

STATE OF MINNESOTA

EIGHTY-FOURTH SESSION — 2005

 THIRTY-SECOND DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 29, 2005

The House of Representatives convened at 12:00 noon and was called to order by Steve Sviggum, Speaker of the House.

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

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

The roll was called and the following members were present:

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

A quorum was present.

Huntley was excused.

Olson was excused until 12:30 p.m. Abrams was excused until 1:45 p.m.

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

REPORTS OF CHIEF CLERK

S. F. No. 1622 and H. F. No. 1874, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Peppin moved that S. F. No. 1622 be substituted for H. F. No. 1874 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

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

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2005 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2005</i>	<i>Date Filed 2005</i>
75		12	9:30 a.m. March 19	March 21
532		13	10:00 a.m. March 19	March 21

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 6, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XIII; recognizing as marriage only a union between one man and one woman.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section shall be added to article XIII, to read:

Sec. 13. Only a union of one man and one woman shall be valid or recognized as a marriage in Minnesota. This state and its political subdivisions shall not create or recognize a legal status similar to that of marriage.

Sec. 2. [QUESTION.]

The proposed amendment shall be submitted to the people at the 2006 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide that only the union of one man and one woman shall be valid or recognized as marriage in Minnesota and that the state and its subdivisions shall not create or recognize a legal status similar to that of marriage?"

Yes
No"

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

The report was adopted.

Krinkie from the Committee on Taxes to which was referred:

H. F. No. 34, A bill for an act relating to local government; limiting certain condemnation powers in relation to certain properties used by veterans; providing a property tax exemption; providing zoning designations; excluding a property from the regional recreational open space system; establishing requirements for a veterans rest camp; amending Minnesota Statutes 2004, sections 88.44, by adding a subdivision; 103B.331, by adding a subdivision; 272.02, by adding a subdivision; 375.18, by adding a subdivision; 376.55, by adding a subdivision; 394.25, by adding a subdivision; 398.32, by adding a subdivision; 462.357, by adding a subdivision; 473.147, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [197.80] [LIMITATION ON CONDEMNATION.]

No county in the metropolitan area may acquire by eminent domain property owned or leased and operated by a nonprofit organization and primarily used to provide recreational opportunities to disabled veterans and their families.

Sec. 2. Minnesota Statutes 2004, section 394.25, is amended by adding a subdivision to read:

Subd. 3d. [NONPROFIT RECREATIONAL PROPERTY FOR USE BY DISABLED VETERANS.] Property located in a county in the metropolitan area with a population of less than 500,000, and owned or leased and operated by a nonprofit organization, and primarily used to provide recreational opportunities for disabled veterans and their families is a legal conforming use for purposes of zoning controls. Improvements to such property shall be allowed under the terms of a planned unit development permit.

Sec. 3. Minnesota Statutes 2004, section 462.357, is amended by adding a subdivision to read:

Subd. 1g. [NONPROFIT RECREATIONAL PROPERTY FOR USE BY DISABLED VETERANS.] Property located in a county in the metropolitan area with a population of less than 500,000, and owned or leased and operated by a nonprofit organization, and primarily used to provide recreational opportunities for disabled veterans and their families is a legal conforming use for purposes of zoning controls. Improvements to such property shall be allowed under the terms of a planned unit development permit.

Sec. 4. Minnesota Statutes 2004, section 473.147, is amended by adding a subdivision to read:

Subd. 1a. [DISABLED VETERANS REST CAMP EXCLUDED FROM REGIONAL RECREATIONAL OPEN SPACE SYSTEM.] Property occupied by the Disabled Veterans Rest Camp on Big Marine Lake in Washington County is excluded from the regional recreational open space system.

Sec. 5. [RESTRICTIONS LIMITED.]

No county may take any action to encumber or restrict ingress or egress below levels permissible on January 1, 2005, to property located in a county in the metropolitan area with a population of less than 500,000, and owned or leased and operated by a nonprofit organization, and primarily used to provide recreational opportunities to disabled veterans and their families.

Sec. 6. [DISABLED VETERANS CAMP REQUIREMENTS.]

The Disabled Veterans Rest Camp on Big Marine Lake in Washington County ("The Camp") must develop and promote camp features and amenities for veterans who are disabled or have limited physical capabilities. The camp shall modify its operating policies and procedures to include provisions for the regular rotation of the use of campsites, cabins, and parking spots for travel trailers, limiting the time that any one veteran can use the cabin and campsites especially when there is a waiting list of veterans with service connected disabilities.

Sec. 7. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government; limiting certain condemnation powers in relation to certain properties used by veterans; providing zoning designations; excluding a property from the regional recreational open space system; establishing requirements for a veterans rest camp; amending Minnesota Statutes 2004, sections 394.25, by adding a subdivision; 462.357, by adding a subdivision; 473.147, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 197."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 514, A bill for an act relating to the state lottery; establishing a lottery board; amending Minnesota Statutes 2004, sections 349A.01, by adding a subdivision; 349A.08, subdivision 7; 349A.11; 349A.14; proposing coding for new law in Minnesota Statutes, chapter 349A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LOTTERY BOARD

Section 1. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 1a. [BOARD.] "Board" means the State Lottery Board.

Sec. 2. [349A.011] [LOTTERY BOARD.]

Subdivision 1. [ESTABLISHED.] There is created a State Lottery Board comprised of seven members appointed by the governor with the advice and consent of the senate.

Subd. 2. [BOARD MEMBERS.] Board members must be residents of Minnesota and at least three members must reside outside the Twin Cities seven-county metropolitan area. At least one member must be an attorney licensed to practice law in Minnesota, at least one member must have demonstrable experience in marketing or advertising, at least one member must be a licensed certified public accountant who is qualified as a financial expert, at least one member must have demonstrable management experience in retail business, and the remaining three members must have demonstrable experience in managing complex business enterprises or have policy making experience in the public sector. No person may be a member of the board who has been convicted of a felony, a crime involving fraud or misrepresentation, or a gambling-related offense.

Subd. 3. [TERMS; COMPENSATION.] The terms, removal, and compensation of board members shall be as provided in section 15.0575, except that board members shall serve a term of three years.

Subd. 4. [BOARD ORGANIZATION.] (a) The board shall elect from their membership a chair and vice-chair at the first meeting following the beginning of each fiscal year.

(b) The board shall meet at least quarterly or at such other times at the call of the chair of the board.

(c) Notwithstanding chapter 13D, meetings of the board or any committee of the board that relate to the lottery's security, information security, or to evaluate the performance of the director may be closed to the public.

(d) The operating expenses of the board relating to its responsibilities under subdivision 5 shall be paid by the lottery from the lottery operations account and must be publicly reported by the board.

Subd. 5. [BOARD RESPONSIBILITIES.] The board has the responsibility to review the overall operation and performance of the lottery and make recommendations to the director regarding the operation of the lottery, including identifying potential improvements that will assist the lottery in maximizing proceeds to the state and ensuring the integrity and public confidence in the lottery. The responsibilities of the board include, but are not limited to:

(1) reviewing the annual budget of the lottery;

(2) reviewing proposed lottery rules;

(3) conducting an annual performance review of the director; and

(4) reviewing the financial affairs of the lottery.

Sec. 3. Minnesota Statutes 2004, section 349A.08, subdivision 7, is amended to read:

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to the director or an employee of the lottery, member of the board, or a member of their families residing in the same household of the member, director, or employee. No prize may be paid to an officer or employee of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a lottery procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

Sec. 4. Minnesota Statutes 2004, section 349A.11, is amended to read:

349A.11 [CONFLICT OF INTEREST.]

Subdivision 1. [LOTTERY TICKET; RETAILER.] The director, an employee of the lottery, a board member, a member of the immediate family of the director ~~or~~ employee, or board member residing in the same household may not:

(1) purchase a lottery ticket; 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.

Subd. 2. [GIFTS.] The director ~~or~~ an employee of the lottery in the unclassified service, or a board member may not accept a gift the acceptance of which by an official would be prohibited by section 10A.071.

Subd. 3. [PENALTY.] A violation of subdivision 1, clause (1), is a misdemeanor. A violation of subdivision 1, clause (2), is a gross misdemeanor. A violation of subdivision 1, clause (3), is a misdemeanor unless the gift, gratuity, or other item of value received has a value in excess of \$500, in which case a violation is a gross misdemeanor.

Subd. 4. [FUTURE EMPLOYMENT.] The director ~~or~~ an unclassified employee of the lottery, or a board member may not, within two years of terminating employment with the lottery or terminating membership on the board, represent any person, corporation, or entity before the lottery. A violation of this ~~paragraph~~ subdivision is a misdemeanor.

Sec. 5. Minnesota Statutes 2004, section 349A.14, is amended to read:

349A.14 [AUDIT.]

The ~~director~~ board shall contract for an annual certified audit of all accounts and transactions of the lottery, including but not limited to an audit of the lottery's information security. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting standards. The ~~director~~ board shall file a copy of each audit report of the lottery with the governor and, the legislature, and the director. The board shall cooperate fully with any audit, evaluation, or investigation initiated by the legislative auditor.

Sec. 6. [APPOINTMENT OF INITIAL LOTTERY BOARD MEMBERS.]

Of the initial members of the State Lottery Board, three shall serve a term of three years, two shall serve a term of two years, and two shall serve a term of one year. The governor shall select the initial chair of the board who shall serve as the chair until the board elects the chair.

Sec. 7. [EFFECTIVE DATE.]

This article is effective July 1, 2005.

ARTICLE 2

RACING COMMISSION

Section 1. Minnesota Statutes 2004, section 240.03, is amended to read:

240.03 [COMMISSION POWERS AND DUTIES.]

The commission has the following powers and duties:

(1) to regulate horse racing and card club activities in Minnesota to ensure that ~~it is~~ they are conducted in the public interest;

(2) to issue licenses as provided in this chapter;

(3) to enforce all laws and rules governing horse racing and card club activities;

(4) to collect and distribute all taxes provided for in this chapter;

(5) to conduct necessary investigations and inquiries and compel the submission of information, documents, and records it deems necessary to carry out its duties;

(6) to supervise the conduct of pari-mutuel betting on horse racing and card club wagering;

(7) to employ and supervise personnel under this chapter;

(8) to determine the number of racing days to be held in the state and at each licensed racetrack;

(9) to take all necessary steps to ensure the integrity of racing and card club activities in Minnesota; and

(10) to impose fees on the racing and card playing industries sufficient to recover the operating costs of the commission with the approval of the legislature according to section 16A.1283. Notwithstanding section 16A.1283, when the legislature is not in session, the commissioner of finance may grant interim approval for any new fees or adjustments to existing fees that are not statutorily specified, until such time as the legislature reconvenes and acts upon the new fees or adjustments. As part of its biennial budget request, the commission must propose changes to its fees that will be sufficient to recover the operating costs of the commission.

Sec. 2. Minnesota Statutes 2004, section 240.04, is amended by adding a subdivision to read:

Subd. 3a. [DIRECTOR OF CARD CLUBS.] The commission shall employ a director of card clubs who serves in the unclassified service at the commission's pleasure. The director is responsible for providing independent surveillance and other daily oversight of card club operations, and shall have expert knowledge and training in matters relevant to the operation of card clubs. The director shall perform the following duties:

(1) conduct routine compliance checks of card club activities to ensure compliance with a card club's approved plan of operation and with all laws and commission rules relating to the security and integrity of card club activities;

(2) oversee surveillance operations in card clubs, regularly review card club surveillance logs, and analyze on an annual basis the number and type of surveillance incidents occurring at card clubs; and

(3) regularly review card club finances, ensuring that card clubs are properly distributing revenue and expenses from the funds in the player pool.

Sec. 3. Minnesota Statutes 2004, section 240.23, is amended to read:

240.23 [RULEMAKING AUTHORITY.]

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in this chapter to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, and class D licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts;

(i) affirmative action in employment and contracting by class A, class B, and class D licensees; ~~and~~

(j) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety; and

(k) card club operations, including safety and security, surveillance, and finances.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 4. Minnesota Statutes 2004, section 240.30, subdivision 2, is amended to read:

Subd. 2. [SUPERVISION.] The authorized licensee is responsible for conducting and supervising the card games, subject to the oversight of the director of card clubs, providing all necessary equipment, services, and personnel, and reimbursing the commission for costs related to card club regulation and enforcement.

Sec. 5. Minnesota Statutes 2004, section 240.30, subdivision 7, is amended to read:

Subd. 7. [AMENDMENTS TO PLAN; VIOLATIONS; RELATION TO OTHER LAWS.] (a) The licensee may amend the plan of operation only with the commission's approval. The commission may withdraw its approval of a plan of operation.

(b) Card club activities are deemed to be relevant to the integrity of horse racing activities in Minnesota for purposes of sections ~~240.03~~; 240.06, subdivision 7; 240.08; and 240.27, subdivision 1.

(c) A violation of a law or rule relating to card club operation or a violation of an approved plan of operation is deemed to be a violation of law or rule for purposes of section 240.22.

(d) A violation of an approved plan of operation is deemed to be a violation of a rule of the commission for purposes of section 240.26, subdivision 3.

(e) Card playing at a card club is deemed to be a bet at a licensed racetrack for purposes of section 240.28, subdivision 2."

Amend the title as follows:

Page 1, line 2, delete "the state lottery" and insert "gaming"

Page 1, line 3, after the semicolon, insert "regulating card clubs and establishing a director of card clubs;" and after "sections" insert "240.03; 240.04, by adding a subdivision; 240.23; 240.30, subdivisions 2, 7;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs.

The report was adopted.

Krinkie from the Committee on Taxes to which was referred:

H. F. No. 572, A bill for an act relating to public safety; scheduling ephedrine and pseudoephedrine products as Schedule V controlled substances; regulating the sale of methamphetamine precursor drugs; authorizing reporting of suspicious transactions involving these drugs and providing civil immunity for so doing; further regulating while recodifying activities involving anhydrous ammonia; requiring courts to order restitution in certain situations involving controlled substances; imposing property restrictions in certain situations involving controlled substances; increasing the criminal penalties for possessing certain substances with the intent to manufacture methamphetamine and recodifying this crime; establishing new methamphetamine-related crimes; clarifying the definition of "narcotic drug"; expanding the definition of "violent crime" for mandatory sentencing purposes; requiring that vehicles and other property used to manufacture methamphetamine indicate this in the title or by an affidavit; requiring notice to schools when children are taken into protective custody after being found at a methamphetamine laboratory; establishing a methamphetamine laboratory cleanup revolving fund and authorizing loans to assist counties and cities in conducting methamphetamine cleanup; imposing criminal penalties; providing for ten new Bureau of Criminal Apprehension agents dedicated to methamphetamine enforcement; appropriating money; amending Minnesota Statutes 2004, sections 152.01, subdivision 10; 152.02, subdivision 6; 152.021, subdivisions 2a, 3; 152.027, subdivisions 1, 2; 152.135, subdivision 2; 168A.05, subdivision 3; 260B.171, by adding a subdivision; 609.1095, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 152; 446A; repealing Minnesota Statutes 2004, sections 18C.005, subdivisions 1a, 35a; 18C.201, subdivisions 6, 7; 18D.331, subdivision 5.

Reported the same back with the following amendments:

Page 20, line 36, after "bond" insert ", secured as provided in subdivision 8."

Page 22, line 13, after the period, insert "The county or city may secure and pay the revenue bond only with proceeds derived from the property containing the clandestine lab site, including assessments and charges under section 145A.08, subdivision 2, paragraph (c), payments by the property owner, or similar revenues."

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.

