragraph (b), in conjunction with paragraph (c). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in paragraph (d) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006.

(f) No retirement annuity is payable to a former employee with a salary that exceeds 95 percent of the governor's salary unless and until the salary figures used in computing the highest five successive years average salary under paragraph (a) have been audited by the Teachers Retirement Association and determined by the executive director to comply with the requirements and limitations of section 354.05, subdivisions 35 and 35a.

Sec. 7. Minnesota Statutes 2004, section 354.55, subdivision 11, is amended to read:

Subd. 11. **Deferred annuity; augmentation.** (a) Any person covered under section 354.44, subdivision 6, who ceases to render teaching service, may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision is governed pursuant to section 354.44, subdivision 1, or 354.60.

(b) The amount of the deferred retirement annuity is determined by section 354.44, subdivision 6, and augmented as provided in this subdivision. The required reserves related to that portion of the annuity which had accrued when the member ceased to render teaching service must be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months or if this period commences prior to July 1, 1971. The rates of interest used for this purpose must be five percent compounded annually commencing July 1, 1971, until January 1, 1981, and three percent compounded annually thereafter until January 1 of the year following the year in which the former member attains age 55- and from that date to the effective date of retirement, the rate is five percent compounded annually if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period and the required reserves related to each period must be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service must be those applicable to new members. The mortality table and interest assumption used to compute the annuity must be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

(c) In no case shall the annuity payable under this subdivision be less than the amount of annuity payable pursuant to section 354.44, subdivision 6.

(d) The requirements and provisions for retirement before normal retirement age contained in section 354.44, subdivision 6, clause (3) or (5), shall also apply to an employee fulfilling the requirements with a combination of service as provided in section 354.60.

(e) The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

(f) The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

(g) The retirement annuity or disability benefit of, or the survivor benefit payable on behalf of, a former teacher who terminated service before July 1, 1997, which is not first payable until after June 30, 1997, must be increased on an actuarial equivalent basis to reflect the change in the postretirement interest rate actuarial assumption under section 356.215, subdivision 8, from five percent to six percent under a calculation procedure and tables adopted by the board as recommended by an approved actuary and approved by the actuary retained by the Legislative Commission on Pensions and Retirement.

Sec. 8. Minnesota Statutes 2004, section 354A.31, subdivision 7, is amended to read:

Subd. 7. **Actuarial reduction for early retirement.** This subdivision applies to a person who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any other coordinated member who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), and subdivision 4a, paragraph (d), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), or subdivision 4a, paragraph (c), in conjunction with subdivision 6. A coordinated member who retires before the full benefit age shall be paid the retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (d), or subdivision 4a, paragraph (d), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually from the day the annuity begins to accrue until the normal retirement age if the person initially becomes a teacher after June 30, 2006.

Sec. 9. Minnesota Statutes 2004, section 354A.37, subdivision 2, is amended to read:

Subd. 2. **Eligibility for deferred retirement annuity.** Any coordinated member who ceases to render teaching services for the school district in which the teachers retirement fund association is located, with sufficient allowable service credit to meet the minimum service requirements specified in section 354A.31, subdivision 1, shall be entitled to a deferred retirement annuity in lieu of a refund pursuant to subdivision 1. The deferred retirement annuity shall be computed pursuant to section 354A.31 and shall be augmented as provided in this subdivision. The deferred annuity shall commence upon application after the person on deferred status attains at least the minimum age specified in section 354A.31, subdivision 1.

The monthly annuity amount that had accrued when the member ceased to render teaching service must be augmented from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There is no augmentation if this period is less than three months. The rate of augmentation is three percent compounded annually until January 1 of the year following the year in which the former member attains age 55, and five percent compounded annually after that date to the effective date of retirement if the employee became an employee before July 1, 2006, and at 2.5 percent compounded annually if the

employee becomes an employee after June 30, 2006. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354A.31 must be used for each period, and the monthly annuity amount related to each period must be augmented as provided in this subdivision. The sum of the augmented monthly annuity amounts determines the total deferred annuity payable. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with the fund. If a person does not render teaching services in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of resumption of teaching service are those applicable to new members. The mortality table and interest assumption used to compute the annuity are the table established by the fund to compute other annuities, and the interest assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purpose of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The augmentation provided by this subdivision applies to the benefit provided in section 354A.35, subdivision 2. The augmentation provided by this subdivision does not apply to any period in which a person is on an approved leave of absence from an employer unit.

Sec. 10. Minnesota Statutes 2004, section 356.30, subdivision 1, is amended to read:

Subdivision 1. **Eligibility; computation of annuity.** (a) Notwithstanding any provisions of the laws governing the retirement plans enumerated in subdivision 3, a person who has met the qualifications of paragraph (b) may elect to receive a retirement annuity from each enumerated retirement plan in which the person has at least one-half year of allowable service, based on the allowable service in each plan, subject to the provisions of paragraph (c).

(b) A person may receive, upon retirement, a retirement annuity from each enumerated retirement plan in which the person has at least one-half year of allowable service, and augmentation of a deferred annuity calculated at the appropriate rate under the laws governing each public pension plan or fund named in subdivision 3, based on the date of the person's initial entry into public employment from the date the person terminated all public service if:

(1) the person has allowable service totaling an amount that allows the person to receive an annuity in any two or more of the enumerated plans; and

(2) the person has not begun to receive an annuity from any enumerated plan or the person has made application for benefits from each applicable plan and the effective dates of the retirement annuity with each plan under which the person chooses to receive an annuity are within a one-year period.

(c) The retirement annuity from each plan must be based upon the allowable service, accrual rates, and average salary in the applicable plan except as further specified or modified in the following clauses:

(1) the laws governing annuities must be the law in effect on the date of termination from the last period of public service under a covered retirement plan with which the person earned a minimum of one-half year of allowable service credit during that employment;

(2) the "average salary" on which the annuity from each covered plan in which the employee has credit in a formula plan must be based on the employee's highest five successive years of covered salary during the entire service in covered plans;

(3) the accrual rates to be used by each plan must be those percentages prescribed by each plan's formula as continued for the respective years of allowable service from one plan to the next, recognizing all previous allowable service with the other covered plans;

(4) the allowable service in all the plans must be combined in determining eligibility for and the application of each plan's provisions in respect to reduction in the annuity amount for retirement prior to normal retirement age; and

(5) the annuity amount payable for any allowable service under a nonformula plan of a covered plan must not be affected, but such service and covered salary must be used in the above calculation.

(d) This section does not apply to any person whose final termination from the last public service under a covered plan was before May 1, 1975.

(e) For the purpose of computing annuities under this section, the accrual rates used by any covered plan, except the public employees police and fire plan, the judges' retirement fund, and the State Patrol retirement plan, must not exceed the percent specified in section 356.315, subdivision 4, per year of service for any year of service or fraction thereof. The formula percentage used by the judges' retirement fund must not exceed the percentage rate specified in section 356.315, subdivision 8, per year of service for any year of service or fraction thereof. The accrual rate used by the public employees police and fire plan and the State Patrol retirement plan must not exceed the percentage rate specified in section 356.315, subdivision 6, per year of service for any year of service or fraction thereof. The accrual rate or rates used by the legislators retirement plan and the elective state officers retirement plan must not exceed 2.5 percent, but this limit does not apply to the adjustment provided under section 3A.02, subdivision 1, paragraph (c), or 352C.031, paragraph (b).

(f) Any period of time for which a person has credit in more than one of the covered plans must be used only once for the purpose of determining total allowable service.

(g) If the period of duplicated service credit is more than one-half year, or the person has credit for more than one-half year, with each of the plans, each plan must apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all plans for the period.

(h) If the period of duplicated service credit is less than one-half year, or when added to other service credit with that plan is less than one-half year, the service credit must be ignored and a refund of contributions made to the person in accord with that plan's refund provisions.

Sec. 11. **EFFECTIVE DATE.**

Sections 1 to 10 are effective July 1, 2006.

ARTICLE 3

TEACHERS RETIREMENT ASSOCIATION
COVERAGE AND BENEFIT RESTRUCTURING"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying the postretirement adjustment amount calculation;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 2854, A bill for an act relating to health; providing an exception to hospital restricted construction or modification; amending Minnesota Statutes 2005 Supplement, section 144.551, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Seifert from the Committee on State Government Finance to which was referred:

H. F. No. 2872, A bill for an act relating to state government; defining political subdivision for the purposes of the chapter governing the state auditor; applying provisions for the state auditor to all political subdivisions; amending Minnesota Statutes 2004, sections 6.47; 6.51; 6.54; 6.55; 6.551; 6.57; 6.59; 6.60; 6.62, subdivision 2; 6.63; 6.64; 6.65; 6.66; 6.67; 6.68; 6.70; 6.71; 6.76; 103D.355; proposing coding for new law in Minnesota Statutes, chapter 6; repealing Minnesota Statutes 2004, section 6.56, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 2890, A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, article IV, section 4; providing staggered terms of office for senators and staggered four-year terms of office for representatives; reducing the size of the legislature; amending Minnesota Statutes 2004, sections 2.021; 2.031, subdivision 1.

Reported the same back with the following amendments:

Page 1, delete lines 8 and 9

Page 1, line 18, delete "half the representatives from odd-numbered districts chosen"

Page 1, line 19, delete "in a manner provided by law, and half the" and insert "and"

Page 1, line 20, delete "chosen in a manner provided by law"

Page 2, delete Article 2

Delete the title and insert:

"A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, article IV, section 4; providing staggered terms of office for senators and staggered four-year terms of office for representatives."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Civil Law and Elections.

The report was adopted.

Bradley from the Committee on Health Policy and Finance to which was referred:

H. F. No. 2935, A bill for an act relating to human services; providing for a contingent reduction in the MinnesotaCare provider tax; amending Minnesota Statutes 2004, section 295.52, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Olson from the Committee on Local Government to which was referred:

H. F. No. 2965, A bill for an act relating to local government; limiting local government requirements for use of certain nonconforming lots; amending Minnesota Statutes 2004, section 394.36, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 462.357, subdivision 1e.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 394.36, is amended by adding a subdivision to read:

Subd. 4. Ownership of lot or parcel not relevant. A county shall not refuse to issue a permit or other approval for use, development, sale, or other disposition of a lot or parcel of land based upon the ownership of the lot or parcel. A conforming lot or parcel of land shall retain its conforming status regardless of the identity of the owner or the owner's title to an adjoining lot or parcel of land.

Sec. 2. Minnesota Statutes 2005 Supplement, section 462.357, subdivision 1e, is amended to read:

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

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

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

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

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

(d) A municipality shall not refuse to issue a permit or other approval for use, development, sale, or other disposition of a lot or parcel of land based upon the ownership of the lot or parcel of land. A conforming lot or parcel of land shall retain its conforming status regardless of the identity of the owner or the owner's title to an adjoining lot or parcel of land."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 3001, A bill for an act relating to economic development; amending definitions; clarifying commissioner's discretion; directing funds to the contamination cleanup grant program; amending Minnesota Statutes 2004, sections 116J.552, subdivision 7; 270.97; Minnesota Statutes 2005 Supplement, sections 116J.572, subdivision 3; 116J.575, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 116J.552, subdivision 7, is amended to read:

Subd. 7. **Project costs.** "Project costs" includes cleanup costs for the site ~~and the cost of related site acquisition,~~ demolition of existing improvements, and installation of public improvements necessary for the development authority to implement the response action plan.

Sec. 2. Minnesota Statutes 2005 Supplement, section 116J.572, subdivision 3, is amended to read:

Subd. 3. **Redevelopment costs or costs.** "Redevelopment costs" or "costs" means the costs of ~~land acquisition,~~ stabilizing unstable soils when infill is required, demolition, infrastructure improvements, and ponding or other environmental infrastructure and costs necessary for adaptive reuse of buildings, including remedial activities.

Sec. 3. Minnesota Statutes 2005 Supplement, section 116J.575, subdivision 1, is amended to read:

Subdivision 1. **Commissioner discretion.** The commissioner may make a grant for up to 50 percent of the eligible costs of a project. The commissioner shall, in each grant cycle, make grants so that 50 percent of the dollar value of grants for that cycle are for projects located outside of the metropolitan area and 50 percent are for projects located within the metropolitan area. This allocation of funds does not apply for any grant cycle in which the applications received by the application deadline are insufficient to permit the equal division of grants between metropolitan and nonmetropolitan projects. The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section and sections 116J.571 to 116J.574 and available unencumbered money in the redevelopment account. ~~Notwithstanding section 116J.573, if the commissioner determines that the applications for grants for projects in greater Minnesota are less than the amount of grant funds available, the commissioner may make grants for projects anywhere in Minnesota.~~ The commissioner's decisions and application of the priorities under this section are not subject to judicial review, except for abuse of discretion.

Sec. 4. Minnesota Statutes 2005 Supplement, section 469.1763, subdivision 2, is amended to read:

Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the tax increment financing plan for the district, to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

(1) be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code;

(2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

(3) be used to:

(i) acquire and prepare the site of the housing;

(ii) acquire, construct, or rehabilitate the housing; or

(iii) make public improvements directly related to the housing.

(e) For a district created within a biotechnology and health sciences industry zone as defined in section 469.330, subdivision 6, or for an existing district located within such a zone, tax increment derived from such a district may be expended outside of the district but within the zone only for expenditures required for the construction of public infrastructure necessary to support the activities of the zone. Public infrastructure expenditures are considered as expenditures for activities within the district.

Sec. 5. Minnesota Statutes 2004, section 469.1763, subdivision 3, is amended to read:

Subd. 3. **Five-year rule.** (a) Revenues derived from tax increments are considered to have been expended on an activity within the district under subdivision 2 only if one of the following occurs:

(1) before or within five years after certification of the district, the revenues are actually paid to a third party with respect to the activity;

(2) bonds, the proceeds of which must be used to finance the activity, are issued and sold to a third party before or within five years after certification, the revenues are spent to repay the bonds, and the proceeds of the bonds either are, on the date of issuance, reasonably expected to be spent before the end of the later of (i) the five-year period, or (ii) a reasonable temporary period within the meaning of the use of that term under section 148(c)(1) of the Internal Revenue Code, or are deposited in a reasonably required reserve or replacement fund;

(3) binding contracts with a third party are entered into for performance of the activity before or within five years after certification of the district and the revenues are spent under the contractual obligation;

(4) costs with respect to the activity are paid before or within five years after certification of the district and the revenues are spent to reimburse a party for payment of the costs, including interest on unreimbursed costs; or

(5) expenditures are made for housing purposes as permitted by subdivision 2, paragraph (b), or for public infrastructure purposes within a zone as permitted by subdivision 2, paragraph (e).

(b) For purposes of this subdivision, bonds include subsequent refunding bonds if the original refunded bonds meet the requirements of paragraph (a), clause (2).

Sec. 6. Minnesota Statutes 2004, section 469.1763, subdivision 4, is amended to read:

Subd. 4. **Use of revenues for decertification.** (a) In each year beginning with the sixth year following certification of the district, if the applicable in-district percent of the revenues derived from tax increments paid by properties in the district exceeds the amount of expenditures that have been made for costs permitted under subdivision 3, an amount equal to the difference between the in-district percent of the revenues derived from tax increments paid by properties in the district and the amount of expenditures that have been made for costs permitted under subdivision 3 must be used and only used to pay or defease the following or be set aside to pay the following:

(1) outstanding bonds, as defined in subdivision 3, paragraphs (a), clause (2), and (b);

(2) contracts, as defined in subdivision 3, paragraph (a), clauses (3) and (4); ~~or~~

(3) credit enhanced bonds to which the revenues derived from tax increments are pledged, but only to the extent that revenues of the district for which the credit enhanced bonds were issued are insufficient to pay the bonds and to the extent that the increments from the applicable pooling percent share for the district are insufficient; or

(4) the amount provided by the tax increment financing plan to be paid under subdivision 2, paragraph (e).

(b) When the outstanding bonds have been defeased and when sufficient money has been set aside to pay contractual obligations as defined in subdivision 3, paragraph (a), clauses (3) and (4), the district must be decertified and the pledge of tax increment discharged.

Sec. 7. Minnesota Statutes 2004, section 473.252, subdivision 3, is amended to read:

Subd. 3. **Distribution of funds.** (a) The council must use the funds in the account to make grants to municipalities or development authorities for the cleanup of polluted land in the metropolitan area. A grant to a metropolitan county or a development authority must be used for a project in a participating municipality. The council shall prescribe and provide the grant application form to municipalities. The council must consider the probability of funding from other sources when making grants under this section.