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

H. F. No. 605, A bill for an act relating to alcoholic beverages; allowing a brewer who manufactures beer on the premises where the brewer also holds an on-sale intoxicating liquor license to use wort produced outside Minnesota under certain circumstances; amending Minnesota Statutes 2004, section 340A.301, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

- | | |
|---|----------|
| (a) Manufacturers (except as provided in clauses (b) and (c)) | \$15,000 |
| Duplicates | \$3,000 |
| (b) Manufacturers of wines of not more than 25 percent alcohol by volume | \$500 |
| (c) Brewers other than those described in clauses (d) and (i) | \$2,500 |
| (d) Brewers who also hold one or more retail on-sale licenses and who manufacture fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, using only wort produced in Minnesota <u>except as otherwise provided in this clause</u> , the entire production of which is solely for consumption on tap on the licensed premises or for off-sale from that licensed premises. | |

A brewer licensed under this clause; (1) must obtain a separate license for each licensed premises where the brewer brews malt liquor.—~~A brewer licensed under this clause; (2) may not be~~

licensed as an importer under this chapter; and (3) <u>may use wort produced outside Minnesota if (i) its total sales at off-sale under section 340A.301, subdivision 7, paragraph (b), in any 12-month period do not exceed ten percent of the total production of beer on the premises or 100 barrels, whichever is less, or (ii) in the case of a brewer who has been licensed under this clause for fewer than 12 months, if the commissioner reasonably determines that the brewer will not sell amounts at off-sale in excess of the amounts specified in item (i) during the first 12 months of licensing</u>	\$500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
Duplicates	\$3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$2,000
(g) Wholesalers of intoxicating malt liquor	\$600
Duplicates	\$25
(h) Wholesalers of 3.2 percent malt liquor	\$10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$150

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 2. Minnesota Statutes 2004, section 340A.404, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISION; CITY OF MINNEAPOLIS.] (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, and to the American Swedish Institute for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

Sec. 3. Minnesota Statutes 2004, section 340A.504, subdivision 1, is amended to read:

Subdivision 1. [3.2 PERCENT MALT LIQUOR.] No sale of 3.2 percent malt liquor may be made between 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday, nor between 2:00 a.m. and ~~12:00 noon~~ 10:00 a.m. on Sunday, ~~provided that an establishment located on land owned by the Metropolitan Sports Commission, or the sports arena for which one or more licenses have been issued under section 340A.404, subdivision 2, paragraph (c), may sell 3.2 percent malt liquor between 10:00 a.m. and 12:00 noon on a Sunday on which a sports or other event is scheduled to begin at that location on or before 1:00 p.m. of that day.~~

Sec. 4. Minnesota Statutes 2004, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of ~~12:00 noon~~ 10:00 a.m. on Sundays and 2:00 a.m. on Mondays.

~~(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell alcoholic beverages for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 2:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota Clean Air Act.~~

~~(e)~~ An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

~~(d)~~ ~~(c)~~ A city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph ~~(e)~~ ~~(d)~~. A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

~~(e)~~ ~~(d)~~ An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

~~(f)~~ ~~(e)~~ Voter approval is not required for licenses issued by the Metropolitan Airports Commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$20 for each duplicate.

Sec. 5. Minnesota Statutes 2004, section 340A.504, subdivision 4, is amended to read:

Subd. 4. [INTOXICATING LIQUOR; OFF-SALE.] No sale of intoxicating liquor may be made by an off-sale licensee:

(1) on Sundays;

(2) before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday;

~~(3) after 10:00 p.m. on Monday through Saturday at an establishment located in a city other than a city of the first class or within a city located within 15 miles of a city of the first class in the same county;~~

~~(4) after 8:00 p.m. on Monday through Thursday and after 10:00 p.m. on Friday and Saturday at an establishment located in a city of the first class or within a city located within 15 miles of a city of the first class in the same county, provided that an establishment may sell intoxicating liquor until 10:00 p.m. on December 31 and July 3, and on the day preceding Thanksgiving day, unless otherwise prohibited under clause (1);~~

~~(5)~~ on Thanksgiving Day;

~~(6)~~ ~~(4)~~ on Christmas Day, December 25; or

~~(7)~~ ~~(5)~~ after 8:00 p.m. on Christmas Eve, December 24.

Sec. 6. Laws 2000, chapter 440, section 10, is amended to read:

Sec. 10. [WINE LICENSE; MAIN STREET STAGE THEATRE.]

The city of Anoka may issue an on-sale wine and malt liquor license to the Lyric Arts Company of Anoka, Inc. for the Main Street Stage Theatre. The license authorizes sales of wine and malt liquor on all days of the week to holders of tickets for performances at the theater. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

Sec. 7. Laws 2003, chapter 126, section 28, is amended to read:

Sec. 28. [ELKO SPEEDWAY; ON-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, the city of Elko may issue an on-sale intoxicating liquor license to the Elko Speedway in addition to the number authorized by law. The license may authorize sales ~~only~~ both to persons attending ~~racine~~ any and all events, and sales in a restaurant/bar/banquet facility, at the speedway. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this provision, apply to the license authorized under this section. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within the fenced ~~grandstand~~ area as described in the approved license application.

Sec. 8. [CITY OF CALEDONIA; LIQUOR LICENSE.]

Notwithstanding any other law, the city of Caledonia may issue an on-sale intoxicating liquor license to Caledonia Area Community Charities, Inc., for the Four Seasons Center in Caledonia. The license authorizes the licensee to dispense intoxicating liquor only to persons attending events at the center. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

Sec. 9. [CITY OF DULUTH; ON-SALE LICENSE.]

Notwithstanding any other law, the city of Duluth may issue an on-sale intoxicating liquor license for the premises known and used as the Enger Park golf course, or for any portion of the premises as described in the approved license application. The license may be issued to the city or to any person or corporation under contract or agreement with the city with respect to operation of the golf course. All provisions of Minnesota Statutes, chapter 340A, not inconsistent herewith, apply to the license authorized under this section.

Sec. 10. [CITY OF EDEN PRAIRIE; ON-SALE LICENSE.]

Notwithstanding any law, local ordinance, or charter provision, the city of Eden Prairie may issue an on-sale intoxicating liquor license to any entity holding an operating food service contract with the city for the operation of the cafeteria, for use by the entity at the premises owned by the city of Eden Prairie, at 8080 Mitchell Road in Eden Prairie. The license authorizes sales on all days of the week to persons attending special events in the cafeteria. The licensee may not dispense intoxicating liquor to any person attending or participating in an amateur athletic event held on the premises unless such dispensing is authorized by resolution of the city council. The license authorized by this subdivision may be issued for space that is not compact and contiguous, provided that all such space is within the City Center building and is included in the description of the licensed premises on the approved license application.

Sec. 11. [MANKATO; ON-SALE INTOXICATING LIQUOR LICENSE.]

The city of Mankato may issue an on-sale intoxicating liquor license to the premises known as the Midwest Wireless Civic Center. The license authorizes sales on all days of the week to persons attending events at the center. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

Sec. 12. [OFF-SALE INTOXICATING LIQUOR LICENSE; MILLE LACS COUNTY.]

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (c), the Mille Lacs County Board may issue an off-sale intoxicating liquor license to an exclusive liquor store located in Eastside Township. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

Sec. 13. [EFFECTIVE DATE.]

Sections 8, 9, 10, 11, and 12 are effective the day following final enactment. Section 2 is effective the day following final enactment. Under Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), section 2 takes effect without local approval. Section 6 is effective on approval by the Anoka City Council and compliance with Minnesota Statutes, section 645.021. Section 7 is effective on approval by the Elko City Council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; allowing a brewer who manufactures beer on the premises where the brewer also holds an on-sale intoxicating liquor license to use wort produced outside Minnesota under certain circumstances; providing for uniform off-sale hours statewide; regulating Sunday on-sales; making provisions for retail licenses in the cities of Anoka, Caledonia, Duluth, Elko, Eden Prairie, Mankato, and Minneapolis, and in Mille Lacs County; amending Minnesota Statutes 2004, section 340A.301, subdivision 6; 340A.404, subdivision 2; 340A.504, subdivisions 1, 3, 4; Laws 2000, chapter 440, section 10; Laws 2003, chapter 126, section 28."

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. 659, A bill for an act relating to adoption records; providing access to certain records by certain persons; providing for certain services; changing classification of certain data; amending Minnesota Statutes 2004, sections 144.218, subdivisions 1, 2; 259.83, subdivisions 1, 3, by adding a subdivision; 259.89.

Reported the same back with the following amendments:

Page 3, line 10, delete everything after "together" and insert a period

Page 3, delete line 11

Page 3, line 24, delete "August 1, 2005" and insert "January 1, 2006"

Page 4, line 20, delete "AND OTHER INFORMATION" and delete "AGENCY"

Page 4, line 21, delete "AND"

Page 4, line 22, delete "August 1, 2005" and insert "January 1, 2006"

Page 4, line 28, delete everything after "Health"

Page 4, delete lines 29 to 31

Page 4, line 32, delete everything before the semicolon

Page 5, line 4, delete everything after the first "agency" and insert a semicolon

Page 5, delete line 5

Page 5, line 7, delete "agency" and insert "Department of Health"

Page 5, line 19, delete "August 1, 2005" and insert "January 1, 2006"

Page 5, after line 32, insert:

"Subd. 1a. [AFFIDAVIT OF NONDISCLOSURE.] A birth parent may file an affidavit of nondisclosure regardless of the date of relinquishment. An affidavit of nondisclosure on file by January 1, 2006, must be honored."

Delete page 5, line 33, to page 7, line 13, and insert:

"Subd. 2. [SEARCH.] (a) Upon receipt of the commissioner of health's notice of the date of filing the affidavit of nondisclosure, the adopted person may request the assistance of the commissioner of human services in contacting the birth parent, notifying the birth parent of the adopted person's request for birth record information, and inquiring if the birth parent desires to revoke the affidavit of nondisclosure. Within six months after receiving notice of the request of the adopted person, the commissioner of human services shall make complete and reasonable efforts to notify each parent identified on the original birth record of the adopted person. The commissioner, the commissioner's agents, and licensed child-placing agencies may charge a reasonable fee to the adopted person for the cost of making a search pursuant to this subdivision. Every licensed child-placing agency in the state shall cooperate with the commissioner of human services in efforts to notify an identified parent. All communications under this subdivision are confidential pursuant to section 13.02, subdivision 3.

(b) For purposes of this subdivision, "notify" means a personal and confidential contact with the birth parents named on the original birth record of the adopted person. The contact shall not be by mail and shall be by an employee or agent of the licensed child-placing agency which processed the pertinent adoption or some other licensed child-placing agency designated by the commissioner of human services. The contact shall be evidenced by ~~filing with the commissioner of health an affidavit of notification executed by the person who notified each parent certifying that each parent was given~~ notifying the adopted person of the following information:

~~(a) The nature of the information requested by the adopted person;~~

~~(b) The date of the request of the adopted person;~~

~~(c) The right of the parent to file, within 30 days of receipt of the notice, an affidavit with the commissioner of health stating that the information on the original birth record should not be disclosed;~~

~~(d) The right of the parent to file a consent to disclosure with the commissioner of health at any time; and~~

~~(e) The effect of a failure of the parent to file either a consent to disclosure or an affidavit stating that the information on the original birth record should not be disclosed.~~

(1) the date the birth parent was contacted; and

(2) the birth parent's response.

(c) If the birth parent decided to revoke the affidavit of nondisclosure, a copy of a signed and dated affidavit of disclosure must be filed with the Department of Health, Office of the State Registrar. Upon receipt of the affidavit of disclosure and a notarized request from the adopted person, the commissioner of health shall release the original birth record to the adopted person.

(d) If the birth parent does not revoke the affidavit of nondisclosure, the birth parent must be advised of the right to file a consent to disclosure with the commissioner of health at any time."

Page 8, line 5, delete "AUGUST 1, 2005" and insert "JANUARY 1, 2006"

Page 8, line 21, delete "August 1, 2005" and insert "January 1, 2006"

Page 9, line 8, delete "August 1, 2005" and insert "January 1, 2006"

With the recommendation that when so amended the bill be re-referred to the Committee on Civil Law and Elections without further recommendation.

The report was adopted.

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

H. F. No. 751, A bill for an act relating to real property; establishing an electronic real estate recording task force; appropriating money; amending Minnesota Statutes 2004, sections 507.093; 507.24, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 507.093, is amended to read:

507.093 [STANDARDS FOR DOCUMENTS TO BE RECORDED OR FILED.]

(a) The following standards are imposed on documents to be recorded with the county recorder or filed with the registrar of titles:

(1) The document shall consist of one or more individual sheets measuring no larger than 8.5 inches by 14 inches.

(2) The form of the document shall be printed, typewritten, or computer generated in black ink and the form of the document shall not be smaller than 8-point type.

(3) The document shall be on white paper of not less than 20-pound weight with no background color, images, or writing and shall have a clear border of approximately one-half inch on the top, bottom, and each side.

(4) The first page of the document shall contain a blank space at the top measuring three inches, as measured from the top of the page. The right half to be used by the county recorder for recording information or registrar of titles for filing information and the left half to be used by the county auditor or treasurer for certification.

(5) The title of the document shall be prominently displayed at the top of the first page below the blank space referred to in clause (4).

(6) No additional sheet shall be attached or affixed to a page that covers up any information or printed part of the form.

(7) A document presented for recording or filing must be sufficiently legible to reproduce a readable copy using the county recorder's or registrar of title's current method of reproduction.

(b) The standards in this paragraph (a) do not apply to a document that is recorded or filed as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, or under the Electronic Real Estate Recording Task Force created under section 507.094. A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:

(1) the county complies with standards adopted by that task force; and

(2) the county uses software that was validated by that task force.

A county that did not participate in the pilot project may record or file a real estate document electronically, if:

(i) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;

(ii) the county complies with the standards adopted by the task force;

(iii) the county uses software that was validated by the task force; and

(iv) the task force created under section 507.094 approves a written request from the county board and county recorder of the county to implement electronic filing under this section.

~~(b)~~ (c) The recording or filing fee for a document that does not conform to the standards in paragraph (a) shall be increased as provided in sections 357.18, subdivision 5; 508.82; and 508A.82.

~~(e)~~ (d) The recorder or registrar shall refund the recording or filing fee to the applicant if the real estate documents are not filed or registered within 30 days after receipt, or as otherwise provided by section 386.30.

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

Sec. 2. [507.094] [ELECTRONIC REAL ESTATE RECORDING TASK FORCE.]

Subdivision 1. [CREATION; MEMBERSHIP.] (a) The Electronic Real Estate Recording Task Force is created to study and make recommendations for the establishment of a system for the electronic filing and recording of real estate documents.

(b) The task force consists of 15 members. The secretary of state shall serve as the chair of the task force. The state's chief information officer, as designated under section 16E.02, or the officer's designee, shall serve as the vice-chair of the task force. Members who are appointed under this section shall serve for a term of three years beginning July 1, 2005. The task force must include:

(1) three county government officials appointed by the Association of County Officers, including one county recorder, one county auditor, and one county treasurer;

(2) two county board members appointed by the Association of Minnesota Counties, including one board member from within the seven-county metropolitan area and one board member from outside the seven-county metropolitan area;

(3) seven members from the private sector appointed by the chair, including representatives of:

(i) real estate attorneys, real estate agents, and public and private land surveyors;

(ii) title companies, mortgage companies, and other real estate lenders; and

(iii) technical and industry experts in electronic commerce and electronic records management and preservation;
and

(4) a representative selected by the Minnesota Historical Society.

(c) The task force may refer items to subcommittees. The chair shall appoint the membership of a subcommittee. An individual may be appointed to serve on a subcommittee without serving on the task force.

Subd. 2. [STUDY AND RECOMMENDATIONS.] (a) The task force shall complete the work of the task force created by Laws 2000, chapter 391, to study and make recommendations regarding implementation of a system for electronic filing and recording of real estate documents and shall consider:

(1) technology and computer needs;

(2) legal issues such as authenticity, security, timing and priority of recordings, and the relationship between electronic and paper recorder systems;

(3) cost-effectiveness of electronic recording systems;

(4) a timetable and plan for implementing an electronic recording system, considering types of documents and entities using the system and volume of recordings;

(5) permissive versus mandatory systems; and

(6) other relevant issues identified by the task force.

(b) The task force may commence establishing standards for the electronic recording of the remaining residential real estate deed and mortgage documents and establish pilot projects to complete the testing and functions of the task force established in Laws 2000, chapter 391.