(b)(1) The legislature expects that applications for grants will exceed the available funds and the council will be able to provide grants to only some of the applicant municipalities. If applications for grants for qualified sites exceed the available funds, the council shall make grants that provide the highest return in public benefits for the public costs incurred, that encourage development that will lead to the preservation or growth of living-wage jobs or the production of affordable housing, and that enhance the tax base of the recipient municipality. For purposes of ranking applications, equal weight shall be given to preservation or growth of living-wage jobs and to the production of affordable housing.

For purposes of this section, affordable housing includes both:

(i) affordable rental housing for persons or families whose income, at the time of initial occupancy, does not exceed 60 percent of median income as determined by the United States Department of Housing and Urban Development for the metropolitan area; and

(ii) affordable ownership housing units for persons or families whose income, at the time of initial occupancy, does not exceed 80 percent of median income as determined by the United States Department of Housing and Urban Development for the metropolitan area.

(2) In making grants, the council shall establish regular application deadlines in which grants will be awarded from the available money in the account. If the council provides for application cycles of less than six-month intervals, the council must reserve at least 40 percent of the receipts of the account for a year for application deadlines that occur in the second half of the year. If the applications for grants exceed the available funds for an application cycle, no more than one-half of the funds may be granted to projects in a statutory or home rule charter city and no more than three-quarters of the funds may be granted to projects located in cities of the first class.

(c) A municipality may use the grant to provide a portion of the local match requirement for project costs that qualify for a grant under sections 116J.551 to 116J.557."

Delete the title and insert:

"A bill for an act relating to economic development; amending definitions; clarifying commissioner's discretion; directing funds to the contamination cleanup grant program; clarifying use of tax increment from a tax increment district located within a biotechnology and health sciences industry zone; clarifying that the five-year rule and use of revenues for decertification also apply to those districts; amending Minnesota Statutes 2004, sections 116J.552, subdivision 7; 469.1763, subdivisions 3, 4; 473.252, subdivision 3; Minnesota Statutes 2005 Supplement, sections 116J.572, subdivision 3; 116J.575, subdivision 1; 469.1763, subdivision 2."

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

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 3013, A bill for an act relating to motor vehicles; requiring disclosure of existence of event recording devices in new motor vehicles; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, line 21, after "5a" insert ", except that the lessee of a motor vehicle is deemed to be the registered owner"

Page 1, line 23, delete "2006" and insert "2007"

Page 2, line 29, delete "4" and insert "5"

Page 2, line 31, delete "2" and insert "3"

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

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 3018, A bill for an act relating to elections; allowing eligible voters to vote by absentee ballot under certain public health circumstances; amending Minnesota Statutes 2004, section 203B.02, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 12, delete "public" and insert "polling"

Page 1, line 14, after "by" insert "the secretary of state after consultation with" and delete "or" and insert "and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3045, A bill for an act relating to employment; exempting nonpublic schools from requirements for the timely payment of wages; amending Minnesota Statutes 2004, section 181.101.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 3050, A bill for an act relating to drivers' licenses; modifying requirements for operation of motor vehicle by minor holder of provisional license; amending Minnesota Statutes 2005 Supplement, section 171.055, subdivision 2.

Reported the same back with the following amendments:

Page 2, delete lines 3 to 7

Page 2, line 8, delete "(e)" and insert "(d)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 3093, A bill for an act relating to unemployment insurance; making various policy, housekeeping, and style changes to the Minnesota Unemployment Insurance Law; incorporating certain administrative rules into Minnesota Statutes; modifying fraud penalties; amending Minnesota Statutes 2004, sections 268.001; 268.03, subdivision 2; 268.035, subdivisions 1, 4, 10, 11, 12, 15, 17, 21a, 23, 23a, 24, 29, 30, by adding a subdivision; 268.042, subdivisions 3, 4; 268.044, subdivisions 1a, 4; 268.047, subdivisions 1, 2, 3, 5; 268.051, subdivisions 1a, 2, 3, 5, 8, 9; 268.052, subdivisions 1, 3, 4, 5; 268.0525; 268.053, subdivisions 2, 3; 268.057, subdivisions 1, 2, 3, 4, 5, 6, 10; 268.058; 268.059; 268.0625, subdivisions 4, 5; 268.063; 268.064; 268.065, subdivisions 1, 3; 268.066; 268.067; 268.0675; 268.068; 268.069, subdivisions 2, 3; 268.07, subdivisions 1, 2, 3a; 268.084; 268.085, subdivisions 3a, 4, 6, 7, 9, 11, 13, 13a, 13b, 16; 268.086, subdivisions 1, 5, 6, 7, 8, 9; 268.087; 268.095, subdivisions 2, 3, 5, 6, 6a; 268.101, as amended; 268.103, subdivision 1; 268.115; 268.125, subdivisions 3, 4, 5; 268.131, subdivision 1; 268.135; 268.145, subdivisions 2, 3; 268.155; 268.18, subdivisions 4, 5, 6; 268.182, subdivision 1; 268.186; 268.188; 268.19, subdivisions 1a, 2; 268.192; 268.194, subdivisions 1, 2, 3, 4, 5, 6; 268.196, subdivisions 1, 3; 268.20; 268.21; 268.22; 268.23; Minnesota Statutes 2005 Supplement, sections 268.03, subdivision 1; 268.035, subdivisions 9, 13, 14, 20, 26; 268.042, subdivision 1; 268.043; 268.0435; 268.044, subdivisions 1, 2, 3; 268.045, subdivision 1; 268.046; 268.051, subdivisions 1, 4, 4a, 6, 7; 268.052, subdivision 2; 268.053, subdivision 1; 268.057, subdivision 7; 268.069, subdivision 1; 268.07, subdivision 3b; 268.085, subdivisions 1, 2, 3, 5, 8, 12, 13c; 268.086, subdivisions 2, 3; 268.095, subdivisions 1, 4, 7, 10, 11; 268.103, subdivision 2; 268.105, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7, by adding a subdivision; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 2b; 268.182, subdivision 2; 268.184, subdivisions 1, 1a; 268.19, subdivision 1; Laws 2003, First Special Session chapter 3, article 1, section 9; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2004, sections 268.0511; 268.085, subdivision 10; 268.103, subdivision 4; Minnesota Rules, parts 3315.0210; 3315.0220; 3315.0515; 3315.0520; 3315.0525; 3315.0530; 3315.0540; 3315.0550; 3315.0910; 3315.1005; 3315.1315, subpart 4; 3315.2010; 3315.2810.

Reported the same back with the following amendments:

Page 4, line 24, delete "60" and insert "600"

Page 21, line 10, delete "20" and insert "30"

Page 27, delete lines 16 to 19 and insert "applicant's wages paid in covered employment in another state only if the applicant is combining Minnesota wage credits with the wages paid in covered employment from another state or states."

Page 27, line 20, delete "(2) the applicant" and insert "(c) Regardless of section 268.23, only if the United States Secretary of Labor, after conducting a hearing under Code of Federal Regulations, title 20, part 601.5(d), holds that paragraph (b) does not conform to the requirements of federal law, is the commissioner then authorized to pay unemployment benefits to an applicant who"

Page 27, line 21, delete ", but" and insert ". This paragraph applies"

Page 27, line 23, delete "(c)" and insert "(d)"

Page 27, line 28, delete everything after "effective" and insert "the day following final enactment."

Page 27, delete line 29

Page 33, line 19, strike "on" and insert "during the payroll period that includes"

Page 47, after line 20, insert:

"(e) The revisor of statutes shall change the term "electronic mail address" to "electronic mail address or telephone number" in Minnesota Statutes, section 268.086."

Page 68, line 8, strike "preceding" and insert "prior"

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.

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

H. F. No. 3094, A bill for an act relating to public safety; appropriating money from the trunk highway fund for automated external defibrillators for State Patrol vehicles.

Reported the same back with the following amendments:

Page 1, line 6, delete "\$785,000" and insert "\$430,000" and delete "trunk highway" and insert "general"

Amend the title as follows:

Page 1, line 2, delete "trunk highway" and insert "general"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety Policy and Finance.

The report was adopted.

Nornes from the Committee on Higher Education Finance to which was referred:

H. F. No. 3169, A bill for an act relating to local government; prohibiting units of local government from imposing certain fees related to students at postsecondary institutions; proposing coding for new law in Minnesota Statutes, chapter 471.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 3183, A bill for an act relating to the environment; requiring disclosure regarding disposal of fluorescent lamps containing mercury; amending Minnesota Statutes 2004, section 116.92, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Regulated Industries.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3187, A bill for an act relating to the legislature; prohibiting per diem payments to members during certain special sessions; amending Minnesota Statutes 2004, section 3.099, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 22, after "session" insert "in an odd-numbered year"

Page 1, line 23, delete everything before the period and insert "the primary bill establishing state tax policy and the primary bill making appropriations in each of the following areas: higher education; early childhood through high school education; agriculture and rural development; environment and natural resources; health and human services; state government finance; economic development; public safety; and transportation. A member must not receive per diem living expenses during a special session that is called in an even-numbered year because the legislature failed to pass a bill making appropriations for capital investment during the regular session that year"

With the recommendation that when so amended the bill be re-referred to the Committee on State Government Finance without further recommendation.

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 3200, A bill for an act relating to natural resources; modifying contractual and grant agreement provisions; excepting the electronic licensing system commission from certain standing appropriations; modifying invasive species provisions; modifying certain state trail descriptions; modifying certain definitions; modifying

water use surcharge provisions; modifying water aeration safety provisions; amending Minnesota Statutes 2004, sections 84.026; 84.0911, as amended; 84D.01, subdivisions 9a, 13, 15, 16; 84D.02, subdivision 2; 85.015, subdivisions 7, 8, 11; 97A.015, subdivision 18; 103G.611, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 84.8205, subdivision 1; 85.015, subdivision 5; 88.17, subdivision 5; 103G.271, subdivision 6; repealing Minnesota Statutes 2004, section 103G.611, subdivision 6.

Reported the same back with the following amendments:

Page 2, line 9, before "is" insert "First Special Session chapter 1, article 2, section 17,"

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2005 Supplement, section 84.8205, subdivision 1, is amended to read:

Subdivision 1. **Sticker required; fee.** A person may not operate a snowmobile on a state or grant-in-aid snowmobile trail unless a snowmobile state trail sticker is affixed to the snowmobile. The commissioner of natural resources shall issue a sticker upon application and payment of ~~a \$15~~ the fee. The fee for an annual snowmobile state trail sticker is \$15, and the fee for a three-year snowmobile state trail sticker that is purchased at the time of snowmobile registration is \$30. In addition to other penalties prescribed by law, a person in violation of this subdivision must purchase an annual state trail sticker for a fee of \$30. The sticker is valid from November 1 through April 30. Fees collected under this section, except for the issuing fee for licensing agents under this section and for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

Sec. 4. Minnesota Statutes 2004, section 84.8205, is amended by adding a subdivision to read:

Subd. 1a. **Exemptions.** A snowmobile state trail sticker is not required under this section for:

(1) a snowmobile owned by the state or political subdivisions under section 84.82, subdivision 5;

(2) a snowmobile owned and used by the United States, another state, or a political subdivision thereof under section 84.82, subdivision 6;

(3) a collector snowmobile under section 84.82, subdivision 7a; or

(4) a snowmobile being operated by a person on land that is owned by the person or the person's immediate family.

Sec. 5. Minnesota Statutes 2004, section 84.8205, subdivision 2, is amended to read:

Subd. 2. **Placement of sticker.** The state trail sticker shall be permanently affixed:

(1) to the forward half of the snowmobile directly above or below the headlight of the snowmobile;

(2) above the expiration year on the top portion of the snowmobile registration validation decal; or

(3) to the lower right corner of a registration plate issued to a dealer or manufacturer under section 84.82, subdivision 3."

Page 5, after line 26, insert:

"Sec. 15. Minnesota Statutes 2004, section 85.015, is amended by adding a subdivision to read:

Subd. 25. **Great River Ridge Trail, Wabasha and Olmsted Counties.** The trail shall originate in the city of Plainview in Wabasha County and extend southwesterly through the city of Elgin in Wabasha County and the town of Viola in Olmsted County to the Chester Woods Trail in Olmsted County."

Page 8, after line 17, insert:

"Sec. 20. **AGREEMENT; WABASHA COUNTY REGIONAL RAIL AUTHORITY.**

The commissioner of natural resources shall enter an agreement with the Wabasha County Regional Rail Authority to maintain and develop the Great River Ridge Trail as a state trail."

Page 8, after line 19, insert:

"Sec. 22. **EFFECTIVE DATE.**

Sections 15 and 20 are effective the day after the governing body of the Wabasha County Regional Rail Authority and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "modifying snowmobile state trail sticker requirements; designating a state trail;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Agriculture, Environment and Natural Resources Finance.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3203, A bill for an act relating to transportation; providing for permanent county state-aid highway fund screening board; providing for age of driver transporting hazardous materials under federal materials-of-trade regulation; repealing provision requiring distribution of rules by mail; amending Minnesota Statutes 2004, sections 162.07, subdivision 5; 221.033, by adding a subdivision; repealing Minnesota Statutes 2004, section 360.015, subdivision 16.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Westrom from the Committee on Regulated Industries to which was referred:

H. F. No. 3215, A bill for an act relating to State Lottery; authorizing the director of the State Lottery to establish video lottery terminals; providing duties and powers to the director of the State Lottery; providing for the use of video lottery revenues; modifying certain lawful gambling taxes; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2004, sections 297A.94; 297E.02, subdivision 1; 299L.02, subdivision 1; 299L.07, subdivisions 2, 2a; 340A.410, subdivision 5; 349A.01, subdivisions 10, 11, 12, by adding subdivisions; 349A.04; 349A.06, subdivisions 1, 5, 8, 10, by adding subdivisions; 349A.08, subdivisions 1, 5, 8; 349A.09, subdivision 1; 349A.10, subdivisions 2, 4, 6; 349A.11, subdivision 1; 349A.12, subdivisions 1, 2; 349A.13; 541.20; 541.21; 609.651, subdivision 1; 609.75, subdivisions 3, 4; 609.761, subdivision 2; Minnesota Statutes 2005 Supplement, sections 349.15, subdivision 1; 349A.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 297A; 349A; repealing Minnesota Statutes 2004, section 297E.02, subdivision 6; Minnesota Statutes 2005 Supplement, sections 297E.01, subdivision 7; 297E.02, subdivisions 4, 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **297A.652] LOTTERY GAMING MACHINES; IN-LIEU TAX.**

Net terminal income from the operation of video lottery terminals authorized under section 349A.071 is exempt from the tax imposed under section 297A.62. The State Lottery must on or before the 20th day of each month transmit to the commissioner an amount equal to the net terminal income from the operation of video lottery terminals as defined in section 349A.01, for the previous month multiplied by 28 percent. The commissioner shall deposit the money transmitted under this section in the state treasury to be credited as provided in section 297A.94.

Sec. 2. Minnesota Statutes 2004, 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, 72.43 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) Revenues transmitted to the commissioner under section 297A.652 must be deposited by the commissioner in the state treasury as follows:

(1) 1-1/2 percent must be deposited in a compulsive gambling and chemical dependency account. Money and interest earned on money deposited into this account may not be spent until appropriated by law for fiscal year 2007, and thereafter, and is dedicated to the treatment of compulsive gambling under section 245.98, and chemical dependency under sections 245.62 and 245.652. The commissioner of human services must give priority to treatment programs and services funded with appropriations from this account that provide long-term treatment and have demonstrated success in rehabilitating persons with gambling or chemical addictions;

(2) one-half percent must be deposited in an out-of-home placement account. Money and interest earned on money deposited into this account may not be spent until appropriated by law for fiscal year 2007, and thereafter, and is dedicated to reimburse counties for costs associated with out-of-home placement of tribal children;

(3) three percent must be deposited into a military pay exemption account. Money and interest earned on money deposited into this account may not be spent until appropriated by law for fiscal year 2007, and thereafter, and is dedicated to offset the cost of the subtraction provided under section 290.01, subdivision 19b, clauses (11), (12), and (15);

(4) three percent must be deposited in the game and fish fund;

(5) three percent must be deposited in a clean water account. Money and interest earned on money deposited into this account may not be spent until appropriated by law for fiscal year 2007, and thereafter, and is dedicated to programs to achieve the state's water quality goals and control water pollution to meet the requirements of the federal Clean Water Act;

(6) 15 percent must be deposited in the trunk highway fund;

(7) 15 percent must be deposited in the county state-aid highway fund;

(8) ten percent must be deposited in the municipal state-aid street fund;

(9) one percent must be deposited in a senior corps account. Money and interest earned on money deposited into this account may not be spent until appropriated by law for fiscal year 2007, and thereafter, and is dedicated for grants to the Minnesota Senior Corps program;

(10) eight percent must be deposited into a general property tax relief account in the state treasury. Money in this account and any interest earned thereon may not be spent until appropriated by law for fiscal years 2008 and thereafter and is dedicated for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in section 273.135; and

(11) the remainder to the general fund.