(c) The task force shall submit a report to the legislature by January 15 of each year during its existence reporting on the progress toward the goals provided in this subdivision.

Subd. 3. [DONATIONS.] The task force may accept donations of money or resources, including loaned employees or other services. The donations must be under the sole control of the task force.

Subd. 4. [LEGISLATIVE COORDINATING COMMISSION; DUTIES.] The task force may contract with the Legislative Coordinating Commission for the provision of administrative services to the task force, the preparation of requests for proposal, or the disbursement of funds for the payment of vendors, salaries, and other expenses of the task force.

Subd. 5. [EXPIRATION.] The task force expires June 30, 2008.

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

Sec. 3. Minnesota Statutes 2004, section 507.24, subdivision 2, is amended to read:

Subd. 2. [ORIGINAL SIGNATURES REQUIRED.] (a) Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment.

(b) Any electronic instruments, including signatures and seals, affecting real estate may only be recorded as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, or by the Electronic Real Estate Recording Task Force created under section 507.094. A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:

(1) the county complies with standards adopted by the task force; and

(2) the county uses software that was validated by the task force.

A county that did not participate in the pilot project may record or file a real estate document electronically, if:

(i) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;

(ii) the county complies with the standards adopted by the task force;

(iii) the county uses software that was validated by the task force; and

(iv) the task force created under section 507.094 approves a written request from the county board and county recorder of the county to implement electronic filing under this section.

(c) Notices filed pursuant to section 168A.141, subdivisions 1 and 3, need not contain an acknowledgment.

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

Sec. 4. [APPROPRIATION; REAL ESTATE FILING SURCHARGE FUNDS.]

(a) All funds collected for the task force created under Laws 2000, chapter 391, from the surcharge collected under Minnesota Statutes 2002, sections 357.18, subdivision 3; 508.82, subdivision 1; and 508A.82, subdivision 1; appropriated to the Legislative Coordinating Commission for that purpose; and remaining unspent as of December 1, 2004, are available to the Legislative Coordinating Commission for the use of the task force established by Minnesota Statutes, section 507.094, for the purposes of that section. This appropriation is available until June 30, 2008.

(b) Of the amount appropriated in paragraph (a), \$25,000 in each fiscal year through fiscal year 2008 is payment to the Legislative Coordinating Commission for the services provided to the task force under Minnesota Statutes, section 507.094, subdivision 4.

[EFFECTIVE DATE.] This section is effective July 1, 2005."

Delete the title and insert:

"A bill for an act relating to real property; establishing the Electronic Real Estate Recording Task Force; appropriating money; amending Minnesota Statutes 2004, sections 507.093; 507.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 507."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs.

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 888, A bill for an act relating to highways; allowing tolls to be collected on toll facilities only until all construction costs of the facility have been paid; amending Minnesota Statutes 2004, section 160.87, by adding a subdivision.

Reported the same back with the recommendation that 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. 923, A bill for an act relating to transportation; modifying provisions relating to property transactions of Department of Transportation; changing and removing highway routes; making clarifying changes; amending Minnesota Statutes 2004, sections 13.44, subdivision 3; 117.036; 161.115, subdivision 74; 161.44, by adding a subdivision; 161.442; 515B.1-107; 515B.3-102; 515B.3-112; repealing Minnesota Statutes 2004, section 161.115, subdivisions 155, 199.

Reported the same back with the following amendments:

Page 4, delete section 3

Pages 9 to 12, delete sections 8 and 9

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "changing and removing highway routes;"

Page 1, line 6, delete "161.115,"

Page 1, line 7, delete "subdivision 74;"

Page 1, line 8, delete everything after "515B.3-102" and insert a period

Page 1, delete lines 9 and 10

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. 969, A bill for an act relating to education; licensing teachers of interdisciplinary teaching and facilitating learning in innovative schools and programs; providing for rulemaking; amending Minnesota Statutes 2004, section 122A.09, subdivision 4.

Reported the same back with the following amendments:

Page 3, delete lines 28 to 31 and insert:

"(o) The board, in consultation with the department and representatives of innovative schools and programs as determined by the board, must adopt rules to create an interdisciplinary teaching license."

Amend the title as follows:

Page 1, line 3, delete "and facilitating learning"

Page 1, line 4, delete "in innovative schools and programs"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs.

The report was adopted.

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

H. F. No. 1026, A bill for an act relating to energy; expanding definition of farm-grown closed-loop biomass; amending conditions for Public Utilities Commission approval of a pending request for a biomass project; amending Minnesota Statutes 2004, section 216B.2424, subdivisions 1, 2, 5a, 6, 8.

Reported the same back with the following amendments:

Page 2, line 7, strike "and"

Page 2, line 8, delete everything after "grass" and insert "and sustainably managed biomass."

Page 2, delete lines 9 to 25, and insert:

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

- (1) brush, trees, and other biomass harvested from within designated utility, railroad, and road rights-of-way;
- (2) upland and lowland brush harvested from lands incorporated into brushland habitat management activities of the Minnesota Department of Natural Resources;
- (3) upland and lowland brush harvested from lands managed in accordance with Minnesota Department of Natural Resources "Best Management Practices for Managing Brushlands"; and
- (4) logging slash or waste wood that is created by harvest, precommercial timber stand improvement to meet silvicultural objectives, or by fire, disease, or insect control treatments, and that is managed in compliance with the Minnesota Forest Resources Council's "Sustaining Minnesota Forest Resources: Voluntary Site-Level Forest Management Guidelines for Landowners, Loggers and Resource Managers" as modified by the requirement of this subdivision.

Sec. 2. Minnesota Statutes 2004, section 216B.2424, is amended by adding a subdivision to read:

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

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

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

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

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

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

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

(h) Guidelines or best management practices for sustainably managed woody biomass must be adopted by:

(1) the Minnesota Department of Natural Resources for managing and maintaining brushland and open land habitat on public and private lands, including, but not limited to, provisions of sections 84.941, 84.942, and 97A.125; and

(2) the Minnesota Forest Resources Council for logging slash, using the most recent available scientific information regarding the removal of woody biomass from forest lands, to sustain the management of forest resources as defined by section 89.001, subdivisions 8 and 9, with particular attention to soil productivity, biological diversity as defined by section 89A.001, subdivision 3, and wildlife habitat.

These guidelines must be completed by July 1, 2007, and the process of developing them must incorporate public notification and comment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert ", by adding a subdivision"

With the recommendation that when so amended the bill be re-referred to the Committee on Agriculture, Environment and Natural Resources Finance without further recommendation.

The report was adopted.

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

H. F. No. 1040, A bill for an act relating to human services; creating a task force to discuss collaboration between schools and mental health providers.

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

The report was adopted.

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

H. F. No. 1093, A bill for an act relating to local government; authorizing the city of St. Paul to participate in the creation of, and to contract with, a nonprofit organization for management and operation of the RiverCentre complex.

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. 1180, A bill for an act relating to education; modifying teacher tenure in cities of the first class; authorizing negotiation of a plan for teacher layoffs; amending Minnesota Statutes 2004, section 122A.41, subdivision 14.

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

The report was adopted.

Dauids from the Committee on Agriculture and Rural Development to which was referred:

H. F. No. 1282, A bill for an act relating to agriculturally derived fuels; authorizing a study by the reliability administrator in the Department of Commerce to determine technical and economic aspects of using biodiesel fuel as a home heating fuel; requiring a report to the legislature.

Reported the same back with the following amendments:

Page 1, line 8, delete "HOME" and insert "RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL"

Page 1, line 17, delete "home" and insert "residential, commercial, and industrial"

Amend the title as follows:

Page 1, line 5, delete "home" and insert "residential, commercial, and industrial"

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

The report was adopted.

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

H. F. No. 1334, A bill for an act relating to natural resources; modifying certain exemptions for an iron nugget production scale demonstration facility; amending Laws 2004, chapter 220, section 1.

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

The report was adopted.

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

H. F. No. 1352, A bill for an act relating to public safety; modifying provisions regulating motor vehicle and driver applications and records; modifying vehicle accident reports and procedures, including provision for vehicle accident "long arm" statute; making technical and clarifying changes; amending Minnesota Statutes 2004, sections

168.346; 168A.04, by adding a subdivision; 169.09, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 15, by adding subdivisions; 171.07, subdivisions 1, 3; 171.12, subdivision 7; repealing Minnesota Statutes 2004, sections 169.09, subdivision 10; 170.55.

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. 1376, A bill for an act relating to liquor; authorizing the city of Minneapolis to issue an on-sale license; amending Minnesota Statutes 2004, section 340A.404, subdivision 2.

Reported the same back with the following amendments:

Page 3, delete lines 13 to 16 and insert:

"[EFFECTIVE DATE.] This section is effective upon approval by the Minneapolis City Council in the manner provided by Minnesota Statutes, section 645.021, notwithstanding Minnesota Statutes, section 645.023, subdivision 1, clause (a)."

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. 1461, A bill for an act relating to motor vehicles; modifying and simplifying provisions related to parking for persons with disabilities; making technical and clarifying changes; amending Minnesota Statutes 2004, sections 85.052, subdivision 3; 85.053, subdivision 7; 168.011, subdivision 4, by adding a subdivision; 168.021; 168.33, subdivision 8; 169.345; 169.346, subdivisions 1, 2, 2a, 3.

Reported the same back with the recommendation that 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. 1507, A bill for an act relating to health; modifying provisions for isolation and quarantine of persons exposed to or infected with a communicable disease; amending Minnesota Statutes 2004, sections 144.419, subdivision 1; 144.4195, subdivisions 1, 2, 5; Laws 2002, chapter 402, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 4, line 15, strike "significantly"

Page 4, line 17, after the second "communicable" insert "life threatening"

Page 4, lines 31 and 32, delete "As soon as the commissioner has executed" and insert "Immediately upon executing"

Page 4, line 32, delete "initiated" and insert "initiating"

Page 4, line 34, delete "without delay, and in no"

Page 4, line 35, delete "case beyond 24 hours."

Page 5, line 5, after the period, insert "If the court does not rule within 36 hours after the execution of the directive, the directive shall expire."

Page 5, after line 5, insert:

"(b) At the same time the commissioner initiates the process to apply for a written, ex parte order under paragraph (a), the commissioner shall notify the governor, the president of the senate, the speaker of the house of representatives, and the chairs of the senate and house committees having jurisdiction over health policy that a directive for a temporary hold has been issued under this subdivision. Notice under this paragraph is governed by the data privacy provisions of section 144.4195, subdivision 6."

Page 5, line 6, delete "(b)" and insert "(c)"

Page 5, line 20, delete "(c)" and insert "(d)"

Page 8, line 18, after the period, insert "Section 19, subdivision 2, expires August 1, 2009."

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.

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

H. F. No. 1536, A bill for an act relating to economic development; adjusting marriage and marriage dissolution fees to fund employment opportunities; appropriating money; amending Minnesota Statutes 2004, sections 357.021, subdivisions 1a, 2; 517.08, subdivisions 1b, 1c.

Reported the same back with the following amendments:

Page 6, line 35, strike "\$70" and insert "\$80"

Page 7, line 15, strike "\$20" and insert "\$40"

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.

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

H. F. No. 1555, A bill for an act relating to health; modifying the Minnesota Emergency Health Powers Act; modifying authority of out-of-state license holders; amending Minnesota Statutes 2004, sections 12.03, subdivision 4d, by adding a subdivision; 12.22, subdivision 2a, by adding a subdivision; 12.31, subdivision 1; 12.32; 12.34, subdivision 1; 12.381; 12.39; 12.42; 13.3806, subdivision 1a; Laws 2002, chapter 402, section 21, as amended; proposing coding for new law in Minnesota Statutes, chapter 12.

Reported the same back with the following amendments:

Page 3, after line 5, insert:

"Sec. 6. Minnesota Statutes 2004, section 12.31, subdivision 2, is amended to read:

Subd. 2. [DECLARATION OF PEACETIME EMERGENCY.] (a) The governor may declare a peacetime emergency. A peacetime declaration of emergency may be declared only when an act of nature, a technological failure or malfunction, a terrorist incident, ~~a public health emergency~~, an industrial accident, a hazardous materials accident, or a civil disturbance endangers life and property and local government resources are inadequate to handle the situation. When the governor declares a peacetime emergency, the governor must immediately notify the majority leader of the senate and the speaker of the house of representatives. A peacetime emergency must not be continued for more than five days unless extended by resolution of the Executive Council up to 30 days. An order, or proclamation declaring, continuing, or terminating an emergency must be given prompt and general publicity and filed with the secretary of state.

~~(b) This paragraph applies to a peacetime emergency declared as a result of a public health emergency. If the legislature is sitting in session at the time of the emergency declaration, the governor may exercise the powers and duties conferred by this chapter for the period allowed under paragraph (a). If the legislature is not sitting in session when a peacetime emergency is declared or renewed, the governor may exercise the powers and duties conferred by this chapter for the period allowed under paragraph (a) only if the governor issues a call convening both houses of the legislature at the same time the governor declares or renews the peacetime emergency. By majority vote of each house of the legislature, the legislature may terminate a peacetime emergency extending beyond 30 days. If the governor determines a need to extend the peacetime emergency declaration beyond 30 days and the legislature is not sitting in session, the governor must issue a call immediately convening both houses of the legislature.~~

Page 8, line 15, delete "8," and delete "and" and after "11" insert ", 17, 18, and 19"

Page 8, line 17, delete "13" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivision 1" and insert "subdivisions 1, 2"

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.

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

H. F. No. 1556, A bill for an act relating to health; modifying medical education funding provisions; amending Minnesota Statutes 2004, section 62J.692, subdivisions 3, 4, 7.

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. 1604, A bill for an act relating to motor vehicles; directing commissioner of public safety to appoint the Carver County auditor as a deputy motor vehicle registrar.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

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

Subd. 2. [DEPUTY REGISTRARS.] (a) The registrar may appoint, hire, and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by this chapter. The registrar may appoint, and for cause discontinue, a deputy registrar for any statutory or home rule charter city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

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

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

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

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

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

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

(f) Each deputy registrar appointed under this subdivision shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of taxes on motor vehicles. The deputy registrar shall keep records and make reports to the registrar as the registrar, from time to time, may require. The records must be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar must at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed under subdivision 7 must be deposited in the treasury of the place for which appointed or, if not a public official, a deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the commissioner of finance. The place for which the deputy registrar is appointed through its governing body must provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if the deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 2. [DEPUTY REGISTRAR AND DRIVER'S LICENSE AGENT APPOINTMENT.]

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

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for deputy registrars of motor vehicles; amending Minnesota Statutes 2004, section 168.33, subdivision 2."

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

The report was adopted.

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

H. F. No. 1619, A bill for an act relating to health; modifying the Health Care Administrative Simplification Act of 1994; modifying requirements of federal Drug Enforcement Administration registration numbers; modifying provisions for wells, borings, and underground uses; modifying requirements for filing and issuing death records; modifying provisions for disposition of dead bodies; eliminating authority to designate certain morticians; amending Minnesota Statutes 2004, sections 62J.51, subdivisions 17, 18; 62J.52, subdivisions 1, 2, 5; 62J.54, subdivisions 1, 2; 62J.581, subdivision 5; 103I.005, subdivisions 4a, 6, 7, 10, 12, by adding subdivisions; 103I.101, subdivisions 2, 5; 103I.105; 103I.111, subdivisions 1, 3; 103I.115; 103I.205, subdivisions 4, 9; 103I.208, subdivisions 1, 2; 103I.231; 103I.325, subdivision 2; 103I.345, subdivision 2; 103I.401; 103I.501; 103I.505; 103I.525, subdivisions 1, 2, 4, 5, 8, by adding a subdivision; 103I.531, subdivisions 1, 2, 4, 5, 8, by adding a subdivision; 103I.535, subdivisions 1, 2, 4, 5, 7, 8, 9, by adding a subdivision; 103I.541; 103I.545, subdivision 2; 103I.601, subdivisions 4, 9; 144.221, subdivision 1; 144.225, subdivision 7; 149A.93, subdivisions 1, 2, 3, 4, 5; 149A.94, subdivision 3; 149A.96, subdivisions 1, 4, 7; Laws 1998, chapter 316, section 4; repealing Minnesota Statutes 2004, sections 103I.005, subdivision 13; 103I.222; 144.214, subdivision 4.

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. 1701, A bill for an act relating to drivers' licenses; requiring certain applicants for license renewal to pass examinations; making clarifying changes; amending Minnesota Statutes 2004, section 171.13, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 21, delete "being found at fault in two or more crashes or" and insert "having"

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. 1782, A bill for an act relating to motor vehicles; authorizing personalized veterans license plates; amending Minnesota Statutes 2004, section 168.12, subdivision 2a.

Reported the same back with the following amendments:

Page 3, after line 16, insert:

"**[EFFECTIVE DATE.]** This section is effective August 1, 2006."

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

The report was adopted.

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

H. F. No. 1801, A bill for an act relating to gambling; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b; 349.152, subdivision 2; 349.153; 349.154, subdivision 1; 349.155, subdivision 3; 349.16, subdivision 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivision 1; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 10; 349.211, subdivision 2c; 349.2125, subdivision 1; 349.213; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LAWFUL GAMBLING

Section 1. Minnesota Statutes 2004, section 349.12, is amended by adding a subdivision to read:

Subd. 3c. [BAR BINGO.] "Bar bingo" is a bingo occasion conducted at a permitted premises in an area where intoxicating liquor or 3.2 percent malt beverages are sold and where the licensed organization conducts another form of lawful gambling.

Sec. 2. Minnesota Statutes 2004, section 349.12, subdivision 5, is amended to read:

Subd. 5. [BINGO OCCASION.] "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played. There is no limit on the number of games conducted during a bingo occasion but a bingo occasion must not last longer than eight consecutive hours.

Sec. 3. Minnesota Statutes 2004, section 349.12, is amended by adding a subdivision to read:

Subd. 12a. [ELECTRONIC BINGO DEVICE.] "Electronic bingo device" means an electronic device used by a bingo player to monitor bingo paper sheets purchased at the time and place of an organization's bingo occasion and which (1) provides a means for bingo players to input numbers announced by a bingo caller; (2) compares the numbers entered by the player to the bingo faces previously stored in the memory of the device; and (3) identifies a winning bingo pattern.

Electronic bingo device does not mean any device into which coin, currency, or tokens are inserted to activate play.

Sec. 4. Minnesota Statutes 2004, section 349.12, subdivision 25, is amended to read:

Subd. 25. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or ~~physical or mental~~ disability, which is used to relieve the effects of that ~~poverty, homelessness, or disability~~ suffering;

(3) ~~a contribution to an individual for treatment for delayed posttraumatic stress syndrome or~~ a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of ~~compulsive~~ problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize ~~humanitarian or~~ military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or color guard unit for activities conducted within the state;

(ii) members of an organization solely for services performed by the members at funeral services; ~~or~~

(iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$35 per diem; or

(iv) active military personnel and their immediate family members in need of support services;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on permitted gambling premises ~~wholly~~ owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code, ~~not to exceed~~:

(i) ~~for premises used for bingo, the amount that an organization may expend under board rules on rent for bingo; and~~

(ii) ~~\$35,000 per year for premises used for other forms of lawful gambling;~~

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;

(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the Department of Revenue and paid prior to June 30, 2006;

~~(13) a contribution to or expenditure on a wildlife management project that benefits the public at large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made;~~

~~(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails and all-terrain vehicle trails that are (1) grant-in-aid trails established under section 85.019, or (2) other trails open to public use, including purchase or lease of equipment for this purpose; a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:~~

~~(i) wildlife management projects that benefit the public at large;~~

~~(ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927 and other trails open to public use, including purchase or lease of equipment for this purpose; and~~

~~(iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources including the Enforcement Division;~~

~~(14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;~~

~~(15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;~~

~~(16) an expenditure by a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veterans organization;~~

~~(17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than \$5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home; or~~

~~(18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota; or~~

~~(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community.~~

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a);

(ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or ~~natural disaster catastrophe~~, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board-approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

[EFFECTIVE DATE.] This section is effective the day following final enactment except that the amendment to paragraph (a), clause (9), is effective January 1, 2006.

Sec. 5. Minnesota Statutes 2004, section 349.12, subdivision 33, is amended to read:

Subd. 33. [RAFFLE.] "Raffle" means a game in which a participant buys a ticket ~~for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed upon the ticket or other certificate of participation in an event where the prize determination is based on a method of random selection and all entries have an equal chance of selection. The ticket or certificate of participation must include the location, date, and time of the selection of the winning entries.~~

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

Sec. 6. Minnesota Statutes 2004, section 349.12, subdivision 34, is amended to read:

Subd. 34. [TIPBOARD.] "Tipboard" means a board, placard or other device containing a seal that conceals the winning number or symbol, and that serves as the game flare for a tipboard game, or a board or placard that is not required to contain a seal, but for which the winning numbers are determined in whole or in part by the outcome of one or more professional sporting events.

Sec. 7. Minnesota Statutes 2004, section 349.15, subdivision 1, is amended to read:

Subdivision 1. [EXPENDITURE RESTRICTIONS.] 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 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 ~~55~~ 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of license for allowable expenses related to lawful gambling.

[EFFECTIVE DATE.] This section is effective for licenses issued after June 30, 2006.

Sec. 8. Minnesota Statutes 2004, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

- (1) to regulate lawful gambling to ensure it is conducted in the public interest;
- (2) to issue licenses to organizations, distributors, distributor salespersons, ~~bingo halls~~, manufacturers, linked bingo game providers, and gambling managers;
- (3) to collect and deposit license, permit, and registration fees due under this chapter;
- (4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and linked bingo game providers, ~~and bingo halls~~ to insure compliance with all applicable laws and rules;
- (5) to make rules authorized by this chapter;
- (6) to register gambling equipment and issue registration stamps;
- (7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;
- (8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;
- (9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls~~, linked bingo game providers, and gambling managers for failure to comply with any provision of this chapter or any rule or order of the board;
- (10) to issue premises permits to organizations licensed to conduct lawful gambling;
- (11) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;
- (12) to delegate to the director the authority to approve or deny fund loss requests, contribution of gambling funds to another licensed organization, and property expenditure requests under criteria established by the board;
- (13) to suspend or revoke licenses and premises permits of organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls~~, linked bingo game providers, or gambling managers as provided in this chapter;

(13) (14) to register employees of organizations licensed to conduct lawful gambling;

(14) (15) to require fingerprints from persons determined by board rule to be subject to fingerprinting;

(15) (16) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;

(16) (17) to order organizations, distributors, distributor salespersons, manufacturers, ~~bingo halls~~, linked bingo game providers, and gambling managers to take corrective actions; and

(17) (18) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, ~~employee eligible to make sales on behalf of a distributor~~ salesperson, manufacturer, ~~bingo hall licensee~~, linked bingo game provider, or gambling manager a civil penalty of not more than \$500 per violation for a failure to comply with any provision of this chapter or any rule adopted or order issued by the board. Any organization, distributor, ~~bingo hall licensee~~ distributor salesperson, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All penalties received by the board must be deposited in the general fund.

(d) All fees imposed by the board under sections 349.16 to 349.167 must be deposited in the state treasury and credited to a lawful gambling regulation account in the special revenue fund. Receipts in this account are available for the operations of the board up to the amount authorized in biennial appropriations from the legislature.

Sec. 9. Minnesota Statutes 2004, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. [PULL-TAB SALES FROM DISPENSING DEVICES.] (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three; and

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages; or (ii) a ~~licensed bingo hall that allows gambling only~~ by premises where bingo is conducted and admission is restricted to persons 18 years or older.

(c) Notwithstanding rules adopted under paragraph (b), pull-tab dispensing devices may be used in establishments licensed for the off-sale of intoxicating liquor, other than drugstores and general food stores licensed under section 340A.405, subdivision 1.

Sec. 10. Minnesota Statutes 2004, section 349.151, is amended by adding a subdivision to read:

Subd. 4c. [ELECTRONIC BINGO.] (a) The board may by rule authorize but not require the use of electronic bingo devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of bingo faces that can be played using an electronic bingo device to 36;

(2) must require that an electronic bingo device be used with corresponding bingo paper sheets;

(3) must require that the electronic bingo device site system have dial-up capability to permit the board to remotely monitor the operation of the device and the internal accounting systems; and

(4) must prohibit the price of a face played on an electronic bingo device from being less than the price of a face on a bingo paper sheet sold at the same occasion.

Sec. 11. Minnesota Statutes 2004, section 349.151, is amended by adding a subdivision to read:

Subd. 4d. [SPORTS-THEMED TIPBOARD RULES.] The board may adopt rules for the conduct of tipboards for which the winning numbers are determined in whole or in part by the outcome of one or more professional sporting events. The rules must provide for operation procedures, internal control standards, posted information, records, and reports. The rules must provide for the award of prizes, method of payout, wagers, determination of winners, and the specifications of these tipboards. Cash or merchandise prizes may be awarded in these tipboards.

Sec. 12. Minnesota Statutes 2004, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF DIRECTOR.] The director has the following duties:

(1) to carry out gambling policy established by the board;

(2) to employ and supervise personnel of the board;

(3) to advise and make recommendations to the board on rules, policy, and legislative initiatives;

(4) to approve or deny operational requests from licensees as delegated by the board;

(5) to issue licenses and premises permits as authorized by the board;

~~(5)~~ (6) to issue cease and desist orders;

~~(6)~~ (7) to make recommendations to the board on license issuance, denial, censure, suspension and revocation, civil penalties, and corrective action the board imposes;

~~(7)~~ (8) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees;

~~(8)~~ (9) to conduct investigations, inspections, compliance reviews, and audits under this chapter; and

~~(9)~~ (10) to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to an investigation, compliance review, or audit the director is authorized to conduct.

Sec. 13. Minnesota Statutes 2004, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, limited liability company, or partnership that is licensed by the board as a distributor, manufacturer, or linked bingo game provider, or bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the board may not accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, a linked bingo game provider, ~~a bingo hall~~, or a manufacturer while employed with or a member of the board or within one year after terminating employment with or leaving the board.

(c) A distributor, ~~bingo hall~~, manufacturer, linked bingo game provider, or organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the Gambling Control Board for one year after the employee, director, or member has terminated employment with or left the Gambling Control Board.

Sec. 14. Minnesota Statutes 2004, section 349.154, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS FOR CERTAIN ORGANIZATIONS.] ~~The board shall by rule prescribe Standards that must be met by any licensed organization that is a 501(c)(3) organization. The standards must provide~~ include:

(1) ~~operating standards for the organization, including a maximum percentage or percentages not to exceed 30 percent of the organization's total expenditures that may be expended for the organization's administration and operation~~ fund-raising as reported biennially to and in a format prescribed by the board; and

(2) ~~standards~~ for any expenditure by the organization of net profits from lawful gambling, ~~including a requirement~~ that the expenditure be related to the primary purpose of the organization or meet the criteria of a lawful purpose donation as defined in section 349.12, subdivision 25.

[EFFECTIVE DATE.] This section is effective for licenses issued after June 30, 2006.

Sec. 15. Minnesota Statutes 2004, section 349.155, subdivision 3, is amended to read:

Subd. 3. [MANDATORY DISQUALIFICATIONS.] (a) In the case of licenses for manufacturers, distributors, distributor salespersons, ~~bingo halls~~, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes \$500 or more in delinquent taxes as defined in section 270.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

(6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor ~~within the five years before the issuance or renewal of the license~~ involving theft or fraud;

(2) has ever been convicted of a crime involving gambling; or

(3) has had a license issued by the board or director permanently revoked for violation of law or board rule.

Sec. 16. Minnesota Statutes 2004, section 349.16, subdivision 8, is amended to read:

Subd. 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations ~~or bingo halls~~ applying for or renewing a premises permit ~~or a bingo hall license~~. An investigation fee may not exceed the following limits:

(1) for cities of the first class, \$500;

(2) for cities of the second class, \$250;

(3) for all other cities, \$100; and

(4) for counties, \$375.

Sec. 17. Minnesota Statutes 2004, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, distributor salesperson, or other employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor, may: (1) be involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may provide an employee or agent of the organization any compensation, gift, gratuity, premium, or other thing of value greater than \$25 per organization in a calendar year.

(e) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor or distributor salesperson is being used in the conduct of lawful gambling.

~~(f)~~ (f) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

~~(g)~~ (g) No distributor, distributor salesperson, or any representative, agent, affiliate, or other employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

~~(g)~~ (h) No distributor or distributor salesperson may purchase gambling equipment for resale to a person for use within the state from any person not licensed as a manufacturer under section 349.163, except for gambling equipment returned from an organization licensed under section 349.16, or exempt or excluded from licensing under section 349.166.

~~(h)~~ (i) No distributor or distributor salesperson may sell gambling equipment to any person for use in Minnesota other than (i) a licensed organization or organization excluded or exempt from licensing, or (ii) the governing body of an Indian tribe.

~~(i)~~ (j) No distributor or distributor salesperson may sell or otherwise provide a pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5, paragraph (h), visible on the flare to any person other than in Minnesota to a licensed organization or organization exempt from licensing.

Sec. 18. Minnesota Statutes 2004, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [~~STAMP REGISTRATION REQUIRED.~~] ~~(a)~~ A distributor may not sell, transfer, furnish, or otherwise provide to a person, and no person may purchase, borrow, accept, or acquire from a distributor gambling equipment for use within the state unless the equipment has been registered with the board ~~and has a registration stamp affixed, except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8. Each stamp must bear a registration number assigned by the board.~~

~~(b) A manufacturer must return all unused registration stamps in its possession to the board by February 1, 1995. No manufacturer may possess unaffixed registration stamps after February 1, 1995.~~

~~(c) After February 1, 1996, no person may possess any unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare or any unplayed paddleticket cards with a registration stamp affixed to the master flare. This paragraph does not apply to unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare, or to unplayed paddleticket cards with a registration stamp affixed to the master flare, if the deals or cards are identified on a list of existing inventory submitted by a licensed organization or a licensed distributor, in a format prescribed by the commissioner of revenue, to the commissioner of revenue on or before February 1, 1996 or the Department of Revenue in a manner prescribed by the board or the Department of Revenue. Gambling equipment kept in violation of this paragraph subdivision is contraband under section 349.2125.~~

Sec. 19. Minnesota Statutes 2004, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor ~~or licensed manufacturer~~ may possess unaffixed registration stamps issued by the board for the purpose of registering gambling equipment.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been ~~stamped and~~ registered.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo hard card or paper sheet that does not bear an individual number; or

(2) sell a package of bingo paper sheets that does not contain bingo paper sheets in numerical order.

Sec. 20. Minnesota Statutes 2004, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale to any person for use in Minnesota must, prior to the equipment's resale, be unloaded into a storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance

and in writing, with the Division of Alcohol and Gambling Enforcement as a storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a storage facility which has been registered with the Division of Alcohol and Gambling Enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board, ~~except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8 or the Department of Revenue.~~

(b) Notwithstanding section 349.163, subdivisions 5, 6, and 8, a licensed manufacturer may ship into Minnesota approved or unapproved gambling equipment if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the Division of Alcohol and Gambling Enforcement as a manufacturer's storage facility. No gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the Department of Revenue in a manner prescribed by the department. No gambling equipment may be moved from the storage facility unless the gambling equipment is sold to a licensed distributor and is otherwise in conformity with this chapter, is shipped to an out-of-state site and the shipment is reported to the Department of Revenue in a manner prescribed by the department, or is otherwise sold and shipped as permitted by board rule.

(c) All storage facilities owned, leased, used, or operated by a licensed distributor or manufacturer may be entered upon and inspected by the employees of the Division of Alcohol and Gambling Enforcement, the Division of Alcohol and Gambling Enforcement director's authorized representatives, employees of the Gambling Control Board or its authorized representatives, employees of the Department of Revenue, or authorized representatives of the director of the Division of Special Taxes of the Department of Revenue during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a manufacturer's or distributor's licenses and permits issued under this chapter.