~~(f)~~ (g) The revenue dedicated under ~~paragraph paragraphs~~ (e) and (f) 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.

Sec. 3. Minnesota Statutes 2004, section 297E.02, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** A tax is imposed on all lawful gambling ~~other than (1) pull-tab deals or games; (2) tipboard deals or games; and (3) items listed in section 297E.01, subdivision 8, clauses (4) and (5),~~ at the rate of 8.5 percent on the gross receipts as defined in section 297E.01, subdivision 8, less prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.62 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

Sec. 4. Minnesota Statutes 2004, section 299L.02, subdivision 1, is amended to read:

Subdivision 1. **Lottery.** (a) The director shall when required under chapter 349A or when requested by the director of the lottery conduct background checks on employees of the State Lottery, lottery retailers, and bidders of lottery procurement contracts.

(b) The director shall, when so requested by the director of the State Lottery or when the director believes it to be reasonable and necessary, conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the State Lottery, and persons bidding on contracts for goods or services with the State Lottery.

(c) The director shall conduct an annual security audit of the State Lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the director of the lottery on the results of the audit.

(d) The director shall deposit in a separate account in the state treasury all money received from the director of the State Lottery for charges for investigations and background checks relating to the owning and operating of video lottery terminals under chapter 349A. Money in the account is appropriated to the director for the purpose of carrying out the director's powers and duties under this subdivision.

Sec. 5. Minnesota Statutes 2004, section 299L.07, subdivision 2, is amended to read:

Subd. 2. **Exclusions.** Notwithstanding subdivision 1, a gambling device:

(1) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be sold by the governing body of a federally recognized Indian tribe described in subdivision 2a, paragraph (b), clause (1), which is not licensed under this section, if (i) the gambling device was operated by the Indian tribe, (ii) the sale is to a distributor licensed under this section, and (iii) the licensed distributor notifies the commissioner of the purchase, in the same manner as is required when the licensed distributor ships a gambling device into Minnesota;

(3) may be possessed by a person not licensed under this section if the person holds a permit issued under section 299L.08; ~~and~~

(4) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling; and

(5) may be possessed by the State Lottery as authorized under chapter 349A.

Sec. 6. Minnesota Statutes 2004, section 299L.07, subdivision 2a, is amended to read:

Subd. 2a. **Restrictions.** (a) A manufacturer licensed under this section may sell, offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor licensed under this section or to the State Lottery as authorized under chapter 349A.

(b) A distributor licensed under this section may sell, offer to sell, market, rent, lease, or otherwise provide, in whole or in part, a gambling device only to:

(1) the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, Public Law 100-497, and future amendments to it;

(2) a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value;

(3) another distributor licensed under this section; ~~or~~

(4) a person in another state who is authorized under the laws of that state to possess the gambling device; or

(5) the State Lottery as authorized under chapter 349A.

Sec. 7. Minnesota Statutes 2004, section 340A.410, subdivision 5, is amended to read:

Subd. 5. **Gambling prohibited.** (a) Except as otherwise provided in this subdivision, no retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

(d) Dice may be kept and used on licensed premises and adjoining rooms as authorized by section 609.761, subdivision 4.

(e) Gambling devices may be operated and gambling permitted as authorized by chapter 349A.

Sec. 8. Minnesota Statutes 2005 Supplement, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

~~Provided that~~ (b) Except as provided in paragraph (c), no more than 70 percent of the gross profit less the tax imposed under section 297E.02, subdivision 1, from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling. For licenses issued after June 30, 2006, compliance with this subdivision will be measured on a biennial basis that is concurrent with the term of the license. Compliance with this subdivision is a condition for the renewal of any license beginning on July 1, 2008.

(c) Money received by an organization from net video lottery terminal income under section 349A.06, subdivision 6a, may be expended only for lawful purposes.

Sec. 9. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 9a. **Lottery game.** "Lottery game" means any game operated by the lottery where the prize is determined primarily by chance.

Sec. 10. Minnesota Statutes 2004, section 349A.01, subdivision 10, is amended to read:

Subd. 10. **Lottery procurement contract.** "Lottery procurement contract" means a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets and sales on a video lottery terminal, and lottery tickets, video lottery terminals, and maintenance of video lottery terminals. "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.

Sec. 11. Minnesota Statutes 2004, section 349A.01, subdivision 11, is amended to read:

Subd. 11. **Lottery retailer.** "Lottery retailer" means a person with whom the director has contracted to sell lottery tickets to the public. A lottery retailer includes a person with whom the director has contracted to place a video lottery terminal within its premises where video lottery terminal plays are sold.

Sec. 12. Minnesota Statutes 2004, section 349A.01, subdivision 12, is amended to read:

Subd. 12. **Lottery ticket or ticket.** "Lottery ticket" or "ticket" means any tangible evidence issued by the lottery to prove participation in a lottery game other than a video lottery game.

Sec. 13. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 14. **Net terminal income.** "Net terminal income" means the sum of all money spent for video lottery terminal plays less the value of video lottery credit receipts.

Sec. 14. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 15. **Video lottery credit.** "Video lottery credit" means the basic unit of play for a video lottery terminal.

Sec. 15. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 16. **Video lottery credit receipt.** "Video lottery credit receipt" means a receipt generated by a video lottery terminal that provides evidence of cash payment due a player from play on a video lottery terminal.

Sec. 16. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 17. **Video lottery game.** "Video lottery game" means an electronically simulated game authorized by the director that is displayed and played on a video lottery terminal for consideration and with prizes awarded for designated results. Video lottery games are limited to video pull-tabs.

Sec. 17. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 18. **Video lottery terminal.** "Video lottery terminal" means any machine, system, or device which upon payment of consideration permits the play of a video lottery game.

Sec. 18. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 19. **Video lottery terminal play.** "Video lottery terminal play" means an electronic record that proves participation in a video lottery game.

Sec. 19. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 20. **Win percentage.** "Win percentage" means the portion of the money wagered by players on a video lottery terminal that is available for the payment of prizes to winning players.

Sec. 20. Minnesota Statutes 2004, section 349A.04, is amended to read:

349A.04 LOTTERY GAME PROCEDURES.

The director may adopt game procedures governing the following elements of the lottery:

- (1) lottery games;

- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; ~~and~~
- (5) frequency and method of drawings;
- (6) video lottery terminals; and
- (7) cost of video lottery plays.

The adoption of lottery game procedures is not subject to chapter 14.

Sec. 21. Minnesota Statutes 2004, section 349A.06, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** The director shall sell tickets and operate video lottery terminals for the lottery through lottery retailers with whom the director contracts. Contracts under this section are not subject to the provisions of sections 16C.03, 16C.05, 16C.06, 16C.08, 16C.09, and 16C.10, and are valid for a period of one year. The director may permit a retailer to sell tickets and operate video lottery terminals at more than one business location under a contract entered into under this section.

Sec. 22. Minnesota Statutes 2004, section 349A.06, subdivision 5, is amended to read:

Subd. 5. **Restrictions on lottery retailers.** (a) A lottery retailer may sell lottery tickets or have a video lottery terminal placed only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold or where video lottery terminals are operated.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the lottery at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the lottery.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

(f) A lottery retailer must prominently post at the point of sale of lottery tickets and the area where video lottery terminals are located, in a manner approved by the commissioner of human services, the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98.

Sec. 23. Minnesota Statutes 2004, section 349A.06, is amended by adding a subdivision to read:

Subd. 5a. **Restrictions on lottery retailers; video lottery terminals.** (a) The director may only enter into a lottery retailer contract for games operated by a video lottery terminal with a retailer that has a license to sell alcoholic beverages for consumption on the premises where sold. This does not include a retailer who has only a temporary on-sale license.

(b) The director may not contract with a retailer for games operated by a video lottery terminal unless the retailer has an organization licensed under chapter 349 authorized and conducting lawful gambling on the premises.

(c) A lottery retailer authorized to sell games operated by a video lottery terminal may not cancel or refuse to renew a lease with an organization licensed under chapter 349 authorized and conducting lawful gambling on its premises for three years following the effective date of this act, unless the organization has failed to comply with its lease with the retailer.

(d) A lottery retailer may have up to five video lottery terminals on the retailer's premises, as determined by the director.

(e) A lottery retailer that is authorized to operate a video lottery terminal may not make reference to the establishment being a "casino," or use the word "casino" in its name or in any of its advertisements.

(f) The director, or any employee of the director, may inspect any video lottery terminal at any time during the hours when alcoholic beverages may be sold at on-sale under section 340A.504, subdivisions 1, 2, and 3, without notice, to ensure compliance with this chapter and any rules adopted by the director.

Sec. 24. Minnesota Statutes 2004, section 349A.06, is amended by adding a subdivision to read:

Subd. 6a. **Retention by retailers; video lottery terminals.** A lottery retailer who has a contract for placement of video lottery terminals may retain 31 percent of the net terminal income from the terminals located within its premises as commission. The lottery retailer receiving commission under this subdivision shall transmit to an organization licensed under chapter 349, and conducting lawful gambling on the premises of the retailer, 29 percent of the lottery retailer's commission received under this subdivision. If more than one organization conducts lawful gambling on the premises, the payment must be reasonably allocated between the organizations, pro rata based on their respective gross receipts.

Sec. 25. Minnesota Statutes 2004, section 349A.06, subdivision 8, is amended to read:

Subd. 8. **Proceeds of sales.** All proceeds from the sale of lottery tickets or proceeds from the sale of video lottery terminal plays received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.

Sec. 26. Minnesota Statutes 2004, section 349A.06, subdivision 10, is amended to read:

Subd. 10. **Local licenses.** No political subdivision may require a local license to operate as a lottery retailer, restrict or regulate the placement of a video lottery terminal, or impose a tax or fee on the business of operating as a lottery retailer.

Sec. 27. **[349A.071] VIDEO LOTTERY TERMINALS.**

Subdivision 1. **Operation.** (a) All video lottery terminals must be operated and controlled by the director.

(b) Video lottery terminals must be owned or leased by the director.

(c) Video lottery terminals must be maintained by the lottery, or by a vendor that is under the control and direction of the director.

(d) The director must have a central communications system that monitors activities and provides auditing program information on each video lottery terminal.

(e) The director must approve the general security arrangements associated with and relating to the operation of the video lottery terminal.

(f) Video lottery terminals must maintain on nonresettable meters, a permanent record, capable of being printed out, of all transactions by the terminal and all entries into the terminal.

(g) The director may implement other controls as are deemed necessary to ensure and maintain the integrity of video lottery terminals operated under this section.

Subd. 2. **Testing and examination of machines.** The director shall examine prototypes of video lottery terminals and require that the manufacturer of the terminal pay the cost of the examination. The director may contract for the examination of video lottery terminals. The director may require working models of a video lottery terminal transported to the locations the director designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the terminal model.

Subd. 3. **Deactivation of terminal.** The director may deactivate a video lottery terminal without notice if the lottery retailer has violated any provision of this chapter, rule, or provision of its contract with the director.

Sec. 28. Minnesota Statutes 2004, section 349A.08, subdivision 1, is amended to read:

Subdivision 1. **Agreement by players.** A person who buys a lottery ticket or plays a video lottery game agrees to be bound by the rules and game procedures applicable to ~~the that~~ particular lottery game ~~for which the ticket is purchased~~. The player acknowledges that the determination of whether a ticket or video lottery credit receipt is a valid winning ticket is subject to under the rules ~~of and game procedures adopted by~~ the director, claims procedures established by the director for that game, and any confidential or public validation tests established by the director for that game.

Sec. 29. Minnesota Statutes 2004, section 349A.08, subdivision 5, is amended to read:

Subd. 5. **Payment; unclaimed prizes.** (a) Except as provided in this subdivision, a prize in the State Lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded or the last day sales were authorized for a game where a prize was determined in a manner other than by means of a drawing. If a valid claim is not made for a prize payable directly by the lottery by the end of this period, the prize money is considered unclaimed and the winner of the prize shall have no further claim to the prize.

(b) A video lottery credit receipt from a video lottery terminal must be presented for payment within 60 days of the date the video lottery credit receipt was printed. If a valid claim for a video lottery credit receipt is not made by the end of this period, the video lottery credit receipt is considered unclaimed and the player shall have no further claim to the amount due from the video lottery credit receipt.

(c) A prize won by a person who purchased the winning ticket or played a video lottery game in violation of section 349A.12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section. The director must transfer all unclaimed prize money at the end of each fiscal year from the lottery cash flow account to the general fund.

Sec. 30. Minnesota Statutes 2004, section 349A.08, subdivision 8, is amended to read:

Subd. 8. **Withholding of delinquent state taxes or other debts.** The director shall report the name, address, and Social Security number of each winner of a lottery prize of \$600 or more, or a video lottery prize of \$1,200 or more, to the Department of Revenue to determine whether the person who has won the prize is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5. If the person is delinquent in

payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5, the director shall withhold the delinquent amount from the person's prize for remittance to the Department of Revenue for payment of the delinquent taxes or distribution to a claimant agency in accordance with chapter 270A. Section 270A.10 applies to the priority of claims.

Sec. 31. Minnesota Statutes 2004, section 349A.09, subdivision 1, is amended to read:

Subdivision 1. **Odds; required information.** (a) The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the approximate odds of winning each prize offered in that lottery game.

(b) Except for the operation of a video lottery terminal, each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the approximate odds of winning each prize in each game for which the lottery retailer sells tickets.

(c) The approximate odds of winning a prize from a video lottery terminal must be displayed on the face or screen of the video lottery terminal.

Sec. 32. Minnesota Statutes 2004, section 349A.10, subdivision 2, is amended to read:

Subd. 2. **Deposit in Prize fund.** (a) The director shall establish a lottery prize fund outside the state treasury. The fund consists of all money deposited in it under this subdivision and all interest earned thereon.

(b) The director shall deposit in the lottery prize fund, from gross receipts from the sale of lottery tickets, an amount sufficient to pay lottery prizes from the lottery prize fund according to the following provisions:

(1) for games which require on-line terminal connections, the prizes paid in any fiscal year must be at least 45 percent of gross receipts from those games in that fiscal year;

(2) for games which do not require on-line terminal connections, the prizes paid in any fiscal year must be at least ~~the following percentages of gross receipts from those games:~~

~~(i) 50 percent through fiscal year 1991;~~

~~(ii) 55 percent from July 1, 1991, to June 30, 1992; and~~

~~(iii) 60 percent thereafter of gross receipts from those games in that fiscal year.~~

(c) For lottery games played on a video lottery terminal, the win percentage in any fiscal year will be the win percentage established by the game procedures adopted for the game, but shall be at least 80 percent but not more than 95 percent.

Sec. 33. Minnesota Statutes 2005 Supplement, section 349A.10, subdivision 3, is amended to read:

Subd. 3. **Lottery operations.** (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year ~~thereafter~~ amounts to the lottery operations account which when totaled exceed nine percent of gross revenue, exclusive of net terminal income, and 12 percent of net terminal income to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend ~~after July 1, 1991,~~ more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

(e) In addition to the amounts credited to the lottery operations account under paragraph (b), the director is authorized, if necessary, to meet the current obligations of the lottery and to credit up to 25 percent of an amount equal to the average annual amount which was authorized to be credited to the lottery operations account for the previous three fiscal years but was not needed to meet the obligations of the lottery.

Sec. 34. Minnesota Statutes 2004, section 349A.10, subdivision 4, is amended to read:

Subd. 4. **Deposit of receipts.** (a) The director may require lottery retailers to:

(1) deposit in a separate account to the credit of the lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets and video lottery terminal plays, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director reports of the lottery retailer's receipts and transactions in ticket sales and video lottery terminal plays in a form that the director prescribes; and

(3) allow money deposited by the lottery retailer from the sale of lottery tickets and video lottery terminal plays to be transferred to the lottery through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Sec. 35. Minnesota Statutes 2004, section 349A.10, subdivision 6, is amended to read:

Subd. 6. **Budget; plans.** The director shall prepare and submit a biennial budget plan to the commissioner of finance. The governor shall recommend the maximum amount available for the lottery in the budget the governor submits to the legislature under section 16A.11. The maximum amount available to the lottery for operating expenses and capital expenditures shall be determined by law. Operating expenses shall not include expenses that are a direct function of lottery sales, which include the cost of lottery prizes, amounts paid to lottery retailers as sales commissions or other compensation, amounts paid to produce and deliver scratch lottery games, ~~and~~ amounts paid to an outside vendor to operate and maintain an on-line gaming system, amounts paid to an outside vendor to operate and maintain a central system for video lottery terminals, and amounts paid to acquire and maintain video lottery terminals. In addition, the director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's plans for future games and the related advertising and promotions and spending plans for the next fiscal year.