(d) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than the manufacturing plant of a licensed manufacturer or a registered storage facility are contraband under section 349.2125. This paragraph does not apply:

(1) to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document; and

(2) to gambling equipment ~~not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8~~ registered with the Department of Revenue for distribution to the tribal casinos.

Sec. 21. Minnesota Statutes 2004, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor, except that gambling equipment used exclusively in a linked bingo game may be sold to a licensed linked bingo provider; or

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state.

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by subdivision 5, paragraph ~~(h)~~ (d), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Sec. 22. Minnesota Statutes 2004, section 349.1635, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) Except for services associated exclusively with a linked bingo game, a linked bingo game provider may not participate or assist in the conduct of lawful gambling by an organization. No linked bingo game provider may:

(1) ~~also be licensed as a bingo hall or~~ hold any financial or managerial interest in a premises leased for the conduct of bingo hall;

(2) also be licensed as a distributor or hold any financial or managerial interest in a distributor;

(3) sell or lease linked bingo game equipment to any person not licensed as an organization;

(4) purchase gambling equipment to be used exclusively in a linked bingo game from any person not licensed as a manufacturer under section 349.163; and

(5) provide an organization, a lessor of gambling premises, or an appointed official any compensation, gift, gratuity, premium, or contribution.

(b) Employees of the board and the Division of Alcohol and Gambling Enforcement may inspect the books, records, inventory, and business premises of a licensed linked bingo game provider without notice during the normal business hours of the linked bingo game provider. The board may charge a linked bingo game provider for the actual cost of conducting scheduled or unscheduled inspections of the licensee's facilities.

Sec. 23. Minnesota Statutes 2004, section 349.166, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] (a) Bingo, with the exception of linked bingo games, may be conducted without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 1, 4, and 5; 349.18, subdivision 1; and 349.19, if it is conducted:

(1) by an organization in connection with a county fair, the state fair, or a civic celebration and is not conducted for more than 12 consecutive days and is limited to no more than four separate applications for activities applied for and approved in a calendar year; or

(2) by an organization that conducts four or fewer bingo occasions in a calendar year.

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, and a manager is appointed to supervise the bingo. Bingo conducted under this paragraph is exempt from sections 349.11 to 349.23, and the board may not

require an organization that conducts bingo under this paragraph, or the manager who supervises the bingo, to register or file a report with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without a license and without complying with sections 349.154 to 349.165 and 349.167 to 349.213 registering with the board if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$1,500.

(d) Except as provided in paragraph (b), the organization must maintain all required records of excluded gambling activity for 3-1/2 years.

Sec. 24. Minnesota Statutes 2004, section 349.166, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling, with the exception of linked bingo games, may be conducted by an organization without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, subdivisions 4 and 5; 349.18, subdivision 1; and 349.19 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of \$50 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board.

(c) Merchandise prizes must be valued at their fair market value.

(d) Organizations that qualify to conduct exempt raffles under paragraph (a), are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit.

(e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(~~e~~) (f) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 297E.02, subdivision 4, paragraph (b), clause (4), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

(~~f~~) (g) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

Sec. 25. Minnesota Statutes 2004, section 349.167, subdivision 1, is amended to read:

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. A person designated as a gambling manager shall maintain a ~~fidelity~~ dishonesty bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of the manager's duties. The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager.

(d) An organization may not have more than one gambling manager at any time.

Sec. 26. Minnesota Statutes 2004, section 349.168, subdivision 8, is amended to read:

Subd. 8. [PERCENTAGE OF GROSS PROFIT PAID.] (a) A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization that sells raffle tickets for the licensed organization.

(b) A licensed organization may compensate an employee of the organization for the sale of gambling equipment at a bar operation if the frequency of the activity is one day or less per week and the games are limited to 30 chances or less per game. For purposes of this paragraph, an employee shall not be a lessor, an employee of the lessor, or an immediate family member of the lessor.

Sec. 27. Minnesota Statutes 2004, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO CARDS AND SHEETS.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on bingo paper sheets that bear an individual number recorded by the distributor or linked bingo game provider; and (2) use each bingo paper sheet for no more than one bingo occasion. In lieu of the requirements of clause (2), a licensed organization may electronically record the sale of each bingo hard card or paper sheet at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) shall only apply to a licensed organization that received gross receipts from bingo in excess of \$150,000 in the organization's last fiscal year.

Sec. 28. Minnesota Statutes 2004, section 349.17, subdivision 7, is amended to read:

Subd. 7. [~~NOON-HOUR BAR~~ BAR BINGO.] ~~Notwithstanding subdivisions 1 and 3,~~ An organization may conduct bar bingo subject to the following restrictions:

(1) ~~the bingo is conducted only between the hours of 11:00 a.m. and 2:00 p.m.;~~

(2) 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;

(3) the bingo is limited to one progressive bingo game per site as defined by section 349.211, subdivision 2;

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

(5) ~~if the premises are leased, the (3) no rent may not exceed \$25 per day for each day bingo is conducted be paid for a bar bingo occasion~~; and

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

Sec. 29. Minnesota Statutes 2004, section 349.1711, subdivision 1, is amended to read:

Subdivision 1. [SALE OF TICKETS.] Tipboard games must be played using only tipboard tickets that are either (1) attached to a placard and arranged in columns or rows, or (2) separate from the placard and contained in a receptacle while the game is in play. The placard serves as the game flare. The placard must contain a seal that conceals the winning number or symbol. When a tipboard ticket is purchased and opened from a game containing more than 30 tickets, each player having a tipboard ticket with one or more predesignated numbers or symbols must sign the placard at the line indicated by the number or symbol on the tipboard ticket.

Sec. 30. Minnesota Statutes 2004, section 349.1711, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF WINNERS.] When the predesignated numbers or symbols have all been purchased, or all of the tipboard tickets for that game have been sold, the seal must be removed to reveal a number or symbol that determines which of the predesignated numbers or symbols is the winning number or symbol. A tipboard may also contain consolation winners, or winning chances that are determined in whole or in part by the outcome of one or more professional sporting events, that need not be determined by the use of the seal.

Sec. 31. Minnesota Statutes 2004, section 349.173, is amended to read:

349.173 [CONDUCT OF RAFFLES.]

(a) Raffle tickets or certificates of participation at a minimum must list the three most expensive prizes to be awarded. If additional prizes will be awarded ~~that are not contained on the raffle ticket, the raffle ticket must contain the statement "A complete list of additional prizes is available upon request."~~ a complete list of additional prizes must be publicly posted at the event and copies of the complete prize list made available upon request. Notwithstanding section 349.12, subdivision 33, raffles conducted under the exemptions in section 349.166 may use tickets that contain only the sequential number of the raffle ticket and no other information if the organization makes a list of prizes and a statement of other relevant information required by rule available to persons purchasing tickets and if tickets are only sold at the event and on the date when the tickets are drawn.

(b) Raffles must be conducted in a manner that ensures:

(1) all entries in the raffle have an equal chance of selection;

(2) entry in the raffle is not conditional upon any other purchase;

(3) the method of selection is conducted in a public forum;

(4) the method of selection cannot be manipulated or based on the outcome of an event not under the control of the organization;

(5) physical presence at the raffle is not a requirement to win; and

(6) all sold and unsold tickets or certificates of participation are accounted for.

(c) Methods of selecting winning entries from a raffle other than prescribed in rule may be used with the prior written approval of the board.

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

Sec. 32. Minnesota Statutes 2004, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED; RENT LIMITATIONS.] (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. Except for leases entered into before August 1, 1994, the term of the lease may not begin before the effective date of the premises permit and must expire on the same day that the premises permit expires. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

(b) Rent paid by an organization for leased premises for the conduct of pull-tabs, tipboards, and paddlewheels is subject to the following limits:

(1) for booth operations, including booth operations where a pull-tab dispensing device is located, booth operations where a bar operation is also conducted, and booth operations where both a pull-tab dispensing device is located and a bar operation is also conducted, the maximum rent is:

(i) in any month where the organization's gross profit at those premises does not exceed \$4,000, up to \$400; and

(ii) in any month where the organization's gross profit at those premises exceeds \$4,000, up to \$400 plus not more than ten percent of the gross profit for that month in excess of \$4,000;

(2) for bar operations, including bar operations where a pull-tab dispensing device is located but not including bar operations subject to clause (1), and for locations where only a pull-tab dispensing device is located:

(i) in any month where the organization's gross profit at those premises does not exceed \$1,000, up to \$200; and

(ii) in any month where the organization's gross profit at those premises exceeds \$1,000, up to \$200 plus not more than 20 percent of the gross profit for that month in excess of \$1,000;

(3) a lease not governed by clauses (1) and (2) must be approved by the board before becoming effective;

(4) total rent paid to a lessor from all organizations from leases governed by clause (1) may not exceed \$1,750 per month. Total rent paid to a lessor from all organizations from leases governed by clause (2) may not exceed \$2,500 per month.

(c) Rent paid by an organization for leased premises for the conduct of bingo is subject to the following limits:

(1) not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions excluding bar bingo or at a rate based on a cost per square foot not to exceed ten percent of a comparable cost per square foot for leased space as approved by the director, whichever is less; and

(2) no rent may be paid for bar bingo.

(d) Amounts paid as rent under leases are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including, but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, other utilities or services, and, in the case of bar operations, cash shortages, unless approved by the director. Any other expenditure made by an organization that is related to a leased premises must be approved by the director. An organization may not provide any compensation or thing of value to a lessor or the lessor's employees from any fund source other than its gambling account. Rent payments may not be made to an individual.

~~(d)~~ (e) Notwithstanding paragraph (b), an organization may pay a lessor for food or beverages or meeting room rental if the charge made is comparable to similar charges made to other individuals or groups.

~~(e)~~ (f) No person, distributor, manufacturer, lessor, linked bingo game provider, or organization other than the licensed organization leasing the space may conduct any activity other than the sale or serving of food and beverages on the leased premises during times when lawful gambling is being conducted on the premises.

~~(f)~~ (g) At a site where the leased premises consists of an area on or behind a bar at which alcoholic beverages are sold and employees of the lessor are employed by the organization as pull-tab sellers at the site, pull-tabs and tipboard tickets may be sold and redeemed by those employees at any place on or behind the bar, but the tipboards and receptacles for pull-tabs and cash drawers for lawful gambling receipts must be maintained only within the leased premises.

~~(g)~~ (h) Employees of a lessor or employees of an organization may participate in lawful gambling on the premises provided (1) if pull-tabs or tipboards are sold, the organization voluntarily posts, or is required to post, the major prizes as specified in section 349.172; and (2) any employee ~~of the lessor~~ participating in lawful gambling is not a gambling employee for the organization conducting lawful gambling on the premises.

~~(h)~~ (i) A gambling employee may purchase pull-tabs or tipboards at the site of the employee's place of employment provided:

(1) the organization voluntarily posts, or is required to post, the major prizes for pull-tab or tipboard games as specified in section 349.172; and

(2) the employee is not involved in the sale of pull-tabs or tipboards at that site.

~~(i)~~ (j) At a leased site where an organization uses a paddlewheel consisting of 30 numbers or less or a tipboard consisting of 30 tickets or less, tickets may be sold throughout the permitted premises, but winning tickets must be redeemed, the paddlewheel must be located, and the tipboard seal must be opened within the leased premises.

~~(j)~~ (k) A member of the lessor's immediate family may not be a compensated employee of an organization leasing space at the premises. For purposes of this paragraph, a "member of the immediate family" is a spouse, parent, child, or sibling.

Sec. 33. Minnesota Statutes 2004, section 349.19, subdivision 4, is amended to read:

Subd. 4. [DISCREPANCIES.] If at a bingo occasion a discrepancy of more than ~~\$20~~ \$50 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.

Sec. 34. Minnesota Statutes 2004, section 349.19, subdivision 10, is amended to read:

Subd. 10. [PULL-TAB RECORDS.] (a) The board shall by rule require a licensed organization to require each winner of a pull-tab prize of \$50 or more to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracing of the winner. The rule must require the organization to retain winning pull-tabs of \$50 or more, and the identification of the winner of the pull-tab, for 3-1/2 years.

(b) An organization must maintain separate cash banks for each deal of pull-tabs unless (1) two or more deals are commingled in a ~~single receptacle~~ pull-tab dispensing device, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of pull-tabs by separate deals.

(c) The board shall:

(1) by rule adopt minimum technical standards for cash registers that may be used by organizations, and shall approve for use by organizations any cash register that meets the standards; and

(2) before allowing an organization to use a cash register that commingles receipts from several different pull-tab games in play, adopt rules that define how cash registers may be used and that establish a procedure for organizations to reconcile all pull-tab games in play at the end of each month.

Sec. 35. Minnesota Statutes 2004, section 349.211, subdivision 2c, is amended to read:

Subd. 2c. [TIPBOARD PRIZES.] The maximum prize which may be awarded for a tipboard ticket is ~~\$500~~ \$599, not including any cumulative or carryover prizes. Cumulative or carryover prizes in tipboard games shall not exceed \$2,500.

Sec. 36. Minnesota Statutes 2004, section 349.211, is amended by adding a subdivision to read:

Subd. 2d. [SPORTS-THEMED TIPBOARDS.] The maximum prize which may be awarded for a tipboard for which the winning numbers are determined in whole or in part by the outcome of one or more professional sporting events is \$500. A chance for such a board may not be sold for more than \$10.

Sec. 37. Minnesota Statutes 2004, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals or paddleticket cards not ~~stamped or~~ bar coded in accordance with this chapter or chapter 297E;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, ~~whether stamped or unstamped~~;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce between locations outside this state, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clauses (1) and (12);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18;

(11) any gambling equipment not in conformity with law or board rule;

(12) any pull-tab or tipboard deal in the possession of a person other than a licensed distributor or licensed manufacturer for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of alcohol and gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal from a licensed distributor;

(13) any pull-tab or tipboard deals or portions of deals on which the tax imposed under chapter 297E has not been paid; and

(14) any device prohibited by section 609.76, subdivisions 4 to 6.

Sec. 38. Minnesota Statutes 2004, section 349.213, is amended to read:

349.213 [LOCAL AUTHORITY.]

Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.166. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors or linked bingo game providers licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent per year from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 8, or 297E.02; provided, however, that an ordinance requirement that such organizations must contribute ten percent per year of their net profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction to a fund administered and regulated by the responsible local unit of government

without cost to such fund, for disbursement by the responsible local unit of government of the receipts for (i) lawful purposes, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations, is not considered an expenditure to the city or county nor a tax under section 297E.02, and is valid and lawful. A city or county making expenditures authorized under this paragraph must by March 15 of each year file a report with the board, on a form the board prescribes, that lists all such revenues collected and expenditures for the previous calendar year.

(b) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city and township contiguous to the defining city.

(c) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing a premises permit ~~or bingo hall license~~, the board must notify the city council of the statutory or home rule city in which the organization's premises ~~or the bingo hall~~ is located or, if the premises ~~or hall~~ is located outside a city, the county board of the county and the town board of the town where the premises ~~or hall~~ is located. The board may require organizations ~~or bingo halls~~ to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision. The board may not issue or renew a premises permit ~~or bingo hall license~~ unless the organization submits a resolution from the city council or county board approving the premises permit ~~or bingo hall license~~. The resolution must have been adopted within 90 days of the date of application for the new or renewed permit or license.

Subd. 3. [LOCAL GAMBLING TAX.] A statutory or home rule charter city that has one or more licensed organizations operating lawful gambling, and a county that has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent per year of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than to regulate lawful gambling. All documents pertaining to site inspections, fines, penalties, or other corrective action involving local lawful gambling regulation must be shared with the board within 30 days of filing at the city or county of jurisdiction. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. A city or county that imposes a tax under this subdivision shall annually, by March 15, file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 39. Minnesota Statutes 2004, section 609.75, subdivision 1, is amended to read:

Subdivision 1. [LOTTERY.] (a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. A participant's payment for use of a 900 telephone number or another means of communication that results in payment to the sponsor of the plan constitutes consideration under this paragraph.