Sec. 36. Minnesota Statutes 2004, section 349A.11, subdivision 1, is amended to read:

Subdivision 1. **Lottery ticket; retailer.** The director, an employee of the lottery, a member of the immediate family of the director or employee residing in the same household may not:

- (1) purchase a lottery ticket or play a game on a video lottery terminal; or
- (2) have any personal pecuniary interest in any vendor holding a lottery procurement contract, or in any lottery retailer; or
- (3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

Sec. 37. Minnesota Statutes 2004, section 349A.12, subdivision 1, is amended to read:

Subdivision 1. **Purchase by minors.** A person under the age of 18 years may not buy or redeem for a prize a ticket in the state lottery and a person under the age of 21 years may not play a game or redeem a video lottery credit receipt from a video lottery terminal.

Sec. 38. Minnesota Statutes 2004, section 349A.12, subdivision 2, is amended to read:

Subd. 2. **Sale to minors.** A lottery retailer may not sell and a lottery retailer or other person may not furnish or redeem for a prize a ticket in the state lottery to any person under the age of 18 years, or allow a person under the age of 21 years to play a game or redeem a video lottery credit receipt from a video lottery terminal. It is an affirmative defense to a charge under this subdivision for the lottery retailer or other person to prove by a preponderance of the evidence that the lottery retailer or other person reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale or furnishing or redeeming the ticket or allowing the play of a video lottery game or redeem a video lottery credit receipt from a video lottery terminal.

Sec. 39. Minnesota Statutes 2004, section 349A.13, is amended to read:

349A.13 RESTRICTIONS.

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240; or

~~(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and~~

~~(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 32.~~

Sec. 40. Minnesota Statutes 2004, section 541.20, is amended to read:

541.20 RECOVERY OF MONEY LOST.

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of

competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, purchase of video lottery plays as authorized under chapter 349A, or gambling authorized under chapters 349 and 349A.

Sec. 41. Minnesota Statutes 2004, section 541.21, is amended to read:

541.21 COMMITMENTS FOR GAMBLING DEBT VOID.

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to: (1) pari-mutuel wagering conducted under a license issued pursuant to chapter 240; (2) purchase of tickets in the state lottery or other wagering authorized under chapter 349A; (3) gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.; or (4) lawful gambling activities permitted under chapter 349.

Sec. 42. Minnesota Statutes 2004, section 609.651, subdivision 1, is amended to read:

Subdivision 1. **Felony-Fraud.** A person is guilty of a felony and may be sentenced under subdivision 4 if the person does any of the following with intent to defraud the State Lottery:

(1) alters or counterfeits a state lottery ticket or a video lottery credit receipt from a State Lottery video lottery terminal;

(2) knowingly presents an altered or counterfeited state lottery ticket or video lottery credit receipt from a State Lottery video lottery terminal for payment;

(3) knowingly transfers an altered or counterfeited state lottery ticket or video lottery credit receipt from a State Lottery video lottery terminal to another person; ~~or~~

(4) tampers with or manipulates the outcome, prize payable, or operation of a State Lottery video lottery terminal; or

(5) otherwise claims a lottery prize by means of fraud, deceit, or misrepresentation.

Sec. 43. Minnesota Statutes 2004, section 609.75, subdivision 3, is amended to read:

Subd. 3. **What are not bets.** The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the Gambling Control Board or an organization exempt from licensing under section 349.166.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) The purchase and sale of state lottery tickets and plays on a video lottery terminal under chapter 349A.

Sec. 44. Minnesota Statutes 2004, section 609.75, subdivision 4, is amended to read:

Subd. 4. **Gambling device.** A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance. "Gambling device" also includes a video game of chance, as defined in subdivision 8, but does not include a video lottery terminal operated by the State Lottery under chapter 349A.

Sec. 45. Minnesota Statutes 2004, section 609.761, subdivision 2, is amended to read:

Subd. 2. **State lottery.** Sections 609.755 and 609.76 do not prohibit the operation of the state lottery ~~or~~ the sale, possession, or purchase of tickets for the state lottery; or the manufacture, possession, or operation of a video lottery terminal for the state lottery under chapter 349A.

Sec. 46. **LOTTERY BUDGET; VIDEO LOTTERY TERMINALS.**

The director of the State Lottery shall submit a budget for the operation of video lottery terminals as authorized under Minnesota Statutes, section 349A.071, to the commissioner of finance. Notwithstanding Minnesota Statutes, section 349A.10, subdivision 6, the director of the State Lottery may expend amounts necessary to operate video lottery terminals. Amounts expended by the director of the State Lottery for the conduct of video lottery terminals in fiscal year 2007 are not subject to the maximum amount set in law for the operation of the lottery.

Sec. 47. **REPEALER.**

Minnesota Statutes 2004, section 297E.02, subdivision 6, and Minnesota Statutes 2005 Supplement, sections 297E.01, subdivision 7; and 297E.02, subdivisions 4 and 7, are repealed.

Sec. 48. **EFFECTIVE DATE.**

Sections 1, 2, and 4 to 46 are effective the day following final enactment. Sections 3 and 47 are effective July 1, 2006."

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

The report was adopted.

Westrom from the Committee on Regulated Industries to which was referred:

H. F. No. 3253, A bill for an act relating to lawful gambling; modifying certain requirements relating to bar bingo and pull-tab games; amending Minnesota Statutes 2004, section 349.211, subdivision 2a; Minnesota Statutes 2005 Supplement, section 349.17, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 349.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 349.17, subdivision 7, is amended to read:

Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the following restrictions:

(1) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;

(2) the bingo is conducted using only bingo paper sheets purchased from a licensed distributor; and

(3) no rent may be paid for a bar bingo occasion; ~~and~~

(4) ~~linked bingo games may not be conducted at a bar bingo occasion.~~

Sec. 2. **[349.1721] CONDUCT OF PULL-TABS.**

Subdivision 1. **Cumulative or carryover games.** The board shall by rule permit pull-tab games with multiple seals. The board shall also adopt rules for pull-tab games with cumulative or carryover prizes.

Subd. 2. **Event games.** The board shall by rule permit pull-tab games in which certain winners are determined by the random selection of one or more bingo numbers or by another method approved by the board.

Sec. 3. Minnesota Statutes 2004, section 349.211, subdivision 2a, is amended to read:

Subd. 2a. **Pull-tab prizes.** The maximum prize which may be awarded for any single pull-tab is \$599, not including any cumulative or carryover prizes. Cumulative or carryover prizes in a pull-tab game shall not exceed \$2,500. An organization may not sell any pull-tab for more than \$2.

Sec. 4. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Smith from the Committee on Public Safety Policy and Finance to which was referred:

H. F. No. 3258, A bill for an act relating to health; requiring reporting on notification that is required before an abortion is performed on a minor or certain other women; providing civil penalties; amending Minnesota Statutes 2004, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 145.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health Policy and Finance.

The report was adopted.

Nornes from the Committee on Higher Education Finance to which was referred:

H. F. No. 3268, A bill for an act relating to economic development; establishing the Minnesota Biomedical Sciences Research Facilities Authority and the biomedical sciences research project funding program; providing for the University of Minnesota to apply for facility program funds; authorizing sale of state bonds to fund program; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 6, delete subdivision 3 and insert:

"Subd. 3. **Transfer.** The commissioner shall annually deposit in the biomedical science research facilities bond fund on October 1 of the years set forth below the amount set forth opposite such date from the annual tobacco settlement payments received by the state of Minnesota pursuant to the May 8, 1998, settlement agreement and stipulation.

<u>Amount Payable from Tobacco Settlement Payment</u>	<u>Date (October 1)</u>
<u>\$4,300,000</u>	<u>2007 and 2008</u>
<u>\$9,100,000</u>	<u>2009 and 2010</u>
<u>\$14,400,000</u>	<u>2011 and 2012</u>
<u>\$20,100,000</u>	<u>2013 and 2014</u>
<u>\$26,500,000</u>	<u>2015 and thereafter</u>

All amounts in the biomedical science research facilities bond fund not required to pay the principal of, premium, if any, and interest on bonds issued pursuant to subdivision 1 in any fiscal year or required to pay the authority's administrative costs shall be transferred by the commissioner to the general fund by June 30 of such fiscal year."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 3282, A bill for an act relating to liens; regulating liens for storage charges on certain motor vehicles; amending Minnesota Statutes 2004, section 514.19.

Reported the same back with the following amendments:

Page 1, line 24, delete "registered" and insert "certified"

Page 2, line 3, delete "may fulfill" and insert "fulfills"

Page 2, line 3, delete "obligation"

Page 2, line 3, delete "provided" and insert "required"

Page 2, line 3, before the period, insert "provided that the notice is given in the time period required under that section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Olson from the Committee on Local Government to which was referred:

H. F. No. 3302, A bill for an act relating to local government; modifying municipal and county planning and zoning provisions; providing standards for preliminary plat approval in a proposed development; amending Minnesota Statutes 2004, sections 394.25, subdivision 7; 462.358, subdivision 3b.

Reported the same back with the following amendments:

Page 1, delete lines 13 to 15 and insert:

"(b) A county must approve a preliminary plat that meets the applicable standards and criteria contained in the county's zoning and subdivision regulations unless the county adopts written findings based on a record from the public proceedings why the application shall not be approved."

Page 3, lines 13 to 15, delete the new language

Page 3, line 18, after the period, insert "A municipality must approve a preliminary plat that meets the applicable standards and criteria contained in the municipality's zoning and subdivision regulations unless the municipality adopts written findings based on a record from the public proceedings why the application shall not be approved."

With the recommendation that when so amended the bill pass.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3307, A bill for an act relating to education; ensuring that the standards for effective practice for teachers includes technology and information literacy standards; establishing a seven-year review cycle; amending Minnesota Statutes 2004, section 122A.18, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3332, A bill for an act relating to education; requiring school performance report cards to indicate both the cut score and the corresponding percent of items students must answer correctly at set performance levels; amending Minnesota Statutes 2004, section 120B.36, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 3360, A bill for an act relating to health; changing the governance structure of the Minnesota Comprehensive Health Association; providing a health insurance exemption from the insurance premiums tax; repealing the assessment for the Minnesota Comprehensive Health Association; appropriating money; amending Minnesota Statutes 2004, sections 62A.02, by adding a subdivision; 62E.02, subdivision 23; 62E.091; 62E.10, subdivisions 1, 2, 3, 6, 7; 62E.11, subdivisions 9, 10; 62E.13, subdivision 3a, by adding a subdivision; 62E.14, subdivisions 1, 6; Minnesota Statutes 2005 Supplement, section 62E.13, subdivision 2; repealing Minnesota Statutes 2004, sections 62E.11, subdivisions 5, 6, 13; 62E.13, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 62E.11, subdivision 13, is amended to read:

Subd. 13. **State funding; effect on premium rates of members.** (a) In approving the premium rates as required in sections 62A.65, subdivision 3; and 62L.08, subdivision 8, the commissioners of health and commerce shall ensure that any appropriation to reduce the annual assessment made on the contributing members to cover the costs of the Minnesota comprehensive health insurance plan as required under this section is reflected in the premium rates charged by each contributing member.

(b) In any fiscal year, a positive balance in the health care access fund, not to exceed \$55,000,000, is appropriated to the commissioner of commerce for disbursement to the Minnesota Comprehensive Health Association for the purpose of reducing or eliminating its annual assessments on its contributing members, under subdivision 6. The amount appropriated and disbursed must not exceed the total amount that the association would otherwise assess on its contributing members for the calendar year in which the disbursement is made.

(c) Notwithstanding the appropriation in paragraph (b), in fiscal years 2007, 2008, and 2009, \$55,000,000 is appropriated each year from the health care access fund to the commissioner of commerce for the purpose stated in paragraph (b)."

Delete the title and insert:

"A bill for an act relating to health; modifying provisions for funding Minnesota comprehensive health insurance plan; appropriating money; amending Minnesota Statutes 2004, section 62E.11, subdivision 13."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health Policy and Finance.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3374, A bill for an act relating to human services; changing a Council on Disability provision; amending Minnesota Statutes 2004, section 256.482, subdivision 8.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3390, A bill for an act relating to employee relations; changing eligibility criteria for the salary differential program for state employees ordered to active military service; amending Minnesota Statutes 2005 Supplement, section 43A.183.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 3398, A bill for an act relating to transportation; modifying provision governing financial assistance from the town bridge account; amending Minnesota Statutes 2004, section 161.082, subdivision 2a.

Reported the same back with the following amendments:

Page 2, line 16, delete "\$....." and insert "\$300,000"

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

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 3401, A bill for an act relating to drivers' licenses; requiring at least 30 minutes of driver education on organ and tissue donation; amending Minnesota Statutes 2004, section 171.0701.

Reported the same back with the following amendments:

Page 1, line 8, after "instruction" insert ", beginning January 1, 2007."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 3402, A bill for an act relating to insurance; health; regulating loss ratios; regulating small employer coverages; establish a state match for certain health savings plans; appropriating money; amending Minnesota Statutes 2004, sections 62A.02, by adding a subdivision; 62A.021, subdivision 1; 62A.65, subdivision 3; 62L.03, subdivision 3; 290.0672, subdivision 1; Minnesota Statutes 2005 Supplement, section 62L.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 2004, section 62E.11, subdivisions 9, 10.

Reported the same back with the following amendments:

Page 7, after line 28, insert:

"Sec. 4. **[62J.83] MEDICAL BILL DISCLOSURE WITHOUT CHARGE.**

(a) No health plan company or health care provider shall charge a fee to a patient or a patient's representative for providing the total amount due for the patient's outstanding medical bills. Upon the written request by a patient or a patient's representative for the total amount due for outstanding medical bills, a health plan company or health care provider shall provide, in writing, the total amount due. The response must be postmarked within ten business days of receiving the request.

(b) A health plan company or health care provider that fails to comply with this section, by either failing to provide the information or charging for the information, shall void the patient's outstanding medical bills due to the company or plan.

EFFECTIVE DATE. This section is effective July 1, 2006."

Page 9, line 27, delete "an employee" and insert "one or more employees"

Page 9, line 28, delete "the employee" and insert "all employees of the small employer"

Page 9, line 29, after the period, insert "The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee."

Page 9, line 34, delete "At" and insert "Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at"

Page 10, line 3, after the period, insert "Individual coverage under this section may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months. The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees."

Page 10, delete section 6

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the first semicolon

Page 1, line 4, delete "money" and insert "requiring medical bill disclosure without charge"

Correct the title numbers accordingly

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

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 3436, A bill for an act relating to natural resources; providing for suspension of certain registrations and licenses as a penalty for payment with a dishonored check; providing for delivery of a watercraft certificate of title to the owner; providing penalties; amending Minnesota Statutes 2004, sections 84.796; 84.805; 84.88, by adding a subdivision; 84.929; 86B.401, by adding a subdivision; 86B.885; 86B.895, subdivision 2, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 18, after the period, insert "The commissioner shall enter into procedural contracts with deputy registrars for purposes of this paragraph."

Page 2, lines 2 and 18, after the period, insert "The commissioner shall enter into procedural contracts with deputy registrars for purposes of this paragraph."

Page 2, lines 10 and 25, after the period, insert "The commissioner shall enter into procedural contracts with deputy registrars for purposes of this subdivision."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Agriculture, Environment and Natural Resources Finance.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3484, A bill for an act relating to boxing; regulation of boxing; establishing a boxing commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 341.

Reported the same back with the following amendments:

Page 1, line 20, delete "man" and insert "person"

Page 2, line 4, delete "man" and insert "person" in both places

Page 2, line 6, delete "man" and insert "person"

Page 2, line 10, after the period, insert "The members shall be appointed by the governor and subject to the advice and consent of the senate."

Page 2, line 14, after the period, insert "At least two of the members must be women, if possible."

Page 2, line 18, after the period, insert "The purpose of the commission is to protect health, promote safety, and ensure fair events."

Page 3, line 27, delete "man" and insert "person" in both places

Page 3, line 28, delete "man" and insert "person"

Page 3, line 29, delete "man" and insert "person" and delete "weight" and insert "weigh"

Page 8, after line 7, insert:

"Sec. 17. **DEPOSIT OF FEES.**

All fees collected by the commission must be deposited in the special revenue fund. Other than initial startup costs, the commission must be funded only from proceeds of these fees."

Page 8, line 12, delete "16" and insert "18"

Renumber the sections in sequence and correct the internal references

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce and Financial Institutions.

The report was adopted.

Johnson, J., from the Committee on Civil Law and Elections to which was referred:

H. F. No. 3487, A bill for an act relating to government data practices; classifying data; providing civil remedies; providing penalties; amending Minnesota Statutes 2004, sections 13.7905, subdivision 2; 13.791, subdivision 1; 175.10; 175.16, by adding a subdivision; 176.138; 176.181, subdivision 8; 176.186; 176.231, subdivision 9;

176.391, subdivision 3; Minnesota Statutes 2005 Supplement, sections 168.346, subdivision 1; 171.12, subdivision 7; 325E.59, subdivisions 1, 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 168; 171; 175; 325F; repealing Minnesota Statutes 2004, sections 13.7905, subdivision 3; 176.231, subdivision 8; 176.401; 176.421, subdivision 7; Minnesota Statutes 2005 Supplement, section 325E.59, subdivision 2.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Commerce and Financial Institutions without further recommendation.

The report was adopted.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 3505, A bill for an act relating to insurance; permitting reductions in premiums on small employer health insurance in greater Minnesota; amending Minnesota Statutes 2004, sections 62A.65, subdivision 3; 62L.08, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 9, delete "and"

Page 2, after line 13, insert:

"(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and"

Page 2, line 14, delete "(2)" and insert "(3)"

Page 3, line 17, delete "and"

Page 3, after line 21, insert:

"(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and"

Page 3, line 22, delete "(2)" and insert "(3)"

With the recommendation that when so amended the bill pass.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3507, A bill for an act relating to legislature; regulating the Legislative Audit Commission; amending Minnesota Statutes 2004, sections 3.97, subdivisions 2, 3a; 3.9741, subdivision 1; 37.06; repealing Minnesota Statutes 2004, sections 3.97, subdivision 3; 3.979, subdivision 5.

Reported the same back with the following amendments:

Pages 2 to 3, delete sections 2 to 5

Delete the title and insert:

"A bill for an act relating to legislature; regulating the membership and terms of the Legislative Audit Commission; amending Minnesota Statutes 2004, section 3.97, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance to which was referred:

H. F. No. 3578, A bill for an act relating to employment; establishing a pilot project to encourage the licensure of foreign-trained physicians in Minnesota; appropriating money for a pilot program to encourage the licensure of foreign-trained physicians.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **PILOT PROJECT; LICENSURE OF FOREIGN-TRAINED HEALTH CARE PROFESSIONALS.**

The commissioner of employment and economic development must conduct a pilot project to encourage the licensure in Minnesota of foreign-trained health care professionals, including physicians, nurses, dentists, pharmacists, veterinarians, and other allied health care professionals. The commissioner must work with local workforce boards to award grants to foreign-trained health care professionals that are sufficient to cover the actual costs of taking a course intended to prepare health care professionals for required licensing examinations and the fee for taking required licensing examinations. When awarding grants, the commissioner must consider whether the recipient's training involves a medical specialty that is in demand in one or more Minnesota communities. The commissioner also must establish additional criteria for the award of grants. The program will begin on July 1, 2006, and end on June 30, 2007. The commissioner must submit a report evaluating the effectiveness of the pilot program to the legislative committees with jurisdiction over employment by October 1, 2007.

Sec. 2. **APPROPRIATION.**

\$...... is appropriated from the general fund to the commissioner of employment and economic development for a pilot project to encourage the licensure of foreign-trained health care professionals."

Delete the title and insert:

"A bill for an act relating to employment; establishing a pilot project to encourage the licensure of foreign-trained health care professionals in Minnesota; appropriating money for a pilot program to encourage the licensure of foreign-trained health care professionals."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health Policy and Finance.

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 3614, A bill for an act relating to natural resources; modifying regulation of all-terrain vehicles; creating two classes of all-terrain vehicles; amending Minnesota Statutes 2004, sections 84.92, subdivision 8, by adding subdivisions; 84.928, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 84.9256, subdivision 1; 84.9257; 84.926, subdivision 4; 84.928, subdivision 1.

Reported the same back with the following amendments:

Page 4, line 18, after "purposes" insert "or a class 2 all-terrain vehicle"

Page 4, line 19, after "class 1" insert "or class 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3625, A bill for an act relating to public employees; modifying public employee insurance provisions; appropriating money; amending Minnesota Statutes 2004, section 43A.316, subdivisions 1, 2, 3, 4, 5, 10, by adding subdivisions.

Reported the same back with the following amendments:

Page 6, line 24, delete "from the health care access fund"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health Policy and Finance.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3641, A bill for an act relating to building officials; requiring competency criteria; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 1, lines 6 and 12, after "commissioner" insert "of labor and industry"

Page 1, line 17, delete "newly employed"

Page 1, line 18, after "inspectors" insert "hired on or after January 1, 2008."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce and Financial Institutions.

The report was adopted.

Wilkin from the Committee on Commerce and Financial Institutions to which was referred:

H. F. No. 3658, A bill for an act relating to health; authorizing business organizations to obtain certificates of authority to operate as health maintenance organizations; providing for hospital pricing transparency and provider pricing fairness; authorizing small health plan purchasing pools; providing for a health insurance tax; regulating provider disclosures of reimbursement; amending Minnesota Statutes 2004, sections 62D.02, subdivision 4, by adding a subdivision; 62D.03, subdivision 1; 62D.05, subdivision 1; 62J.81, subdivision 1; 297I.01, subdivision 10; Minnesota Statutes 2005 Supplement, sections 62J.052; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; repealing Minnesota Statutes 2004, sections 62J.17; 62J.25.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health Policy and Finance.

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

H. F. No. 3664, A bill for an act relating to military affairs; authorizing National Guard employees to carry certain weapons; amending Minnesota Statutes 2004, sections 609.67, subdivisions 3, 5; 626.88, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Hackbarth from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 3712, A bill for an act relating to the environment; requiring mercury emissions reductions by public utilities; amending Minnesota Statutes 2004, section 216B.1692, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **TITLE.**

This act may be cited as the Mercury Emissions Reduction Act of 2006.

Sec. 2. Minnesota Statutes 2004, section 116.92, is amended by adding a subdivision to read:

Subd. 7a. **Fluorescent lamps; residential applications.** Any information regarding fluorescent lamps containing mercury that is sent by a utility to a customer, present on a utility's Web site or contained in a utility's print, radio, or video advertisement, must state that the lamps contain mercury that is harmful to the environment and that it is illegal to place them in garbage and must provide a toll-free telephone number or Web site that customers can access to learn how to lawfully dispose of the lamps.

EFFECTIVE DATE. This section is effective October 1, 2006.

Sec. 3. Minnesota Statutes 2004, section 216B.1692, subdivision 8, is amended to read:

Subd. 8. **Sunset.** This section is effective until ~~June 30, 2006~~ June 30, 2012, and applies to projects and riders approved prior to that date.

Sec. 4. **[216B.68] DEFINITIONS, MERCURY EMISSIONS REDUCTIONS.**

Subdivision 1. **Scope.** Terms used in sections 216B.68 to 216B.688 have the meanings given them in this section and section 216B.02.

Subd. 2. **Qualifying facility.** "Qualifying facility" means an electric generating power plant in Minnesota that, as of January 1, 2006, had a total net dependable capacity in excess of 500 megawatts from all coal-fired electric generating units at the power plant.

Subd. 3. **Targeted unit.** "Targeted unit" means a coal-fired electric generation unit greater than 100 megawatts at a qualifying facility.

Subd. 4. **Agency.** "Agency" means the Minnesota Pollution Control Agency.

Subd. 5. **Federal mercury regulations.** "Federal mercury regulations" means the federal clean air mercury rule as of January 1, 2006, published in Code of Federal Regulations, title 40, parts 60, 63, 70, and 72.

Subd. 6. **Reduction.** "Reduction" means the capture of total mercury emissions from a qualifying facility relative to the emissions baseline from that facility established under section 216B.681, expressed as a percentage.

Subd. 7. **Dry scrubbed units.** "Dry scrubbed units" means a targeted unit at which pollution control technology that uses a spray dryer and fabric filter system to remove pollutants from air emissions is installed.

Subd. 8. **Wet scrubbed units.** "Wet scrubbed units" means a targeted unit at which pollution control technology that uses water or solutions to remove pollutants from air emissions is installed.

Subd. 9. **Startup period.** "Startup period" means a period of one year after the date of compliance set forth in section 216B.682, paragraph (a), or such longer period as the commission may approve after consultation with the Pollution Control Agency.

Sec. 5. **[216B.681] MONITORING MERCURY EMISSIONS.**

By July 1, 2007, a public utility that owns or operates a qualifying facility shall install, maintain, and operate continuous mercury emissions monitoring systems on coal-fired electric generation units that the utility may include in a mercury emissions reduction plan under section 216B.682. The monitoring systems must use methods set forth in federal mercury regulations or other methods as may be approved by the agency. The data from monitoring

systems or other methods of measurement approved by the agency associated with a utility's qualifying facilities must be used to establish a baseline for mercury emissions reductions under section 216B.682. The public utility shall report to the agency the quality assured and controlled data produced from the systems implemented pursuant to this section on a quarterly basis thereafter.

Sec. 6. **[216B.682] MERCURY EMISSIONS REDUCTION PLANS.**

(a) By December 31, 2007, for dry scrubbed units and by December 31, 2009, for wet scrubbed units, a public utility that owns or operates a qualifying facility shall develop and submit to the Pollution Control Agency and the Public Utilities Commission plans to reduce mercury emissions in this state. A public utility filing a plan for a wet scrubbed unit on or before December 31, 2007, may file a plan for any other wet scrubbed unit at its qualifying facility by July 1, 2011. Mercury emissions reduction initiatives must be implemented by December 31, 2010, at dry scrubbed units, and by December 31, 2015, at wet scrubbed units.

(b) A public utility must file a set of plans under paragraph (a) that, taken together, are designed to achieve total mercury reductions among the utility's Minnesota facilities equivalent to a goal of 90 percent reduction of mercury emissions at the utility's targeted units by December 31, 2015.

(c) The utility may also submit one or more alternatives to the plans required under paragraph (b). The alternatives must be designed to achieve mercury emissions reductions at its qualifying facilities greater and earlier than required under federal mercury regulations. The utility shall also provide information as to how the utility would have planned to meet federal mercury reduction requirements in the absence of this legislation and the estimated cost and timing of meeting federal mercury reduction requirements.

(d) For each required and alternative plan submitted pursuant to this subdivision, the utility shall present information assessing that plan's ability to optimize human health benefits and achieve cost efficiencies. The utility shall assess how each plan balances environmental benefits with the associated costs, considering the impact of the resulting electricity costs on both the utility's customers and the state's economy. Plans must provide the cost, technical feasibility, and mercury emissions reduction expected for each option. Plans may also provide measures to reduce the cost and maximize the flexibility of each option, including, but not limited to, mercury emissions reductions achieved through pretreatment of the coal burned at the facility, averaging mercury emissions reductions among different generating units at the same plant and achieving equivalent mercury emissions reductions on other plants in the public utility's electric system in Minnesota. The plans may specify permit targets or conditions proposed by the public utility for each mercury emissions control option, including, but not limited to, numeric emission targets, percent removal expectations, emission control technology installation and operative requirements, or work practice standards.

(e) Mercury emissions reductions under a plan approved by the commission under section 216B.1692 before January 1, 2006, may not be counted toward total mercury emissions reductions of a plan under this section.

Sec. 7. **[216B.683] OTHER ENVIRONMENTAL IMPROVEMENT PLANS.**

In order to encourage a utility to address multiple pollutants, a utility required to submit mercury reduction plans under sections 216B.68 to 216B.688 may also propose plans and associated emission reduction riders addressing investments in additional pollution control equipment and related expenses needed to comply with state or federal statute or regulation that became effective after December 31, 2004. The plans must propose to implement emission control initiatives that exceed and are implemented in advance of state or federal requirements. The utility must show that plans submitted under this subdivision and any related riders are the least-cost alternative for complying with state and federal regulations.

Sec. 8. **[216B.684] EMISSIONS REDUCTION RIDERS.**

(a) A public utility required to file a mercury emissions reduction plan under section 216B.682 may also file for approval of an emissions reduction rate rider pursuant to section 216B.1692, subdivision 3, for its mercury control and other environmental improvement initiatives under sections 216B.68 to 216B.688. The emissions reduction rate rider may include recovery of costs associated with the installation of continuous mercury emission monitoring systems, ongoing operation and maintenance costs associated with the utility's mercury control initiatives, and any studies undertaken by the utility in support of the mercury emissions reduction plan required under section 216B.682, in addition to the cost recovery provided by sections 216B.1692, subdivision 3. The utility may propose to phase in the emissions reduction riders to recover these costs over the development and life of the projects.

(b) Each mercury emissions reduction rider approved by the commission must include performance-based financial incentives to encourage the utility to exceed the 90 percent mercury emissions reductions required in the plan filed under section 216B.682. These incentives may include increased returns on investments or other performance-based incentives. The commission shall structure the financial incentives to escalate for each additional increment of mercury emissions reductions achieved by the utility above the 90 percent mercury emissions reductions required in the plan filed under section 216B.682.

Sec. 9. **[216B.685] ENVIRONMENTAL ASSESSMENT.**

The Pollution Control Agency shall evaluate a utility's mercury emissions reduction plans and alternatives filed under sections 216B.68 to 216B.688, and submit its evaluation to the Public Utilities Commission within 180 days of the date the plan is filed with the agency and commission under subdivision 3. In its review, the agency shall:

(1) assess whether the utility's plan under section 216B.682, paragraph (b), meets the requirements of that paragraph;

(2) evaluate the environmental and public health benefits of each plan submitted under section 216B.682, including benefits associated with reductions in pollutants other than mercury;

(3) assess the technical feasibility and cost-effectiveness of technologies proposed for achieving mercury emissions reduction in each plan submitted; and

(4) advise the commission of the appropriateness of each plan.

Sec. 10. **[216B.686] COMMISSION APPROVAL.**

(a) The Public Utilities Commission shall review and evaluate a utility's mercury emissions reduction plans submitted under this section. In its review, the commission shall consider the environmental and public health benefits, the agency's assessment of a technology's technical feasibility, competitiveness of customer rates and power supply costs, and cost-effectiveness of the utility's proposed mercury control initiatives in light of the agency's report under section 216B.685. For multi-emissions reduction plans, the commission shall consider the overall environmental and public health benefits, total costs, and competitiveness of customer rates and power supply costs.

Within 180 days of receiving the agency's report, the commission shall approve a utility's mercury or multi-emissions reduction plans that the commission reasonably expects will be technically able to achieve, by December 31, 2015, substantial mercury emissions reductions and associated environmental and health benefits among the utility's Minnesota facilities in a manner that does not impose excessive consumer and power supply costs. In approving the plans, the commission shall attempt to achieve the greatest level of mercury reduction that can be obtained without imposing excessive costs on ratepayers.

If the commission is unable to approve the utility's 90 percent reduction plan submitted under section 216B.682, paragraph (b), the commission shall, in consultation with the agency, order the utility to implement the most stringent mercury control alternatives proposed by the utility under section 216B.682, paragraph (c), that will achieve the maximum mercury emissions reductions technically feasible and protective of the public health and environment without imposing excessive consumer costs.

(b) The commission shall review and evaluate a utility's plan and associated emissions reduction rider for other environmental improvement initiatives submitted under section 216B.683. Within 180 days of receiving the agency's report prepared under section 216B.1692, the commission shall approve the plan and associated emissions reduction rider if it complies with applicable state and federal regulations and is the least-cost alternative.

(c) Section 216B.1692 applies to plans and emissions control riders proposed under sections 216B.68 to 216B.688, except that projects included in a plan approved under those sections are deemed to be qualifying projects for the purposes of section 216B.1692; and section 216B.1692, subdivision 5, paragraph (c), and subdivision 6, do not apply to plans or riders submitted under sections 216B.68 to 216B.688. Commission approval of an emissions reduction plan under sections 216B.68 to 216B.688 includes approval of an emissions reduction rider associated with that plan, if one was submitted by the utility. Nothing in sections 216B.68 to 216B.688 requires a utility to convert a wet scrubbed unit into a dry scrubbed unit as part of an emissions reduction plan.

Sec. 11. **[216B.687] IMPLEMENTATION AND OPERATION.**

(a) A public utility required to file a mercury emissions reduction plan under section 216B.682 shall implement the plan as approved by the commission under section 216B.685.