(b) An in-package chance promotion is not a lottery if all of the following are met:

(1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;

(2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;

(3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;

(4) the sponsor does not misrepresent a participant's chances of winning any prize;

(5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;

(6) all prizes are randomly awarded if game pieces are not used in the promotion; and

(7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at \$100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

(d) The distribution of property, or other reward or benefit by an employer to persons selected by chance from among participants ~~who~~, all of whom:

(1) have made a contribution through a payroll or pension deduction campaign to a registered combined charitable organization, within the meaning of section 309.501; or

(2) have paid other consideration to the employer entirely for the benefit of such a registered combined charitable organization, as a precondition to the chance of being selected, is not a lottery if:

~~(1)~~ (i) all of the persons eligible to be selected are employed by or retirees of the employer; and

~~(2)~~ (ii) the cost of the property or other reward or benefit distributed and all costs associated with the distribution are borne by the employer.

Sec. 40. [REPEALER.]

Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; and 349.17, subdivision 1, are repealed.

ARTICLE 2

LOTTERY SERVICE BUSINESS

Section 1. [299L.09] [LOTTERY SERVICE BUSINESS.]

Subdivision 1. [DEFINITION.] For purposes of this section:

(a) A "lottery service business" is a commercial enterprise that for a fee or commission purchases lottery tickets on behalf of customers or subscribers.

(b) "Division" means the Division of Alcohol and Gambling Enforcement in the Department of Public Safety.

(c) "Commissioner" means the commissioner of public safety acting through the division.

(d) "Disqualifying offense" means any felony, gross misdemeanor, and any criminal offense involving fraud, misrepresentation, or deceit.

Subd. 2. [REGISTRATION REQUIRED.] (a) No person may operate a lottery service business unless the business has registered with the commissioner and the business's registration is in effect. Registration is in effect for one year unless suspended or revoked.

(b) Registration must be on a form that the commissioner prescribes by rule. The form may require any information that the commissioner determines is necessary to carry out the purposes of this section. The form must contain a provision in which the applicant for registration attests that no officer, director, or employee of the business has been convicted of a disqualifying offense. The form must contain a provision in which the business agrees to comply with the provisions of this section and provide access to the commissioner as required under subdivision 9.

(c) Notwithstanding section 16A.1283, the commissioner shall by rule provide for a fee for registration sufficient to provide for the division's annual costs in administering this section.

(d) The director may investigate all applicants for registration under this subdivision to determine the accuracy of the attestation under paragraph (b). The director may charge a fee for such investigation and deposit the fee in the general fund.

Subd. 3. [REVOCAION OF REGISTRATION.] (a) The commissioner may revoke the registration of a lottery service business if the commissioner finds that:

(1) the business made a materially false statement in its application for registration;

(2) an officer, director, or employee of the business has been convicted of a disqualifying offense;

(3) an officer, director, or employee of the business has violated this section or another section of law governing gambling or a rule or order of the commissioner, or has had a license to conduct business revoked in Minnesota or another jurisdiction;

(4) an officer, director, or employee of the business has engaged in any activity that adversely affects public confidence in the lottery or the integrity of gaming, or that defrauds the business's customers or subscribers.

(b) The commissioner may not take action under this subdivision unless the commissioner has provided the business with notice of intent to revoke together with the reasons for the action and the effective date of the revocation. The notice must provide the business with an opportunity for a public hearing on the revocation before the director within 30 days of the date on which the notice was sent. After the hearing the director may revoke the registration. A revocation of registration is a contested case under sections 14.57 to 14.69.

Subd. 4. [CEASE AND DESIST ORDER.] Whenever it appears to the commissioner that a lottery service business or an officer, director, or employee thereof has engaged in any act or practice constituting a violation of this chapter or any rule or order of the commissioner, the commissioner may issue and cause to be served upon the business, officer, director, or employee an order requiring the person to cease and desist from violations of this chapter or the commissioner's rule or order. The order must give reasonable notice of the rights of the business or person named in the order to request a hearing and must state the reason for the entry of the order. Unless otherwise

agreed between the parties, a hearing shall be held not later than seven days after the request for the hearing is received by the commissioner after which and within 20 days after the receipt of the administrative law judge's report and subsequent exceptions and argument the commissioner shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the commissioner. All hearings shall be conducted in accordance with the provisions of chapter 14. If the business or person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the business or person shall be deemed in default, and the proceeding may be determined against the business or person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

Subd. 5. [REQUIRED STATEMENTS.] (a) All print advertising in any medium published by or on behalf of a lottery service business, and all print communications intended to solicit members, including Internet solicitations, for each lottery pool or subscription service offered, must contain a clear and prominent statement which lists the cost of a lottery ticket provided through the lottery service business compared with the actual cost of a lottery ticket purchased from a lottery retailer. The business's per-ticket price for tickets purchased for a pool must be calculated by multiplying the member costs paid to a lottery service business by the number of persons in the pool and dividing the product by the total number of lottery tickets purchased on behalf of the lottery pool. The per-ticket price for a lottery ticket purchased from a lottery retailer is the price set for that ticket by the director.

(b) All advertising and solicitation described in paragraph (a) must contain the following statement in clear and readable type: "This business is not affiliated with and is not an agent of the Minnesota State Lottery. The Minnesota State Lottery is not responsible for paying any prize to any person other than the possessor of a winning ticket."

Subd. 6. [PROHIBITIONS.] (a) A lottery service business may not accept any form of payment for any service it offers other than cash, check, or money order.

(b) A lottery service business may not accept as a customer or subscriber any person under age 18, or make a payment of lottery winnings to a person under age 18.

(c) A lottery service business and any officer, director, or employee of the business may not have any stake or own any shares in any lottery pool it creates for customers or subscribers.

Subd. 7. [LOTTERY PRIZE ACCOUNT.] A lottery service business must deposit all money received as winnings from lottery tickets bought for or on behalf of customers or subscribers into a lottery prize account that it maintains separately from all other accounts of the business. The business may expend money from the account, including interest thereon, only to pay winnings to customers or subscribers and to make payments required under subdivision 8.

Subd. 8. [UNCLAIMED PRIZES.] (a) A lottery service business must make all good-faith efforts to distribute money in its lottery prize account to customers and subscribers entitled thereto.

(b) Any money deposited in the lottery prize account that has not been distributed to customers or subscribers as winnings within one year after the date of deposit becomes an unclaimed prize. A lottery service business must transmit all unclaimed prizes, including all interest earned thereon while the prize was in the lottery prize account, to the commissioner within ten days of the prize becoming unclaimed. The commissioner shall deposit all payments under this subdivision in the general fund.

Subd. 9. [BOOKS AND RECORDS; AUDIT.] A lottery service business must keep a complete set of books of account, correspondence, and all other records necessary to show fully the lottery service business's lottery transactions. The commissioner and all employees of the Department of Public Safety shall have access to these

materials at any time. The commissioner may require a lottery service business to furnish information the commissioner deems necessary to carry out the purposes of this section and any other law relating to gambling. The commissioner may require an audit to be made of the books, accounts, and records of a lottery service business, select an auditor to perform the audit, and require the lottery service business to pay the costs of the audit. The auditor selected to perform the audit has the same right of access to the books, accounts, correspondence, and records of the business as the commissioner.

[EFFECTIVE DATE.] Article 2 is effective August 1, 2005.

ARTICLE 3

VIDEO GAME OF CHANCE

Section 1. Minnesota Statutes 2004, section 609.75, subdivision 8, is amended to read:

Subd. 8. [VIDEO GAME OF CHANCE.] A video game of chance is a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

- (1) it is primarily a game of chance, and has no substantial elements of skill involved;
- (2) it awards game credits or replays and contains a meter or device that records unplayed credits or replays.

The term does not include games or devices that simulate horse breeding, training, and racing.

Sec. 2. [EFFECTIVE DATE.]

Article 3 is effective the day following final enactment.

ARTICLE 4

SOCIAL SKILL GAME

Section 1. Minnesota Statutes 2004, section 609.761, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SKILL GAME.] Sections 609.755 and 609.76 do not prohibit tournaments or contests that satisfy all of the following requirements:

(1) the tournament or contest consists of the card games of chance commonly known as cribbage, skat, sheephead, bridge, euchre, pinochle, gin, 500, smear, Texas hold'em, or whist;

(2) the tournament or contest does not provide any direct financial benefit to the promoter or organizer; ~~and~~

(3) the sum of all prizes awarded for each tournament or contest does not exceed \$200; and

(4) with respect to any Texas hold'em tournament or contest, the organizer of the tournament or contest must ensure that reasonable accommodations are made for players with physical disabilities. Accommodations to the table and the cards shall include, among other things, the announcement of the cards visible to the entire table and the use of braille cards for players who are blind.

[EFFECTIVE DATE.] Article 4 is effective the day following final enactment and applies to acts committed on or after that date."

Delete the title and insert:

"A bill for an act relating to gaming; amending various provisions relating to lawful gambling; amending and providing definitions; making technical, clarifying, and conforming changes; providing for sports-themed tipboard games; providing for electronic bingo; regulating lottery service businesses; authorizing certain video games of chance and social skill games; amending Minnesota Statutes 2004, sections 349.12, subdivisions 5, 25, 33, 34, by adding subdivisions; 349.15, subdivision 1; 349.151, subdivisions 4, 4b, by adding subdivisions; 349.152, subdivision 2; 349.153; 349.154, subdivision 1; 349.155, subdivision 3; 349.16, subdivision 8; 349.161, subdivision 5; 349.162, subdivisions 1, 4, 5; 349.163, subdivision 3; 349.1635, subdivision 4; 349.166, subdivisions 1, 2; 349.167, subdivision 1; 349.168, subdivision 8; 349.17, subdivisions 5, 7; 349.1711, subdivisions 1, 2; 349.173; 349.18, subdivision 1; 349.19, subdivisions 4, 10; 349.211, subdivision 2c, by adding a subdivision; 349.2125, subdivision 1; 349.213; 609.75, subdivisions 1, 8; 609.761, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 2004, sections 349.162, subdivision 3; 349.164; 349.17, subdivision 1."

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.

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

H. F. No. 1830, A bill for an act relating to employment; requiring the preparation and implementation of an initiative to expand job training for minorities and to substantially increase the wages paid to minority workers; requiring the preparation of an interim report.

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

The report was adopted.

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

H. F. No. 1831, A bill for an act relating to employment and economic development; establishing the small business growth acceleration program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116O.

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

The report was adopted.

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

H. F. No. 1909, A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution by adding a section to article XI; dedicating the sales and use tax receipts equal to a sales and use tax of one-fourth of one percent on taxable sales and uses for natural resource purposes; creating a heritage enhancement

fund; creating a clean water fund; establishing a Heritage Enhancement Council; establishing a Clean Waters Council; providing appointments; amending Minnesota Statutes 2004, section 10A.01, subdivision 35; proposing coding for new law in Minnesota Statutes, chapters 97A; 103F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CONSTITUTIONAL AMENDMENT

Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section will be added to article XI, to read:

Sec. 15. Beginning July 1, 2007, the state sales and use tax receipts equal to the state sales and use tax of one-fourth of one percent on sales and uses taxable under the general state sales and use tax law, plus penalties and interest and reduced by any refunds, are dedicated as follows: 50 percent of the receipts shall be deposited in the game and fish heritage fund and may be spent primarily to provide hunter and angler access or improve, enhance, or protect game and fish habitat; and 50 percent of the receipts shall be deposited in the clean water fund and may be spent only to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater. A game and fish heritage fund and clean water fund are created in the state treasury. The money dedicated under this section shall be appropriated by law. The money dedicated under this section shall not be used as a substitute for traditional funding sources for the purposes specified, but the dedicated money shall supplement traditional sources of funding for those purposes. Easements acquired with money deposited in the game and fish heritage fund under this section must be open to public taking of fish and game during the open season.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment shall be submitted to the people at the 2006 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2007, to provide hunter and angler access or improve, enhance, or protect game and fish habitat and to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater by dedicating the sales and use tax receipts equal to the state sales and use tax of one-fourth of one percent on taxable sales?

Yes
No"

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 apply to sales and uses occurring after June 30, 2007.

ARTICLE 2

CONFORMING CHANGES

Section 1. [84.946] [GAME AND FISH HERITAGE FUND.]

The commissioner of natural resources, in cooperation with the Board of Water and Soil Resources, shall submit recommendations to the legislature by January 1 of each odd-numbered year for expenditures from the game and fish heritage fund. The recommendations must be for projects that provide hunter and angler access or improve,

enhance, or protect game and fish habitat. Money in the fund may be appropriated for the administrative costs of the commissioner and Board of Water and Soil Resources under this section, but must not exceed five percent of the total amount biannually appropriated from the fund for nonadministrative costs.

Sec. 2. [103F.765] [CLEAN WATER FUND; EXPENDITURES; CLEAN WATERS COUNCIL.]

Subdivision 1. [FUND.] The clean water fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the clean water fund must be credited to the fund.

Subd. 2. [EXPENDITURES.] Subject to appropriation, money in the clean water fund may be spent only on:

- (1) monitoring, investigations, and analysis of the quality of Minnesota's water resources;
- (2) state and local activities to protect, preserve, and improve the quality of Minnesota's water resources; and
- (3) assistance to individuals and organizations for water quality improvement projects.

Subd. 3. [CLEAN WATERS COUNCIL; MEMBERSHIP; APPOINTMENT.] A Clean Waters Council of 18 members is created. The members of the council shall elect a chair from the nonagency members of the council. The commissioners of natural resources, agriculture, and the Pollution Control Agency, and the executive director of the Board of Water and Soil Resources, shall each appoint one person from their respective agency to serve as a member of the council. The commissioner of the Pollution Control Agency, in consultation with the other state agencies represented on the council, shall appoint 14 additional nonagency members of the council as follows:

- (1) two members representing statewide farm organizations;
- (2) two members representing business organizations;
- (3) two members representing environmental organizations;
- (4) one member representing soil and water conservation districts;
- (5) one member representing watershed districts;
- (6) one member representing organizations focused on improvement of Minnesota lakes or streams;
- (7) one member representing an organization of county governments;
- (8) two members representing organizations of city governments;
- (9) one member representing the Metropolitan Council established under section 473.123; and
- (10) one member representing organizations of township governments.

Subd. 4. [ADMINISTRATION.] Terms, compensation, removal, and filling of vacancies for the council shall be as provided in section 15.059, subdivisions 2, 3, and 4. Notwithstanding section 15.059, subdivision 5, the council does not expire.

Subd. 5. [RECOMMENDATIONS ON APPROPRIATION OF FUNDS.] The Clean Waters Council shall recommend to the governor the manner in which money from the clean water fund should be appropriated for the purposes identified in subdivision 2.

Subd. 6. [BIENNIAL REPORT TO LEGISLATURE.] By December 1 of each even-numbered year, the council shall submit a report to the legislature on the activities for which money from the clean water fund has been or will be spent for the current biennium and the activities for which money from the account is recommended to be spent in the next biennium.

Subd. 7. [COUNCIL MEETINGS.] Meetings of the council and other groups the council may establish must be conducted in accordance with chapter 13D. Except where prohibited by law, the council shall establish additional processes to broaden public involvement in all aspects of its deliberations.

Sec. 3. Minnesota Statutes 2004, section 297A.94, is amended to read:

297A.94 [DEPOSIT OF REVENUES.]

(a) Except as provided in this section and the Minnesota Constitution, article XI, section 15, 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) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 2007, if the constitutional amendment proposed in article 1 is adopted by the voters."

Delete the title and insert:

"A bill for an act relating to natural resources; proposing an amendment to the Minnesota Constitution by adding a section to article XI; dedicating the sales and use tax receipts equal to a sales and use tax of one-fourth of one percent on taxable sales and uses for natural resource purposes; creating a game and fish heritage fund; creating a clean water fund; establishing a Clean Waters Council; amending Minnesota Statutes 2004, section 297A.94; proposing coding for new law in Minnesota Statutes, chapters 84; 103F."