(b) During the startup period, except as required by federal regulation, any mercury emission reduction incorporated into a qualifying facility's permit as established under the plan is a state-only condition of the permit and is not subject to enforcement by the agency. If, after the startup period ends, it is determined that the qualifying facility is able to comply with the mercury emissions reduction, the agency shall incorporate the mercury reduction into the facility's permit as an enforceable state-only condition. If, after the startup period, despite the utility's reasonable best efforts consistent with the approved plan, the equipment installed at a unit under an approved plan fails to achieve the mercury reduction expected in the approved plan, the agency shall revise the permit for the qualifying facility to reflect the actual mercury emissions expected from the unit and incorporate that mercury emissions reduction as an enforceable state-only condition in the facility's permit. The utility shall report periodically to the agency of its efforts to optimize the operation of installed equipment, and the agency shall revise the unit's air permit within five years of initial operation, to ensure optimal operation of equipment installed under a plan approved pursuant to sections 216B.68 to 216B.688.

(c) For qualifying facilities using both dry scrubbed and wet scrubbed units, the agency may establish permit limits as set forth in paragraph (b) for each individual unit. After the startup periods for all units at the qualifying facility have concluded and the actual mercury emissions for the units expected under the approved plan have been determined, the agency may establish a single enforceable state-only mercury emission limit for the qualifying facility covering all units at that facility.

Sec. 12. **[216B.688] RELATIONSHIP TO STATE AND FEDERAL REGULATIONS.**

Mercury emissions reduction equipment installed under this section fulfills all applicable requirements related to mercury emissions from a qualifying facility, including but not limited to any mercury-related requirements related to total maximum daily loads under the federal Clean Water Act. Except as otherwise provided in this section, a targeted unit implementing a mercury emissions reduction plan under sections 216B.68 to 216B.688 shall not be required to undertake additional investments to reduce mercury by state law or regulation. The agency shall implement requirements of federal law in the most flexible manner approved by the United States Environmental Protection Agency."

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring disclosure regarding disposal of fluorescent lamps containing mercury;"

Correct the title numbers accordingly

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

The report was adopted.

Smith from the Committee on Public Safety Policy and Finance to which was referred:

H. F. No. 3713, A bill for an act relating to public safety; establishing the fire safety account from revenues on fire premiums and assessments; abolishing the fire insurance tax; establishing a fire insurance policyholder surcharge; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 2004, section 297I.05, subdivision 6.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Buesgens from the Committee on Education Policy and Reform to which was referred:

H. F. No. 3759, A bill for an act relating to pupil transportation; updating school bus equipment standards; clarifying school bus discipline policies for charter school and nonpublic pupils being transported on school district buses; modifying certain school bus license standards; clarifying certain pupil transportation cost data; amending Minnesota Statutes 2004, sections 123B.90, subdivision 2; 123B.91, by adding a subdivision; 169.01, subdivision 6; 169.447, subdivision 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivision 20; 171.321, subdivisions 4, 5; 171.3215, subdivision 2; 631.40, subdivision 1a; Minnesota Statutes 2005 Supplement, sections 123B.92, subdivisions 1, 5; 171.02, subdivision 2a; repealing Minnesota Statutes 2004, sections 169.4502, subdivision 15; 169.4503, subdivisions 17, 18, 26.

Reported the same back with the following amendments:

Page 2, line 10, after "grade" insert "9 or"

Page 2, line 18, after the period, insert "Upon request of the superintendent of the school district where the nonpublic school is located."

Page 2, line 19, strike "annually"

Page 10, line 25, delete "mounting height" and insert "cushion depth"

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

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs to which was referred:

S. F. No. 1272, A bill for an act relating to state government; adding an ex officio member to the Indian Affairs Council; amending Minnesota Statutes 2004, section 3.922, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 23, insert:

"the commissioner of administration,"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2514, 2574, 2677, 2807, 2839, 2854, 2872, 3018, 3045, 3050, 3169, 3203, 3282, 3302, 3307, 3332, 3374, 3401, 3505, 3507, 3614 and 3664 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1272 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Abeler and Lesch introduced:

H. F. No. 3918, A bill for an act relating to civil actions; regulating medical liability actions; providing for the inadmissibility of certain health care provider statements, gestures, and conduct; proposing coding for new law in Minnesota Statutes, chapter 604.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Nornes introduced:

H. F. No. 3919, A bill for an act relating to environment; providing for reimbursement of cleanup costs for certain petroleum tank releases; amending Minnesota Statutes 2005 Supplement, section 115C.09, subdivision 3h.

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

Wilkin introduced:

H. F. No. 3920, A bill for an act relating to insurance; regulating mutual insurance holding companies; modifying mutual holding company laws; amending Minnesota Statutes 2004, sections 60A.075, subdivision 1; 60A.077, subdivisions 1, 3, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 66A.02, subdivisions 2, 3; 66A.07, subdivision 2.

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

Erickson introduced:

H. F. No. 3921, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XIII; recognizing as marriage only a legal union between one man and one woman and limiting creation or recognition of any identical or similar legal status.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Eastlund introduced:

H. F. No. 3922, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XIII; recognizing as a valid domestic legal union only a marriage between a man and a woman.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Dorman; Juhnke; Peterson, A., and Urdahl introduced:

H. F. No. 3923, A bill for an act relating to agriculture; restoring the open appropriation for ethanol producer payments; appropriating money; amending Minnesota Statutes 2004, section 41A.09, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development.

Nornes introduced:

H. F. No. 3924, A bill for an act relating to higher education; modifying programs of the Higher Education Office; appropriating money and reducing certain appropriations; amending Minnesota Statutes 2004, sections 135A.031, subdivision 7; 135A.034, subdivision 1; 135A.053, subdivision 2; 136A.101, subdivisions 4, 8; 136A.15, subdivisions 6, 9, by adding a subdivision; 136A.16, by adding a subdivision; 136A.162; 136A.1701, subdivisions 4, 7, by adding a subdivision; 136A.233, subdivision 3; 137.17, subdivisions 1, 3; Minnesota Statutes 2005 Supplement, section 136A.1701, subdivision 12; Laws 2005, chapter 107, article 1, sections 1; 2, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 136A; repealing Minnesota Statutes 2004, sections 135A.01; 135A.031, subdivisions 1, 2, 5, 6; 135A.032; 135A.033; 136A.15, subdivision 5; 136A.1702; 137.17, subdivisions 2, 4; Minnesota Statutes 2005 Supplement, section 135A.031, subdivisions 3, 4; Minnesota Rules, parts 4850.0011, subparts 9, 10, 14, 27; 4850.0014, subpart 1.

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

Olson, for the Committee on Local Government, introduced:

H. F. No. 3925, A bill for an act relating to local government; modifying municipal boundary adjustment provisions; establishing the municipal boundary adjustment task force; appropriating money; amending Minnesota Statutes 2004, sections 414.01, subdivision 1a; 414.02, by adding a subdivision; 414.031, subdivisions 1, 4, by adding a subdivision; 414.0325, subdivision 1, by adding a subdivision; 414.033, subdivision 2; 414.061, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 414.

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

Beard introduced:

H. F. No. 3926, A bill for an act relating to energy; providing state conservation objectives; regulating conservation investments by utilities; requiring consideration of conservation in various regulatory proceedings; providing a study of rate decoupling; amending Minnesota Statutes 2004, sections 216B.241, subdivisions 1a, 1c, 6; 216B.2422, by adding a subdivision; 216B.243, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 216B.241, subdivision 1b.

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

Smith introduced:

H. F. No. 3927, A bill for an act relating to public safety; suspending or revoking drivers' licenses of certain juvenile controlled substance offenders; modifying definition of "juvenile petty offense" to include possession of drug paraphernalia; making technical changes; amending Minnesota Statutes 2004, sections 171.172; 260B.007, by adding a subdivision; 260B.198, subdivision 1; 260B.235, subdivisions 4, 5; Minnesota Statutes 2005 Supplement, section 260B.007, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 171.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Smith introduced:

H. F. No. 3928, A bill for an act relating to public safety; implementing certain recommendations of the legislative auditor concerning substance abuse treatment; amending Minnesota Statutes 2004, section 241.016, subdivision 1; Minnesota Statutes 2005 Supplement, section 241.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 241.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Smith introduced:

H. F. No. 3929, A bill for an act relating to public safety; requiring the Department of Corrections to report information on mental health programs to the legislature; amending Minnesota Statutes 2004, section 241.016, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Smith introduced:

H. F. No. 3930, A bill for an act relating to public safety; exempting juvenile detention and correctional facilities from compliance with the umbrella rule; directing the Department of Corrections and the Department of Human Services to amend the umbrella rule; proposing coding for new law in Minnesota Statutes, chapter 242.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Smith introduced:

H. F. No. 3931, A bill for an act relating to courts; removing obsolete references and provisions involving municipal and county courts; amending Minnesota Statutes 2004, sections 13.84, subdivisions 1, 2; 48A.10, subdivision 3; 219.97, subdivision 13; 346.09, subdivision 1; 347.04; 375A.13, subdivision 1; 383B.65, subdivision 2; 390.20; 390.33, subdivision 2; 480.181, subdivisions 1, 2; 480.182; 484.01, subdivision 1; 484.011; 484.012; 484.45; 484.54, subdivision 3; 484.545, subdivision 1; 484.64, subdivision 3; 484.65, subdivision 3; 484.68, subdivision 1; 485.018, subdivision 5; 485.021; 485.11; 487.11, subdivision 1; 487.29; 488A.01, subdivision 12; 488A.09, subdivisions 3, 7; 488A.19, subdivision 3; 488A.20, subdivisions 1, 4; 518.157, subdivision 2; 546.27, subdivision 2; 609.101, subdivision 4; 629.74; 641.25; Minnesota Statutes 2005 Supplement, sections 485.01; 485.03; 485.05; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 2004, sections 484.013, subdivision 8; 484.545, subdivisions 2, 3; 484.55; 484.68, subdivision 7; 484.75; 485.018, subdivisions 2, 6, 8; 485.12; 487.01; 487.02; 487.03; 487.04; 487.07; 487.10, subdivisions 1, 4; 487.13; 487.14; 487.15; 487.16; 487.17; 487.18; 487.19; 487.191; 487.20, subdivision 1; 487.21, subdivisions 1, 2, 4; 487.23, subdivisions 1, 2, 3, 7a, 7b; 487.24; 487.25, subdivision 6; 487.26, subdivisions 2, 6; 487.27, subdivision 1; 487.28, subdivision 1; 487.31, subdivision 1; 487.32, subdivision 3; 487.33, subdivisions 2, 6; 487.34; 487.36; 487.37; 487.38; 487.40, subdivisions 1, 1a; 488A.01, subdivisions 1, 4a, 14, 15; 488A.021; 488A.025; 488A.03, subdivisions 11a, 11b; 488A.035; 488A.04; 488A.08; 488A.09, subdivisions 1, 2; 488A.10, subdivisions 6, 11; 488A.101; 488A.11; 488A.112; 488A.113; 488A.115; 488A.116; 488A.119; 488A.18, subdivisions 1, 4, 14; 488A.19, subdivision 1; 488A.21; 488A.23; 488A.24; 488A.26, subdivisions 1, 2; 488A.27, subdivision 6; 488A.28; 488A.282; 488A.285; 488A.286; 488A.287; 525.011; 525.012; 525.013; 525.014; 525.015; 525.02; 525.03; 525.051; 525.052; 525.053; 525.06; 525.07; 525.08; 525.081; 525.082; 525.09; 525.091; 525.092; 525.095; 525.101; 525.103; 525.11; 525.111; 525.112; 525.113; 542.14; 549.05; 625.09; Minnesota Statutes 2005 Supplement, sections 353.027; 485.03.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Magnus and Davids introduced:

H. F. No. 3932, A bill for an act relating to energy; providing tax refunds to electric utilities that transition to soy-based transformer fluid; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

Westrom introduced:

H. F. No. 3933, A bill for an act relating to health; eliminating the hospital construction and modification moratorium and the public interest review requirements for hospitals; amending Minnesota Statutes 2004, section 62J.17, subdivision 3; repealing Minnesota Statutes 2004, sections 144.551, subdivisions 2, 3, 4; 144.552; 376.08, subdivision 3; Minnesota Statutes 2005 Supplement, section 144.551, subdivision 1.

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

Ruud introduced:

H. F. No. 3934, A bill for an act relating to transportation; amending driver education requirements; amending license examination requirements; modifying information required in driver's manual; amending Minnesota Statutes 2004, sections 171.0701; 171.13, subdivision 1, by adding a subdivision.

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

Blaine introduced:

H. F. No. 3935, A bill for an act relating to housing; providing for the licensure of industrialized-modular building contractors and salespeople; amending Minnesota Statutes 2004, sections 326.83, by adding subdivisions; 326.84, subdivisions 1, 1b, 3.

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

Simpson introduced:

H. F. No. 3936, A bill for an act relating to health; establishing backflow prevention at campgrounds; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Demmer introduced:

H. F. No. 3937, A bill for an act relating to game and fish; modifying restrictions on using artificial lights to locate animals; amending Minnesota Statutes 2004, section 97B.081, subdivision 2.

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

Howes introduced:

H. F. No. 3938, A bill for an act relating to public safety; authorizing the sale and use of certain fireworks; providing licenses; proposing coding for new law in Minnesota Statutes, chapter 624.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Johnson, J., introduced:

H. F. No. 3939, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; restricting the use of state funds for abortion services.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Hoppe introduced:

H. F. No. 3940, A bill for an act relating to liquor; allowing Minnesota farm wineries to produce certain fortified wines; amending Minnesota Statutes 2004, sections 340A.101, subdivision 11, by adding a subdivision; 340A.315, subdivisions 1, 2, 3, 4.

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

Nelson, M.; Smith; Hilstrom; Johnson, J.; Peterson, N.; Lieder; Entenza and Hortman introduced:

H. F. No. 3941, A bill for an act relating to public safety; increasing 911 emergency telecommunications service fee; providing for completion of statewide public safety radio communication system; authorizing sale of state 911 revenue bonds; appropriating money; amending Minnesota Statutes 2005 Supplement, section 403.11, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Urdahl and Hosch introduced:

H. F. No. 3942, A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 463, Eden Valley-Watkins.

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

Peterson, S.; Klinzing; Slawik; Meslow; Sykora; Greiling; Ruud; Carlson and Dittrich introduced:

H. F. No. 3943, A bill for an act relating to education; establishing a pilot program to use child-relevant American sign language to facilitate young children's development of second language learning and stronger literacy and verbal skills; appropriating money.

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

Slawik and Gunther introduced:

H. F. No. 3944, A bill for an act relating to human services; modifying child care assistance parent fees; amending Minnesota Statutes 2004, section 119B.12, subdivision 2.

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

Thissen and Westrom introduced:

H. F. No. 3945, A bill for an act relating to energy; extending eligibility to receive renewable energy production incentive under certain circumstances; amending Minnesota Statutes 2004, section 216C.41, subdivision 4; Minnesota Statutes 2005 Supplement, section 216C.41, subdivision 3.

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

Westrom introduced:

H. F. No. 3946, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Stevens County.

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

Cornish introduced:

H. F. No. 3947, A bill for an act relating to the Rural Policy and Development Center; requiring a biennial report to the legislature; amending Minnesota Statutes 2004, section 116J.421, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Agriculture and Rural Development.

Emmer introduced:

H. F. No. 3948, A bill for an act relating to elections; exempting on a onetime basis municipalities in a county that filed a county plan pursuant to Laws 2005, chapter 162, section 35, from the requirements of Minnesota Statutes, section 206.82; implementing in law the requirements of a federal court order regarding the use of tribal identification; providing for a registration deadline for special elections; providing for a uniform and consistent oath to be signed by voters in an election; amending Minnesota Statutes 2004, section 201.061, subdivision 1; Minnesota Statutes 2005 Supplement, sections 201.061, subdivision 3; 204C.10; 206.82, subdivision 2.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Thissen introduced:

H. F. No. 3949, A bill for an act relating to human services; providing limited medical assistance coverage for individuals eligible for Medicare Part D; amending Minnesota Statutes 2004, section 256B.0625, by adding a subdivision.

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

Lesch introduced:

H. F. No. 3950, A bill for an act relating to civil actions; regulating structured settlement transfers; amending Minnesota Statutes 2004, sections 549.30, subdivision 6, by adding a subdivision; 549.31, subdivision 1; 549.32, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

DeLaForest; Nelson, P., and Fritz introduced:

H. F. No. 3951, A bill for an act relating to transportation; regulating contracts; prohibiting indemnification provisions; proposing coding for new law in Minnesota Statutes, chapter 221.

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

Newman, Urdahl and Sykora introduced:

H. F. No. 3952, A bill for an act relating to education finance; placing a one-year moratorium on certain school district building projects for school districts serving fewer than 500 pupils.

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

Demmer and Juhnke introduced:

H. F. No. 3953, A bill for an act relating to the environment; modifying environmental review exemption for feedlots; amending Minnesota Statutes 2004, section 116D.04, subdivision 2a.