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.

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

H. F. No. 1925, A bill for an act relating to human services; making changes to licensing provisions; amending Minnesota Statutes 2004, sections 13.46, subdivision 4; 245A.02, subdivision 17; 245A.03, subdivisions 2, 3; 245A.04, subdivisions 7, 13; 245A.07, subdivisions 1, 3; 245A.08, subdivisions 2a, 5; 245A.14, by adding subdivisions; 245A.144; 245A.16, subdivision 4; 245A.18; 245B.02, subdivision 10; 245B.055, subdivision 7; 245B.07, subdivision 8; 245C.03, subdivision 1; 245C.07; 245C.08, subdivisions 1, 2; 245C.15, subdivisions 1, 2, 3, 4; 245C.17, subdivision 2; 245C.21, subdivision 2; 245C.22, subdivisions 3, 4; 245C.24, subdivisions 2, 3; 245C.27, subdivision 1; 245C.28, subdivision 3; 626.556, subdivision 10i; 626.557, subdivision 9d.

Reported the same back with the following amendments:

Page 17, after line 10, insert:

"(f) Notwithstanding section 245C.27, subdivision 1, paragraph (c), when a denial of a license under section 245A.05 or a licensing sanction under section 245A.07 is based on a disqualification for which reconsideration was requested and was not set aside under section 245C.22, and the disqualification was based on a conviction or an admission to any crimes listed in section 245C.15, the scope of the administrative law judge's review shall include the denial or sanction and a determination whether the disqualification should be set aside. In determining whether the disqualification should be set aside, the administrative law judge shall consider the factors under section 245C.22, subdivision 4, to determine whether the individual poses a risk of harm to any person receiving services from the license holder.

(g) Notwithstanding section 245C.30, subdivision 5, when a licensing sanction under section 245A.07 is based on the termination of a variance under section 245C.30, subdivision 4, the scope of the administrative law judge's review shall include the sanction and a determination whether the disqualification should be set aside. In determining whether the disqualification should be set aside, the administrative law judge shall consider the factors under section 245C.22, subdivision 4, to determine whether the individual poses a risk of harm to any person receiving services from the license holder."

Page 19, line 7, after "SYNDROME" insert "AND SHAKEN BABY SYNDROME"

Page 19, lines 12, 13, 29, 30, and 32, after "syndrome" insert "and shaken baby syndrome"

Pages 20 and 21, delete section 15 and insert:

"Sec. 15. Minnesota Statutes 2004, section 245A.18, is amended to read:

245A.18 [SEAT BELT USE REQUIRED CHILD PASSENGER RESTRAINT SYSTEMS; TRAINING REQUIREMENT.]

(a) When a nonresidential license holder provides or arranges for transportation for children served by the license holder, children four years old and older must be restrained by a properly adjusted and fastened seat belt and children under age four must be properly fastened in a child passenger restraint system meeting federal motor vehicle safety standards. A child passenger restraint system is not required for a child who, in the judgment of a licensed physician, cannot be safely transported in a child passenger restraint system because of a medical condition, body size, or physical disability, if the license holder possesses a written statement from the physician that satisfies the requirements in section 169.685, subdivision 6, paragraph (b).

(b) Paragraph (a) does not apply to transportation of children in a school bus inspected under section 169.451 that has a gross vehicle weight rating of more than 10,000 pounds, is designed for carrying more than ten persons, and was manufactured after 1977.

(a) Family and group family child care, child care centers, child foster care, and other programs licensed by the Department of Human Services that serve a child or children under four years of age must document training that fulfills the requirements in this subdivision.

(b) Before a license holder, staff person, caregiver, or helper transports a child or children under age four in a motor vehicle, the person transporting the child must satisfactorily complete training on the proper use and installation of child restraint systems in motor vehicles. Training completed under this section may be used to meet initial or ongoing training under the following:

(1) Minnesota Rules, part 2960.3070, subparts 1 and 2;

(2) Minnesota Rules, part 9502.0385, subparts 2 and 3; and

(3) Minnesota Rules, part 9503.0035, subparts 1 and 4.

(c) Training required under this section must be at least one hour in length, completed at orientation or initial training, and repeated at least once every five years. At a minimum, the training must address the proper use of child restraint systems based on the child's size, weight, and age, and the proper installation of a car seat or booster seat in the motor vehicle used by the license holder to transport the child or children.

(d) Training under paragraph (c) must be provided by individuals who are certified and approved by the Department of Public Safety, Office of Traffic Safety. License holders may obtain a list of certified and approved trainers through the Department of Public Safety Web site or by contacting the agency.

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

Page 31, line 29, before "if" insert "related to child foster care licensure only"

Page 43, after line 20, insert:

"Sec. 35. Minnesota Statutes 2004, section 245C.30, subdivision 2, is amended to read:

Subd. 2. [DISCLOSURE OF REASON FOR DISQUALIFICATION.] (a) The commissioner may not grant a variance for a disqualified individual unless the applicant or license holder requests the variance and the disqualified individual provides written consent for the commissioner to disclose to the applicant or license holder the reason for the disqualification.

(b) This subdivision does not apply to programs licensed to provide family child care for children, foster care for children in the provider's own home, or foster care or day care services for adults in the provider's own home. When the commissioner grants a variance for a disqualified individual in connection with a license to provide the services specified in this paragraph, the disqualified individual's consent is not required to disclose the reason for the disqualification to the license holder in the variance issued under subdivision 1.

Sec. 36. Minnesota Statutes 2004, section 260B.163, subdivision 6, is amended to read:

Subd. 6. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests. In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court. The court may appoint separate counsel for the guardian ad litem if necessary.

(b) A guardian ad litem shall carry out the following responsibilities:

(1) conduct an independent investigation to determine the facts relevant to the situation of the child and the family, which must include, unless specifically excluded by the court, reviewing relevant documents; meeting with and observing the child in the home setting and considering the child's wishes, as appropriate; and interviewing parents, caregivers, and others with knowledge relevant to the case;

(2) advocate for the child's best interests by participating in appropriate aspects of the case and advocating for appropriate community services when necessary;

(3) maintain the confidentiality of information related to a case, with the exception of sharing information as permitted by law to promote cooperative solutions that are in the best interests of the child;

(4) monitor the child's best interests throughout the judicial proceeding; and

(5) present written reports on the child's best interests that include conclusions and recommendations and the facts upon which they are based.

(c) The court may waive the appointment of a guardian ad litem pursuant to paragraph (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(d) In appointing a guardian ad litem pursuant to paragraph (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260B.141 and 260C.141.

(e) The following factors shall be considered when appointing a guardian ad litem in a case involving an Indian or minority child:

(1) whether a person is available who is the same racial or ethnic heritage as the child or, if that is not possible;

(2) whether a person is available who knows and appreciates the child's racial or ethnic heritage.

(f) The court shall require a background study for each guardian ad litem as provided under section 518.165. The court shall have access to data collected pursuant to section 245C.32 for purposes of the background study.

Sec. 37. Minnesota Statutes 2004, section 260C.163, subdivision 5, is amended to read:

Subd. 5. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests, and in every proceeding alleging a child's need for protection or services under section 260C.007, subdivision 6, except proceedings where the sole allegation is that the child is a runaway or habitual truant. In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court. The court may appoint separate counsel for the guardian ad litem if necessary.

(b) A guardian ad litem shall carry out the following responsibilities:

(1) conduct an independent investigation to determine the facts relevant to the situation of the child and the family, which must include, unless specifically excluded by the court, reviewing relevant documents; meeting with and observing the child in the home setting and considering the child's wishes, as appropriate; and interviewing parents, caregivers, and others with knowledge relevant to the case;

(2) advocate for the child's best interests by participating in appropriate aspects of the case and advocating for appropriate community services when necessary;

(3) maintain the confidentiality of information related to a case, with the exception of sharing information as permitted by law to promote cooperative solutions that are in the best interests of the child;

(4) monitor the child's best interests throughout the judicial proceeding; and

(5) present written reports on the child's best interests that include conclusions and recommendations and the facts upon which they are based.

(c) Except in cases where the child is alleged to have been abused or neglected, the court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(d) In appointing a guardian ad litem pursuant to clause (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260C.141.

(e) The following factors shall be considered when appointing a guardian ad litem in a case involving an Indian or minority child:

(1) whether a person is available who is the same racial or ethnic heritage as the child or, if that is not possible;

(2) whether a person is available who knows and appreciates the child's racial or ethnic heritage.

(f) The court shall require a background study for each guardian ad litem as provided under section 518.165. The court shall have access to data collected pursuant to section 245C.32 for purposes of the background study.

Sec. 38. Minnesota Statutes 2004, section 518.165, is amended by adding a subdivision to read:

Subd. 4. [BACKGROUND STUDY OF GUARDIAN AD LITEM.] (a) The court shall initiate a background study through the commissioner of human services under section 245C.32 on every guardian ad litem appointed under this section if a background study has not been completed on the guardian ad litem within the past three years. The background study must be completed before the court appoints the guardian ad litem, unless the court determines that it is in the best interest of the child to appoint a guardian ad litem before a background study can be completed by the commissioner. The court shall initiate a subsequent background study under this paragraph once every three years after the guardian has been appointed as long as the individual continues to serve as a guardian ad litem.

(b) The background study must include criminal history data from the Bureau of Criminal Apprehension, other criminal history data held by the commissioner of human services, and data regarding whether the person has been a perpetrator of substantiated maltreatment of a minor or a vulnerable adult. When the information from the Bureau of Criminal Apprehension indicates that the subject of a study under paragraph (a) is a multistate offender or that the subject's multistate offender status is undetermined, the court shall require a search of the National Criminal Records Repository, and shall provide the commissioner a set of classifiable fingerprints of the subject of the study.

(c) The Minnesota Supreme Court shall pay the commissioner a fee for conducting a background study under section 245C.32.

(d) Nothing precludes the court from initiating background studies using court data on criminal convictions.

Sec. 39. Minnesota Statutes 2004, section 518.165, is amended by adding a subdivision to read:

Subd. 5. [PROCEDURE, CRIMINAL HISTORY, AND MALTREATMENT RECORDS BACKGROUND STUDY.] (a) When the court requests a background study under subdivision 4, paragraph (a), the request shall be submitted to the Department of Human Services through the department's electronic online background study system.

(b) When the court requests a search of the National Criminal Records Repository, the court must provide a set of classifiable fingerprints of the subject of the study on a fingerprint card provided by the commissioner of human services.

(c) The commissioner of human services shall provide the court with information from the Bureau of Criminal Apprehension's Criminal Justice Information System, other criminal history data held by the commissioner of human services, and data regarding substantiated maltreatment of a minor under section 626.556, and substantiated maltreatment of a vulnerable adult under section 626.557, within 15 working days of receipt of a request. If the subject of the study has been determined by the Department of Human Services or the Department of Health to be the perpetrator of substantiated maltreatment of a minor or vulnerable adult in a licensed facility, the response must include a copy of the public portion of the investigation memorandum under section 626.556, subdivision 10f, or the public portion of the investigation memorandum under section 626.557, subdivision 12b. When the background study shows that the subject has been determined by a county adult protection or child protection agency to have been responsible for maltreatment, the court shall be informed of the county, the date of the finding, and the nature of the maltreatment that was substantiated. The commissioner shall provide the court with information from the National Criminal Records Repository within three working days of the commissioner's receipt of the data. When the commissioner finds no criminal history or substantiated maltreatment on a background study subject, the commissioner shall make these results available to the court electronically through the secure online background study system.

(d) Notwithstanding section 626.556, subdivision 10f, or 626.557, subdivision 12b, if the commissioner or county lead agency has information that a person on whom a background study was previously done under this section has been determined to be a perpetrator of maltreatment of a minor or vulnerable adult, the commissioner or the county may provide this information to the court that requested the background study.

Sec. 40. Minnesota Statutes 2004, section 518.165, is amended by adding a subdivision to read:

Subd. 6. [RIGHTS.] The court shall notify the subject of a background study that the subject has the following rights:

(1) the right to be informed that the court will request a background study on the subject for the purpose of determining whether the person's appointment or continued appointment is in the best interests of the child;

(2) the right to be informed of the results of the study and to obtain from the court a copy of the results; and

(3) the right to challenge the accuracy and completeness of the information contained in the results to the agency responsible for creation of the data except to the extent precluded by section 256.045, subdivision 3.

Sec. 41. Minnesota Statutes 2004, section 609A.03, subdivision 7, is amended to read:

Subd. 7. [LIMITATIONS OF ORDER.] (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) an expunged record may be opened for purposes of a criminal investigation, prosecution, or sentencing, upon an ex parte court order; ~~and~~

(2) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order; and

(3) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the court order for expungement is directed specifically to the commissioner of human services.

Upon request by law enforcement, prosecution, or corrections authorities, an agency or jurisdiction subject to an expungement order shall inform the requester of the existence of a sealed record and of the right to obtain access to it as provided by this paragraph. For purposes of this section, a "criminal justice agency" means courts or a government agency that performs the administration of criminal justice under statutory authority."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, before the semicolon, insert "and background studies"

Page 1, line 15, after the first semicolon, insert "245C.30, subdivision 2; 260B.163, subdivision 6; 260C.163, subdivision 5; 518.165, by adding subdivisions; 609A.03, subdivision 7;"

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.

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

H. F. No. 1945, A bill for an act relating to education; clarifying the duty of a charter school sponsor to monitor and evaluate the fiscal and student performance of the charter school; allowing the parties to a charter school contract to voluntarily terminate the contract; directing a study on evaluating charter schools and assessing fees; amending Minnesota Statutes 2004, section 124D.10, subdivisions 4, 6, 15, 23.

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

The report was adopted.

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

H. F. No. 2006, A bill for an act relating to natural resources; establishing the Shooting Range Protection Act; requiring expedited rulemaking; proposing coding for new law as Minnesota Statutes, chapter 87A.

Reported the same back with the following amendments:

Page 7, delete section 9

Page 7, line 14, delete "10" and insert "9"

Page 7, line 15, delete "9" and insert "8"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Veterans Affairs.

The report was adopted.

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

S. F. No. 607, A bill for an act relating to criminal justice; defining collateral sanctions; requiring the revisor of statutes to create a new statutory chapter containing cross-references to collateral sanction laws located throughout Minnesota Statutes.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [COLLATERAL SANCTIONS CROSS-REFERENCES; PUBLISHING A TABLE.]

Subdivision 1. [DEFINITION.] For purposes of this section:

(1) "automatically" means either by operation of law or by the mandated action of a designated official or agency; and

(2) "collateral sanction" means a legal penalty, disability, or disadvantage, however denominated, that is imposed on a person automatically when that person is convicted of or found to have committed a crime, even if the sanction is not included in the sentence. Collateral sanction does not include:

(i) a direct consequence of the crime such as a criminal fine, restitution, or incarceration; or

(ii) a requirement imposed by the sentencing court or other designated official or agency that the convicted person provide a biological specimen for DNA analysis, provide fingerprints, or submit to any form of assessment or testing.

Subd. 2. [REVISOR INSTRUCTION.] The revisor of statutes shall publish a table in Minnesota Statutes that contains cross-references to Minnesota laws imposing collateral sanctions. The revisor shall create a structure that categorizes these laws in a useful way to users and provides them with quick access to the cross-referenced laws. The revisor may consider, but is not limited to, using the following categories in the new table:

(1) collateral sanctions relating to employment and occupational licensing;

(2) collateral sanctions relating to driving and motor vehicles;

(3) collateral sanctions relating to public safety;

(4) collateral sanctions relating to eligibility for services and benefits;

(5) collateral sanctions relating to property rights;

(6) collateral sanctions relating to civil rights and remedies; and

(7) collateral sanctions relating to recreational activities.

Subd. 3. [CAUTIONARY LANGUAGE.] The revisor shall include appropriate cautionary language with the table that notifies users of the following types of issues:

(1) that the list of collateral sanctions laws is intended to be comprehensive but is not necessarily complete;

(2) that the inclusion or exclusion of a collateral sanction is not intended to have any substantive legal effect;

(3) that the cross-references used are intended solely to indicate the contents of the cross-referenced section or subdivision and are not part of the cross-referenced statute;

(4) that the cross-references are not substantive and may not be used to construe or limit the meaning of any statutory language; and

(5) that users must consult the language of each cross-referenced law to fully understand the scope and effect of the collateral sanction it imposes.