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

Hilstrom introduced:

H. F. No. 3954, A bill for an act relating to public safety; clarifying security responsibilities of Capitol Security Division of Department of Public Safety; amending Minnesota Statutes 2004, section 299E.01, subdivision 2.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Solberg and Anderson, I., introduced:

H. F. No. 3955, A bill for an act relating to local government; authorizing the creation of the Lakeview Cemetery Association; authorizing a tax levy.

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

Kelliher introduced:

H. F. No. 3956, A resolution memorializing the Congress of the United States to repeal the No Child Left Behind requirements in the schools.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Erhardt and Peterson, N., introduced:

H. F. No. 3957, A bill for an act relating to corporate franchise taxation; accelerating adoption of single sales apportionment; amending Minnesota Statutes 2005 Supplement, section 290.191, subdivision 2.

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

Erhardt and Peterson, N., introduced:

H. F. No. 3958, A bill for an act relating to taxes; individual income; adjusting alternative minimum tax exemption amounts and phaseout thresholds for inflation; amending Minnesota Statutes 2004, section 290.091, subdivision 3.

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

Erhardt and Peterson, N., introduced:

H. F. No. 3959, A bill for an act relating to sales and excise taxes; reducing June accelerated payments; amending Minnesota Statutes 2004, sections 289A.60, subdivision 15; 297F.09, subdivision 10; 297G.09, subdivision 9; Minnesota Statutes 2005 Supplement, section 289A.20, subdivision 4.

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

Simpson; Dorman; Vandev eer; Mullery; Nelson, P.; Davnie; Brod; Marquart and Lanning introduced:

H. F. No. 3960, A bill for an act relating to taxation; extending the application of the 4d property tax classification; amending Minnesota Statutes 2005 Supplement, section 273.128, subdivision 1.

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

Fritz introduced:

H. F. No. 3961, A bill for an act relating to taxation; income; providing a credit for nursing home residents; modifying the tax treatment of income of foreign operating corporation; appropriating money; amending Minnesota Statutes 2004, section 290.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Mullery introduced:

H. F. No. 3962, A bill for an act relating to property tax refunds; providing for payment of refunds when the claimant dies; amending Minnesota Statutes 2004, section 290A.18, subdivision 1.

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

Ruud, Davnie, Sieben and Hilstrom introduced:

H. F. No. 3963, A bill for an act relating to consumer protection; regulating the disclosure of personal information by data warehouses; providing notice content requirements; removing an exemption for financial institutions and health care entities; amending Minnesota Statutes 2005 Supplement, section 325E.61, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2005 Supplement, section 325E.61, subdivision 4.

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

Abeler; Westerberg; Sertich; Nelson, M.; Mahoney; Clark; Nornes; Tingelstad and Lanning introduced:

H. F. No. 3964, A bill for an act relating to human services; appropriating money for community action grants.

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

Dill introduced:

H. F. No. 3965, A bill for an act relating to taxes; authorizing the city of Ely to impose a local sales and use tax.

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

Sieben introduced:

H. F. No. 3966, A bill for an act relating to health; requiring the commissioner of health to develop health risk limits for perfluorooctanoic acid and perfluorooctane sulfonate.

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

Thissen introduced:

H. F. No. 3967, A bill for an act relating to transportation; adding requirements for regular route transit provided by Metropolitan Council; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Solberg; Anderson, I., and Moe introduced:

H. F. No. 3968, A bill for an act relating to local government; authorizing Itasca County to establish a revolving loan fund to upgrade failing septic systems.

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

Loeffler and Goodwin introduced:

H. F. No. 3969, A bill for an act relating to commerce; directing the Department of Commerce to develop a plan to license individual employees of mortgage originators; appropriating money.

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

Thissen introduced:

H. F. No. 3970, A bill for an act relating to human services; requiring foster care providers to annually provide mental health training; proposing coding for new law in Minnesota Statutes, chapter 245A.

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

Thissen and Simon introduced:

H. F. No. 3971, A bill for an act relating to state government; requiring state agencies to use open data formats; amending Minnesota Statutes 2005 Supplement, sections 16E.03, subdivision 1; 16E.04, subdivision 2.

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

Hilty and Soderstrom introduced:

H. F. No. 3972, A bill for an act relating to taxation; sales and use; exempting construction materials and equipment used to construct the Pine County Judicial Center; amending Minnesota Statutes 2004, section 297A.71, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 297A.75, subdivisions 1, 2, 3.

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

Peterson, A.; Clark; Davnie; Hilty; Hansen; Lesch; Johnson, S.; Fritz and Thissen introduced:

H. F. No. 3973, A bill for an act relating to utilities; requiring utility bills to show energy costs; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Kahn introduced:

H. F. No. 3974, A bill for an act relating to state government; creating a task force to study the design of the state flag.

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

Urdahl, Abeler and Latz introduced:

H. F. No. 3975, A bill for an act relating to higher education; providing supplemental funding for the University of Minnesota; appropriating money.

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

Sertich introduced:

H. F. No. 3976, A bill for an act relating to human services; establishing the work participation rate enhancement program; amending Minnesota Statutes 2004, sections 119B.011, by adding a subdivision; 119B.05, subdivision 1; 256J.021; 256J.08, subdivision 65; 256J.521, subdivisions 1, 2; 256J.53, subdivision 2, by adding a subdivision; 256J.626, subdivisions 1, 2, 3, 4; proposing coding for new law in Minnesota Statutes, chapter 256J.

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

Eken and Moe introduced:

H. F. No. 3977, A bill for an act relating to game and fish; modifying prohibitions on use of lights to take fish; amending Minnesota Statutes 2004, section 97C.335.

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

Vandevveer introduced:

H. F. No. 3978, A bill for an act relating to commerce; regulating building contractors; strengthening the protection provided by homeowner warranties; amending Minnesota Statutes 2004, sections 60A.08, subdivision 6, by adding a subdivision; 60A.198, subdivision 2; 326.89, subdivision 2; 326.91, subdivision 1, by adding a subdivision; 326.94, subdivision 2.

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

Huntley, Thissen, Otremba, Walker and Thao introduced:

H. F. No. 3979, A bill for an act relating to health care; creating a prescription drug discount program; expanding the benefit set for single adults; increasing the eligibility income limit for single adults; increasing the cap for inpatient hospitalization benefits for adults; modifying the definition of income for self-employed farmers; establishing a small employer option; amending Minnesota Statutes 2004, sections 256L.03, subdivision 3; 256L.04, subdivision 7; Minnesota Statutes 2005 Supplement, sections 256L.01, subdivision 4; 256L.03, subdivisions 1, 5; 256L.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 256; 256L; repealing Minnesota Statutes 2005 Supplement, section 256L.035.

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

Lieder introduced:

H. F. No. 3980, A bill for an act relating to state lands; authorizing private sale and conveyance of certain tax-forfeited lands that border public water in Marshall County.

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

Sieben and Ruud introduced:

H. F. No. 3981, A bill for an act relating to health; requiring the commissioner of health to provide information on the dangers of jewelry containing lead and prohibiting the sale of jewelry containing lead; amending Minnesota Statutes 2004, section 144.9503, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Paulsen, McNamara and Garofalo introduced:

H. F. No. 3982, A bill for an act relating to state government; requiring state agencies to use open source software for creation of public documents; proposing coding for new law in Minnesota Statutes, chapter 16E.

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

Newman introduced:

H. F. No. 3983, A bill for an act relating to the environment; appropriating money for the Cedar Mills wastewater treatment system.

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

Thissen introduced:

H. F. No. 3984, A bill for an act relating to workers' compensation; specifying that a personal injury caused by the gross negligence of an employer is not covered by the workers' compensation system; amending Minnesota Statutes 2004, section 176.011, subdivision 16.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Thissen introduced:

H. F. No. 3985, A bill for an act relating to workers' compensation; requiring the commissioner of labor and industry to treat thoracic, rib, chest, and crush injuries like a broken spine for purposes of disability schedules; amending Minnesota Statutes 2004, section 176.105, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Thissen introduced:

H. F. No. 3986, A bill for an act relating to workers' compensation; specifying that employers may require an employee to receive treatment and supplies under a certified managed care plan only if the employee's injury occurs on or after the date that the employer implemented the use of a managed care plan; amending Minnesota Statutes 2005 Supplement, section 176.135, subdivision 1.

The bill was read for the first time and referred to the Committee on Civil Law and Elections.

Johnson, J., introduced:

H. F. No. 3987, A bill for an act relating to appropriations; appropriating and transferring money and supplementing or reducing appropriations for various state agencies, programs, or activities; establishing, regulating, or modifying certain programs or activities; requiring studies and reports; amending Laws 2005, chapter 136, article 1, sections 10; 13, subdivision 3.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Finance.

Dean introduced:

H. F. No. 3988, A bill for an act relating to health; modifying provision in the Women's Right To Know Act; amending Minnesota Statutes 2004, section 145.4241, by adding subdivisions; Minnesota Statutes 2005 Supplement, section 145.4242.

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

Severson, Haws and Hosch introduced:

H. F. No. 3989, A bill for an act relating to health; changing the operating payment rates of certain nursing facilities; amending Minnesota Statutes 2004, section 256B.431, by adding a subdivision.

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

Severson introduced:

H. F. No. 3990, A bill for an act relating to local government; permitting political subdivisions to fly the American flag at half-staff on certain occasions; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Dempsey introduced:

H. F. No. 3991, A bill for an act relating to transportation; extending life of Mississippi River Parkway Commission to 2016; amending Minnesota Statutes 2005 Supplement, section 161.1419, subdivision 8.

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

Thissen introduced:

H. F. No. 3992, A bill for an act relating to education; creating a state grant program to pay for a portion of the facility costs of certain community partnership programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123B.

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

Sertich introduced:

H. F. No. 3993, A bill for an act relating to child care; modifying training requirements; amending Minnesota Statutes 2004, sections 245A.023; 245A.14, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 245A.14, subdivision 12.

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

Nornes introduced:

H. F. No. 3994, A bill for an act relating to taxes; authorizing Independent School District No. 544, Fergus Falls, to impose a local sales and use tax and a motor vehicle excise tax.

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

CONSENT CALENDAR

H. F. No. 2892, A bill for an act relating to higher education; authorizing the Minnesota State Colleges and Universities Board of Trustees to construct an academic building in Mankato.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Haws	Krinkle	Nornes	Severson
Anderson, B.	Dittrich	Heidgerken	Lanning	Olson	Sieben
Anderson, I.	Dorman	Hilstrom	Larson	Otremba	Simon
Atkins	Dorn	Hilty	Latz	Ozment	Simpson
Beard	Eastlund	Holberg	Lenczewski	Paulsen	Slawik
Bernardy	Eken	Hoppe	Lesch	Paymar	Smith
Blaine	Ellison	Hornstein	Liebling	Pelowski	Soderstrom
Bradley	Emmer	Hortman	Lieder	Penas	Solberg
Brod	Entenza	Hosch	Lillie	Peppin	Sykora
Buesgens	Erhardt	Howes	Loeffler	Peterson, A.	Thao
Carlson	Erickson	Huntley	Magnus	Peterson, N.	Thissen
Charron	Finstad	Jaros	Mahoney	Peterson, S.	Tingelstad
Clark	Fritz	Johnson, J.	Mariani	Poppe	Urdahl
Cornish	Garofalo	Johnson, R.	Marquart	Powell	Vandever
Cox	Gazelka	Johnson, S.	McNamara	Rukavina	Wagenius
Cybart	Goodwin	Juhnke	Meslow	Ruth	Walker
Davids	Greiling	Kahn	Moe	Ruud	Wardlow
Davnie	Gunther	Kelliher	Mullery	Sailer	Welti
Dean	Hackbarth	Klinzing	Murphy	Samuelson	Westerberg
DeLaForest	Hamilton	Knoblach	Nelson, M.	Scalze	Westrom
Demmer	Hansen	Koenen	Nelson, P.	Seifert	Wilkin
Dempsey	Hausman	Kohls	Newman	Sertich	Spk. Sviggum

The bill was passed and its title agreed to.

H. F. No. 3670, A bill for an act relating to agriculture; changing certain food law provisions; amending Minnesota Statutes 2004, sections 25.33, subdivision 11; 25.39, subdivisions 2, 3; 25.40; 25.41, subdivisions 1, 2, 4, 7, by adding a subdivision; 25.42, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Haws	Krinkie	Nornes	Severson
Anderson, B.	Dittrich	Heidgerken	Lanning	Olson	Sieben
Anderson, I.	Dorman	Hilstrom	Larson	Otremba	Simon
Atkins	Dorn	Hilty	Latz	Ozment	Simpson
Beard	Eastlund	Holberg	Lenczewski	Paulsen	Slawik
Bernardy	Eken	Hoppe	Lesch	Paymar	Smith
Blaine	Ellison	Hornstein	Liebling	Pelowski	Soderstrom
Bradley	Emmer	Hortman	Lieder	Penas	Solberg
Brod	Entenza	Hosch	Lillie	Peppin	Sykora
Buesgens	Erhardt	Howes	Loeffler	Peterson, A.	Thao
Carlson	Erickson	Huntley	Magnus	Peterson, N.	Thissen
Charron	Finstad	Jaros	Mahoney	Peterson, S.	Tingelstad
Clark	Fritz	Johnson, J.	Mariani	Poppe	Urdahl
Cornish	Garofalo	Johnson, R.	Marquart	Powell	Vandever
Cox	Gazelka	Johnson, S.	McNamara	Rukavina	Wagenius
Cybart	Goodwin	Juhnke	Meslow	Ruth	Walker
Davids	Greiling	Kahn	Moe	Ruud	Wardlow
Davnie	Gunther	Kelliher	Mullery	Sailer	Welti
Dean	Hackbarth	Klinzing	Murphy	Samuelson	Westerberg
DeLaForest	Hamilton	Knoblach	Nelson, M.	Scalze	Westrom
Demmer	Hansen	Koenen	Nelson, P.	Seifert	Wilkin
Dempsey	Hausman	Kohls	Newman	Sertich	Spk. Sviggum

The bill was passed 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 Calendar for the Day for Monday, March 27, 2006:

H. F. Nos. 3039, 3027, 2680, 3063 and 2645.

CALENDAR FOR THE DAY

H. F. No. 3039, A bill for an act relating to natural resources; providing for extension of timber permits in the event of adverse surface conditions; amending Minnesota Statutes 2004, section 90.041, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Haws	Krinkie	Nornes	Severson
Anderson, B.	Dittrich	Heidgerken	Lanning	Olson	Sieben
Anderson, I.	Dorman	Hilstrom	Larson	Otremba	Simon
Atkins	Dorn	Hilty	Latz	Ozment	Simpson
Beard	Eastlund	Holberg	Lenczewski	Paulsen	Slawik
Bernardy	Eken	Hoppe	Lesch	Paymar	Smith
Blaine	Ellison	Hornstein	Liebling	Pelowski	Soderstrom
Bradley	Emmer	Hortman	Lieder	Penas	Solberg
Brod	Entenza	Hosch	Lillie	Peppin	Sykora
Buesgens	Erhardt	Howes	Loeffler	Peterson, A.	Thao
Carlson	Erickson	Huntley	Magnus	Peterson, N.	Thissen
Charron	Finstad	Jaros	Mahoney	Peterson, S.	Tingelstad
Clark	Fritz	Johnson, J.	Mariani	Poppe	Urdahl
Cornish	Garofalo	Johnson, R.	Marquart	Powell	Vandever
Cox	Gazelka	Johnson, S.	McNamara	Rukavina	Wagenius
Cybart	Goodwin	Juhnke	Meslow	Ruth	Walker
Davids	Greiling	Kahn	Moe	Ruud	Wardlow
Davnie	Gunther	Kelliher	Mullery	Sailer	Welti
Dean	Hackbarth	Klinzing	Murphy	Samuelson	Westerberg
DeLaForest	Hamilton	Knoblach	Nelson, M.	Scalze	Westrom
Demmer	Hansen	Koenen	Nelson, P.	Seifert	Wilkin
Dempsey	Hausman	Kohls	Newman	Sertich	Spk. Sviggum

The bill was passed and its title agreed to.

H. F. No. 3027, A bill for an act relating to counties; modifying nonconforming use provisions; amending Minnesota Statutes 2004, section 394.36, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 94 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Howes	Magnus	Penas
Anderson, B.	DeLaForest	Gazelka	Johnson, J.	Marquart	Peppin
Anderson, I.	Demmer	Gunther	Johnson, R.	McNamara	Peterson, N.
Beard	Dempsey	Hackbarth	Juhnke	Meslow	Poppe
Blaine	Dittrich	Hamilton	Klinzing	Moe	Powell
Bradley	Dorman	Haws	Knoblach	Murphy	Ruth
Brod	Eastlund	Heidgerken	Koenen	Nelson, P.	Ruud
Buesgens	Eken	Hilstrom	Kohls	Newman	Sailer
Charron	Emmer	Hilty	Krinkie	Nornes	Samuelson
Cornish	Erhardt	Holberg	Lanning	Olson	Seifert
Cox	Erickson	Hoppe	Larson	Ozment	Severson
Cybart	Finstad	Hortman	Lesch	Paulsen	Sieben
Davids	Fritz	Hosch	Lieder	Pelowski	Simon

Simpson	Solberg	Tingelstad	Wardlow	Westrom	Spk. Sviggum
Smith	Sykora	Urdahl	Walti	Wilkin	
Soderstrom	Thissen	Vandever	Westerberg	Zellers	

Those who voted in the negative were:

Atkins	Ellison	Huntley	Liebling	Otremba	Slawik
Bernardy	Entenza	Jaros	Lillie	Paymar	Thao
Carlson	Goodwin	Johnson, S.	Loeffler	Peterson, A.	Wagenius
Clark	Greiling	Kahn	Mahoney	Peterson, S.	Walker
Davnie	Hansen	Kelliher	Mariani	Rukavina	
Dill	Hausman	Latz	Mullery	Scalze	
Dorn	Hornstein	Lenczewski	Nelson, M.	Sertich	

The bill was passed and its title agreed to.

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

H. F. No. 2680 was reported to the House.

MOTION TO RE-REFER

Carlson moved that H. F. No. 2680 be re-referred to the Committee on Higher Education Finance.

A roll call was requested and properly seconded.

The question was taken on the Carlson motion and the roll was called. There were 67 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Fritz	Jaros	Lieder	Pelowski	Solberg
Atkins	Goodwin	Johnson, R.	Lillie	Peterson, A.	Thao
Bernardy	Greiling	Johnson, S.	Loeffler	Peterson, S.	Thissen
Carlson	Hansen	Juhnke	Mahoney	Poppe	Urdahl
Clark	Hausman	Kahn	Mariani	Rukavina	Wagenius
Davnie	Haws	Kelliher	Marquart	Ruud	Walker
Dill	Hilstrom	Koenen	Moe	Sailer	Walti
Dittrich	Hilty	Larson	Mullery	Scalze	
Dorn	Hornstein	Latz	Murphy	Sertich	
Eken	Hortman	Lenczewski	Nelson, M.	Sieben	
Ellison	Hosch	Lesch	Otremba	Simon	
Entenza	Huntley	Liebling	Paymar	Slawik	

Those who voted in the negative were:

Abeler	Blaine	Buesgens	Cox	DeLaForest	Dorman
Anderson, B.	Bradley	Charron	Cybart	Demmer	Eastlund
Beard	Brod	Cornish	Dean	Dempsey	Emmer

Erhardt	Heidgerken	Krinkie	Olson	Samuelson	Vandevveer
Erickson	Holberg	Lanning	Ozment	Seifert	Wardlow
Finstad	Hoppe	Magnus	Paulsen	Severson	Westerberg
Garofalo	Howes	McNamara	Penas	Simpson	Westrom
Gazelka	Johnson, J.	Meslow	Peppin	Smith	Wilkin
Gunther	Klinzing	Nelson, P.	Peterson, N.	Soderstrom	Zellers
Hackbarth	Knoblach	Newman	Powell	Sykora	Spk. Sviggum
Hamilton	Kohls	Nornes	Ruth	Tingelstad	

Not having received a majority vote of the whole House, the motion did not prevail.

H. F. No. 2680, A bill for an act relating to education; providing teacher training for qualified professionals; proposing coding for new law in Minnesota Statutes, chapter 122A; repealing Minnesota Statutes 2004, section 122A.24.

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

The question was taken on the passage of the bill and the roll was called. There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hackbarth	Magnus	Peterson, N.	Vandevveer
Anderson, B.	DeLaForest	Hamilton	McNamara	Powell	Wardlow
Beard	Demmer	Holberg	Meslow	Ruth	Westerberg
Blaine	Eastlund	Hoppe	Nelson, P.	Samuelson	Westrom
Bradley	Emmer	Howes	Newman	Seifert	Wilkin
Brod	Erhardt	Johnson, J.	Nornes	Severson	Zellers
Buesgens	Erickson	Klinzing	Olson	Simpson	Spk. Sviggum
Charron	Finstad	Knoblach	Ozment	Smith	
Cornish	Garofalo	Kohls	Paulsen	Soderstrom	
Cox	Gazelka	Krinkie	Penas	Sykora	
Cybart	Gunther	Lanning	Peppin	Tingelstad	

Those who voted in the negative were:

Anderson, I.	Ellison	Hortman	Lenczewski	Nelson, M.	Sieben
Atkins	Entenza	Hosch	Lesch	Otremba	Simon
Bernardy	Fritz	Huntley	Liebling	Paymar	Slawik
Carlson	Goodwin	Jaros	Lieder	Pelowski	Solberg
Clark	Greiling	Johnson, R.	Lillie	Peterson, A.	Thao
Davnie	Hansen	Johnson, S.	Loeffler	Peterson, S.	Thissen
Dempsey	Hausman	Juhnke	Mahoney	Poppe	Urdahl
Dill	Haws	Kahn	Mariani	Rukavina	Wagenius
Dittrich	Heidgerken	Kelliher	Marquart	Ruud	Walker
Dorman	Hilstrom	Koenen	Moe	Sailer	Welti
Dorn	Hilty	Larson	Mullery	Scalze	
Eken	Hornstein	Latz	Murphy	Sertich	

The bill was not passed.

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

MOTIONS AND RESOLUTIONS

Abrams moved that the name of Juhnke be added as an author on H. F. No. 33. The motion prevailed.

Abrams moved that the name of Juhnke be added as an author on H. F. No. 263. The motion prevailed.

Demmer moved that the name of Ruth be added as an author on H. F. No. 1412. The motion prevailed.

Greiling moved that her name be stricken as an author on H. F. No. 1505. The motion prevailed.

Thissen moved that his name be stricken as an author on H. F. No. 1505. The motion prevailed.

Davnier moved that the name of Liebling be added as an author on H. F. No. 1943. The motion prevailed.

Huntley moved that the name of Lillie be added as an author on H. F. No. 2151. The motion prevailed.

Sieben moved that the name of Lillie be added as an author on H. F. No. 2691. The motion prevailed.

Johnson, J., moved that the name of Westrom be added as an author on H. F. No. 2846. The motion prevailed.

Greiling moved that the name of Ruud be added as an author on H. F. No. 2975. The motion prevailed.

Abrams moved that the names of Ruud and Cox be added as authors on H. F. No. 2987. The motion prevailed.

Sieben moved that her name be stricken as an author on H. F. No. 3017. The motion prevailed.

Nelson, P., moved that the names of Erickson and Eastlund be added as authors on H. F. No. 3050. The motion prevailed.

Buesgens moved that the name of Wilkin be added as an author on H. F. No. 3063. The motion prevailed.

Abrams moved that the name of Magnus be added as an author on H. F. No. 3079. The motion prevailed.

Abeler moved that the name of Ruud be added as an author on H. F. No. 3222. The motion prevailed.

Kohls moved that the name of Hoppe be added as an author on H. F. No. 3263. The motion prevailed.

Abrams moved that the names of Lillie and Hortman be added as authors on H. F. No. 3268. The motion prevailed.

Hoppe moved that the names of Lenczewski and Lillie be added as authors on H. F. No. 3272. The motion prevailed.

Beard moved that the name of Ruth be added as an author on H. F. No. 3287. The motion prevailed.

Cox moved that the name of Lenczewski be added as an author on H. F. No. 3323. The motion prevailed.

Gunther moved that the name of Cybart be added as an author on H. F. No. 3327. The motion prevailed.

Haws moved that the name of Severson be added as an author on H. F. No. 3329. The motion prevailed.

Lanning moved that the name of Lenczewski be added as an author on H. F. No. 3336. The motion prevailed.

Tingelstad moved that the name of Juhnke be added as an author on H. F. No. 3440. The motion prevailed.

Westerberg moved that the name of Haws be added as an author on H. F. No. 3484. The motion prevailed.

Sailer moved that the name of Clark be added as an author on H. F. No. 3500. The motion prevailed.

Brod moved that the name of Scalze be added as an author on H. F. No. 3502. The motion prevailed.

Severson moved that the name of Hosch be added as an author on H. F. No. 3547. The motion prevailed.

McNamara moved that the name of Magnus be added as an author on H. F. No. 3612. The motion prevailed.

Penas moved that the names of Erickson and Soderstrom be added as authors on H. F. No. 3614. The motion prevailed.

Olson moved that the name of Lillie be added as an author on H. F. No. 3640. The motion prevailed.

Holberg moved that the name of Paulsen be added as an author on H. F. No. 3657. The motion prevailed.

Johnson, J., moved that the name of Simon be added as an author on H. F. No. 3660. The motion prevailed.

Davnie moved that the name of Lenczewski be added as an author on H. F. No. 3680. The motion prevailed.

Davnie moved that the name of Lenczewski be added as an author on H. F. No. 3685. The motion prevailed.

Hortman moved that the name of Lenczewski be added as an author on H. F. No. 3686. The motion prevailed.

Sykora moved that the name of Lenczewski be added as an author on H. F. No. 3687. The motion prevailed.

Abeler moved that the name of Lenczewski be added as an author on H. F. No. 3694. The motion prevailed.

Marquart moved that the name of Lenczewski be added as an author on H. F. No. 3695. The motion prevailed.

Hansen moved that the names of Lenczewski and Sieben be added as authors on H. F. No. 3705. The motion prevailed.

Walker moved that the name of Simon be added as an author on H. F. No. 3708. The motion prevailed.

Hackbarth moved that the names of McNamara and Lenczewski be added as authors on H. F. No. 3712. The motion prevailed.

Hornstein moved that the name of Lillie be added as an author on H. F. No. 3718. The motion prevailed.

Meslow moved that the name of Ruud be added as an author on H. F. No. 3725. The motion prevailed.

Eken moved that the name of Clark be added as an author on H. F. No. 3733. The motion prevailed.

Erhardt moved that the name of Lenczewski be added as an author on H. F. No. 3756. The motion prevailed.

Howes moved that the name of Slawik be added as an author on H. F. No. 3776. The motion prevailed.

Tingelstad moved that the names of Lenczewski and Juhnke be added as authors on H. F. No. 3781. The motion prevailed.

Newman moved that the name of Lillie be added as an author on H. F. No. 3808. The motion prevailed.

Latz moved that the name of Ruud be added as an author on H. F. No. 3829. The motion prevailed.

Klinzing moved that the name of Lenczewski be added as an author on H. F. No. 3854. The motion prevailed.

Wardlow moved that the name of Lillie be added as an author on H. F. No. 3855. The motion prevailed.

Kelliher moved that the name of Lenczewski be added as an author on H. F. No. 3864. The motion prevailed.

Sertich moved that the names of Lenczewski, Dittrich, Larson and Ruud be added as authors on H. F. No. 3873. The motion prevailed.

Haws moved that his name be stricken as an author on H. F. No. 3874. The motion prevailed.

Meslow moved that the names of Charron, Ruud, Lenczewski and Dittrich be added as authors on H. F. No. 3880. The motion prevailed.

Peterson, A., moved that the names of Sieben; Ruud; Moe; Latz; Mahoney; Lenczewski; Hausman; Dittrich; Hortman; Loeffler; Wagenius; Hansen; Cox; Koenen; Clark; Hilstrom; Greiling; Scalze; Nelson, M.; Johnson, R.; Abeler; Liebling; Carlson and Fritz be added as authors on H. F. No. 3883. The motion prevailed.

Sailer moved that the name of Moe be added as an author on H. F. No. 3886. The motion prevailed.

Hosch moved that the names of Lenczewski and Moe be added as authors on H. F. No. 3893. The motion prevailed.

Hosch moved that the name of Moe be added as an author on H. F. No. 3895. The motion prevailed.

Hosch moved that the name of Moe be added as an author on H. F. No. 3896. The motion prevailed.

Hosch moved that the name of Moe be added as an author on H. F. No. 3897. The motion prevailed.

Hosch moved that the names of Scalze, Lenczewski and Moe be added as authors on H. F. No. 3898. The motion prevailed.

Hosch moved that the name of Moe be added as an author on H. F. No. 3899. The motion prevailed.

Hosch moved that the name of Scalze be added as an author on H. F. No. 3900. The motion prevailed.

Simon moved that the names of Latz, Moe and Kahn be added as authors on H. F. No. 3909. The motion prevailed.

Moe moved that the names of Koenen, Clark and Kahn be added as authors on H. F. No. 3915. The motion prevailed.

Cornish moved that H. F. No. 2775 be recalled from the Committee on Commerce and Financial Institutions and be re-referred to the Committee on Public Safety Policy and Finance. The motion prevailed.

Paulsen moved that H. F. No. 3136 be recalled from the Committee on Higher Education Finance and be re-referred to the Committee on Civil Law and Elections. The motion prevailed.

Cornish moved that H. F. No. 3141 be recalled from the Committee on Commerce and Financial Institutions and be re-referred to the Committee on Jobs and Economic Opportunity Policy and Finance. The motion prevailed.

Tingelstad moved that H. F. No. 3244 be recalled from the Committee on Public Safety Policy and Finance and be re-referred to the Committee on Governmental Operations and Veterans Affairs. The motion prevailed.

Urdahl moved that H. F. No. 3425 be recalled from the Committee on Education Policy and Reform and be re-referred to the Committee on Education Finance. The motion prevailed.

Gazelka moved that H. F. No. 3634 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on State Government Finance. The motion prevailed.

McNamara moved that H. F. No. 3780 be recalled from the Committee on Civil Law and Elections and be re-referred to the Committee on Commerce and Financial Institutions. The motion prevailed.

Latz moved that H. F. No. 3914 be recalled from the Committee on Civil Law and Elections and be re-referred to the Committee on Education Policy and Reform. The motion prevailed.

Cornish moved that H. F. No. 3947 be recalled from the Committee on Agriculture and Rural Development and be re-referred to the Committee on Jobs and Economic Opportunity Policy and Finance. The motion prevailed.

Haws moved that H. F. No. 3140 be returned to its author. The motion prevailed.

MOTION TO REJECT 2006 BUDGET RESOLUTION

Kelliher moved that the House reject the 2006 Budget Resolution as adopted by the Committee on Ways and Means on Wednesday, March 22, 2006.

A roll call was requested and properly seconded.

The question was taken on the Kelliher motion and the roll was called. There were 68 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dittrich	Greiling	Hortman	Kahn	Lesch
Atkins	Dorn	Hansen	Hosch	Kelliher	Liebling
Bernardy	Eken	Hausman	Huntley	Koenen	Lieder
Carlson	Ellison	Haws	Jaros	Krinkie	Lillie
Clark	Entenza	Hilstrom	Johnson, R.	Larson	Loeffler
Davnie	Fritz	Hilty	Johnson, S.	Latz	Mahoney
Dill	Goodwin	Hornstein	Juhnke	Lenczewski	Mariani

Marquart	Otremba	Poppe	Sertich	Thao	Westrom
Moe	Paymar	Rukavina	Sieben	Thissen	
Mullery	Pelowski	Ruud	Simon	Wagenius	
Murphy	Peterson, A.	Sailer	Slawik	Walker	
Nelson, M.	Peterson, S.	Scalze	Solberg	Walti	

Those who voted in the negative were:

Abeler	Dean	Gazelka	Kohls	Penas	Sykora
Anderson, B.	DeLaForest	Gunther	Lanning	Peppin	Tingelstad
Beard	Demmer	Hackbarth	Magnus	Peterson, N.	Urdahl
Blaine	Dempsey	Hamilton	McNamara	Powell	Wardlow
Bradley	Dorman	Heidgerken	Meslow	Ruth	Westerberg
Brod	Eastlund	Holberg	Nelson, P.	Samuelson	Wilkin
Buesgens	Emmer	Hoppe	Newman	Seifert	Zellers
Charron	Erhardt	Howes	Nornes	Severson	Spk. Sviggum
Cornish	Erickson	Johnson, J.	Olson	Simpson	
Cox	Finstad	Klinzing	Ozment	Smith	
Cybart	Garofalo	Knoblach	Paulsen	Soderstrom	

The motion prevailed and the 2006 Budget Resolution, as adopted by the Committee on Ways and Means on Wednesday, March 22, 2006, was rejected.

Walti moved that H. F. No. 2567 be recalled from the Committee on Jobs and Economic Opportunity Policy and Finance and be re-referred to the Committee on Governmental Operations and Veterans Affairs. The motion prevailed.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, March 28, 2006. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, March 28, 2006.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