Subd. 4. [CONSULTATION WITH LEGISLATORS AND LEGISLATIVE STAFF.] The revisor shall consult with legislative staff and the chairs of the senate and house committees having jurisdiction over criminal justice matters to identify laws that impose collateral sanctions and develop the appropriate categories and cross-references to use in the new table."

Delete the title and insert:

"A bill for an act relating to criminal justice; defining collateral sanctions; requiring the revisor of statutes to publish a table containing cross-references to collateral sanction laws located throughout Minnesota Statutes."

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.

SECOND READING OF HOUSE BILLS

H. F. Nos. 34, 605, 923, 1334, 1352, 1376, 1461, 1556 and 1619 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1622 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Johnson, J., introduced:

H. F. No. 2121, A bill for an act relating to commerce; requiring businesses that possess personal data to notify persons whose personal information has been disclosed to unauthorized persons; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Goodwin, Thissen, Greiling and Thao introduced:

H. F. No. 2122, A bill for an act relating to human services; specifying services for a child who is seriously emotionally disturbed; proposing coding for new law in Minnesota Statutes, chapter 245.

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

Abeler and Thissen introduced:

H. F. No. 2123, A bill for an act relating to state government; requiring the state employee health insurance plan to purchase prescription drugs through one pharmacy benefits manager; authorizing local units of government to participate in the drug purchasing program; appropriating money; amending Minnesota Statutes 2004, section 43A.311.

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

Kahn, Greiling, Slawik and Hornstein introduced:

H. F. No. 2124, A bill for an act relating to ethics in government; prohibiting state agencies and authorities that issue bonds and political subdivisions from interacting with a third-party consultant with respect to engaging a firm to provide bond underwriting services; proposing coding for new law in Minnesota Statutes, chapters 16A; 475.

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

Davids introduced:

H. F. No. 2125, A bill for an act relating to state government; establishing the Minnesota Health Care Purchasing Authority; requiring a report.

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

Eastlund; Ellison; Severson; Lieder; Anderson, I.; Wardlow; Anderson, B.; Samuelson and Erickson introduced:

H. F. No. 2126, A bill for an act relating to the military; clarifying the pay differential law for state employees who are ordered to active military service; amending Minnesota Statutes 2004, sections 43A.183; 192.261, subdivision 1.

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

Huntley, Samuelson, Finstad, Powell and Thissen introduced:

H. F. No. 2127, A bill for an act relating to health; requiring a study and report of health plan coverage for clinical trials.

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

Sykora and Greiling introduced:

H. F. No. 2128, A bill for an act relating to education finance; restoring regular special education revenue; adding an additional priority for the state budget reserve; amending Minnesota Statutes 2004, sections 16A.152, subdivision 2; 125A.76, subdivision 4.

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

Beard, Marquart, Solberg, Erickson, Gunther and Zellers introduced:

H. F. No. 2129, A bill for an act relating to horse racing; providing for electronic wagers; amending Minnesota Statutes 2004, sections 240.13, by adding a subdivision; 240.30, subdivision 8.

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

Lenczewski introduced:

H. F. No. 2130, A bill for an act relating to taxation; imposing a gross receipts tax on card club operations; amending Minnesota Statutes 2004, section 240.30, by adding a subdivision.

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

Gunther and Ruth introduced:

H. F. No. 2131, A bill for an act relating to counties; permitting counties to issue capital improvement bonds for rehabilitation or demolition of tax-forfeited commercial property; amending Minnesota Statutes 2004, section 373.40, subdivision 1, by adding a subdivision.

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

Gazelka, Blaine and Howes introduced:

H. F. No. 2132, A bill for an act relating to education; allowing students participating in Minnesota State High School League activities in another district during a teachers' strike to maintain their eligibility to play after the strike; amending Minnesota Statutes 2004, section 128C.02, by adding a subdivision.

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

Peppin and Blaine introduced:

H. F. No. 2133, A bill for an act relating to state government; authorizing lease of certain state property under specified conditions.

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

Otremba; Nelson, P.; Tingelstad; Eken; Heidgerken and Koenen introduced:

H. F. No. 2134, A bill for an act relating to human services; repealing the Minnesota family investment program family cap; repealing Minnesota Statutes 2004, section 256J.24, subdivision 6.

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

Abeler and Otremba introduced:

H. F. No. 2135, A bill for an act relating to health; permitting tobacco use in certain health care settings; amending Minnesota Statutes 2004, section 144.414, subdivision 3.

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

Simon, Garofalo, Cox, Cybart and Slawik introduced:

H. F. No. 2136, A bill for an act relating to drivers' licenses; imposing surcharge for reinstatement of driver's license to fund trauma care centers; amending Minnesota Statutes 2004, section 171.29, subdivision 2.

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

Westrom and Lanning introduced:

H. F. No. 2137, A bill for an act relating to energy; promoting the use of hydrogen as an energy resource; appropriating money; amending Minnesota Statutes 2004, section 297A.67, by adding a subdivision; 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.

Hosch introduced:

H. F. No. 2138, A bill for an act relating to education; authorizing a fund transfer for Independent School District No. 741, Paynesville.

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

Mullery introduced:

H. F. No. 2139, A bill for an act relating to employment; requiring the commissioner of labor and industry to employ investigators of prevailing wage violations; clarifying the procedures for investigations of prevailing wage violations; requiring notice of prevailing wage violations and action upon prevailing wage violations; amending Minnesota Statutes 2004, section 177.43, subdivision 6, by adding a subdivision.

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

Ellison; Wagenius; Walker; Clark; Otremba; Nelson, M., and Abeler introduced:

H. F. No. 2140, A bill for an act relating to health; requiring medical assistance to cover environmental investigations for children with elevated blood lead levels; amending Minnesota Statutes 2004, section 256B.0625, subdivision 14.

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

Wilkin, Gunther and Larson introduced:

H. F. No. 2141, A bill for an act relating to commerce; modifying definition of "wage"; amending Minnesota Statutes 2004, section 177.23, subdivision 4.

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

Wilkin introduced:

H. F. No. 2142, A bill for an act relating to housing; requiring a duplex funding study; relating to first time homeowner duplex construction loans.

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

Tingelstad introduced:

H. F. No. 2143, A resolution memorializing the President, Congress, and the United States Postal Service to maintain current levels of service.

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

Simpson, Krinkie and Gunther introduced:

H. F. No. 2144, A bill for an act relating to sales taxes; allowing a vendor allowance; amending Minnesota Statutes 2004, section 289A.31, subdivision 7, by adding a subdivision.

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

Severson introduced:

H. F. No. 2145, A bill for an act relating to veterans; expanding certain postsecondary education rights; amending Minnesota Statutes 2004, section 192.502, subdivision 1.

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

Soderstrom introduced:

H. F. No. 2146, A bill for an act relating to public safety; requiring the commissioner of health to study and make recommendations regarding use of an additive to anhydrous ammonia to prevent illicit use of amphetamine.

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

Soderstrom introduced:

H. F. No. 2147, A bill for an act relating to public safety; requiring the commissioner of health to develop methamphetamine offender education materials; requiring sheriffs to provide inmates with methamphetamine education materials; proposing coding for new law in Minnesota Statutes, chapters 144; 387.

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

Bernardy introduced:

H. F. No. 2148, A bill for an act relating to highways; authorizing issuance of state bonds for improvements to County Road J and Airport Road, including lane addition and noise barrier; appropriating money.

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

Bernardy introduced:

H. F. No. 2149, A bill for an act relating to highways; authorizing issuance of trunk highway bonds for reconstructing interchange with Interstate Highway 35W and County Road J and Lake Avenue, with improvements; appropriating money.

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

Clark and Walker introduced:

H. F. No. 2150, A bill for an act relating to youth homelessness; appropriating money for at risk youth out-of-wedlock pregnancy prevention program.

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

Huntley introduced:

H. F. No. 2151, A bill for an act relating to health; providing for the medical use of marijuana; providing civil and criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 152.

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

Holberg introduced:

H. F. No. 2152, A bill for an act relating to data practices; educational data; allowing disclosure of private educational data on bullying behavior; amending Minnesota Statutes 2004, section 13.32, by adding a subdivision.

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

Tingelstad introduced:

H. F. No. 2153, A bill for an act relating to children; providing that husband of mother by assisted reproduction or artificial insemination is treated as biological father of resulting child in certain instances; amending Minnesota Statutes 2004, section 257.56, subdivision 1.

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

Mullery introduced:

H. F. No. 2154, A bill for an act relating to compulsive gambling; appropriating money for prevention and treatment services; proposing coding for new law in Minnesota Statutes, chapter 245.

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

Gunther and Wilkin introduced:

H. F. No. 2155, A bill for an act relating to weights and measures; updating standards and making other technical changes to weights and measures provisions; delaying repeal of petroleum tank release cleanup provisions; authorizing Petroleum Tank Release Compensation Board to adopt rules for consultant services; amending Minnesota Statutes 2004, sections 41A.09, subdivision 2a; 115C.07, subdivision 3; 115C.13; 239.011, subdivision 2; 239.05, subdivision 10b, by adding a subdivision; 239.09; 239.75, subdivisions 1, 5; 239.761; 239.77, by adding a subdivision; 239.79, subdivision 4; 239.791, subdivisions 1, 7, 8, 15; 239.792; 296A.01, subdivisions 2, 7, 8, 14, 19, 20, 22, 23, 24, 25, 26, 28; repealing Minnesota Statutes 2004, section 239.05, subdivisions 6a, 6b.

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

Demmer; Westrom; Nelson, P., and Emmer introduced:

H. F. No. 2156, A bill for an act relating to civil law; providing for use of financial planners in preparing a conservator's inventory for the court; providing a certified public accountant's audit to be used in the conservator's annual accounting; amending Minnesota Statutes 2004, sections 524.5-419; 524.5-420.

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

Johnson, R.; Gunther; Finstad; Peterson, A.; Lieder; Dorn; Juhnke and Koenen introduced:

H. F. No. 2157, A bill for an act relating to highways; requiring highways constructed, reconstructed, or resurfaced wholly or partly with federal or state funds to be constructed to a ten-ton standard with certain exceptions; proposing coding for new law in Minnesota Statutes, chapter 160.

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

Johnson, R.; Sykora; Meslow; Sailer; Greiling; Dorn; Davnie and Demmer introduced:

H. F. No. 2158, A bill for an act relating to education finance; appropriating money for middle school math and science initiatives.

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

Hackbarth introduced:

H. F. No. 2159, A bill for an act relating to environment; modifying advisory boards; eliminating a report; amending Minnesota Statutes 2004, sections 115A.072, subdivision 1; 115A.12; 115A.929.

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

Eastlund introduced:

H. F. No. 2160, A bill for an act relating to higher education; appropriating money to the Board of Trustees of the Minnesota State Colleges and Universities for the innovations fund.

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

Eastlund introduced:

H. F. No. 2161, A bill for an act relating to higher education; appropriating money to the Board of Regents of the University of Minnesota for research support.

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

Slawik introduced:

H. F. No. 2162, A bill for an act relating to education; requiring school districts to provide students with information about online learning; providing funding for online learning and for students' enrolling school districts; appropriating money; amending Minnesota Statutes 2004, sections 124D.095, subdivisions 4, 6, 8; 126C.05, subdivision 19; repealing Minnesota Statutes 2004, section 124D.095, subdivision 9.

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

Vandevveer introduced:

H. F. No. 2163, A bill for an act relating to local government; requiring a super majority vote by the county to transfer certain local assessment responsibilities; amending Minnesota Statutes 2004, section 273.055.

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

Vandevveer introduced:

H. F. No. 2164, A bill for an act relating to higher education; enacting the Free Speech for Faculty and Students Bill of Rights; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Davnie introduced:

H. F. No. 2165, A bill for an act relating to education finance; authorizing a grant to establish a Principals' Leadership Institute; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 122A.

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

Samuelson and Tingelstad introduced:

H. F. No. 2166, A bill for an act relating to human services; extending the termination date for the Traumatic Brain Injury Advisory Committee; amending Minnesota Statutes 2004, section 256B.093, subdivision 1.

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

Anderson, B., introduced:

H. F. No. 2167, A bill for an act relating to drivers' licenses; establishing novice driver safety education program; modifying provisions related to driver instruction permits and provisional drivers' licenses; appropriating money; amending Minnesota Statutes 2004, sections 171.05, subdivision 2; 171.055, subdivision 2; 171.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 121A.

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

Gunther, Kelliher, Dempsey, Sertich and Mahoney introduced:

H. F. No. 2168, A bill for an act relating to economic development; modifying Minnesota redevelopment accounts; amending Minnesota Statutes 2004, sections 116J.571; 116J.572; 116J.574; 116J.575; repealing Minnesota Statutes 2004, section 116J.573.

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

Walker; Abrams; Lenczewski; Lanning; Simpson; Davnie; Thissen; Lesch; Brod; Mariani; Fritz; Abeler; Poppe; Ellison; Sieben; Erhardt; Koenen; Jaros; Cox; Simon; Carlson; Hornstein; Clark; Goodwin; Kelliher; Rukavina; Peterson, S.; Magnus; Dorman; Atkins and Johnson, S., introduced:

H. F. No. 2169, A bill for an act relating to taxation; income tax administration; appropriating money for grants to nonprofit entities to facilitate the delivery of volunteer assistance to low-income taxpayers.

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

Hoppe and Kohls introduced:

H. F. No. 2170, A bill for an act relating to local government; authorizing Carver County to make the offices of county auditor, treasurer, and recorder appointive offices.

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

Tingelstad introduced:

H. F. No. 2171, A bill for an act relating to capital improvements; appropriating money to redevelop the Springbrook Nature Center in the city of Fridley; authorizing the sale of state bonds.

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

Bradley, Welti, Fritz, Demmer and Pelowski introduced:

H. F. No. 2172, A bill for an act relating to human services; establishing a task force on licensing and alternative quality assurance.

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

Larson, Lenczewski and Peterson, N., introduced:

H. F. No. 2173, A bill for an act relating to retirement; extending the deadline for full funding for the Bloomington Fire Department Relief Association; increasing interest rate assumption; amending Minnesota Statutes 2004, sections 69.77, subdivision 4; 356.215, subdivision 8; 356.216.

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

Larson, Thissen, Hornstein, Wagenius and Lenczewski introduced:

H. F. No. 2174, A bill for an act relating to metropolitan government; requiring the Metropolitan Airports Commission to implement specified sound mitigation efforts within designated areas.

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

Abeler, Huntley, Meslow, Thissen and Abrams introduced:

H. F. No. 2175, A bill for an act relating to health; providing for a statewide plan for improving health and a grant program for collaborative health improvement projects; requiring persons to refrain from smoking in certain areas; requiring all persons to maintain health coverage; requiring health plans to issue coverage to all applicants and charge community rates; increasing the tax on cigarettes and tobacco products; modifying price of cigarette stamps and disposition of revenue received from cigarette taxes; establishing an essential benefit set for all health plans; creating an income tax deduction for health plan premiums; limiting corporate income tax deductions for employee health coverage to the value of the essential benefit set; amending laws promoting high-quality, evidence-based health care; providing for public information on health care cost and quality; creating a revolving loan fund for electronic medical record systems; authorizing the sale of state revenue bonds; requiring reports; appropriating money; amending Minnesota Statutes 2004, sections 62J.43; 144.412; 144.413, subdivisions 2, 4, by adding subdivisions; 144.414; 144.416; 144.417; 145A.12, by adding subdivisions; 290.01, subdivisions 19b, 19c; 297F.05, subdivisions 1, 3, 4; 297F.08, subdivision 7; 297F.09, subdivision 2; 297F.10; proposing coding for new law in Minnesota Statutes, chapters 62J; 62Q; 144; repealing Minnesota Statutes 2004, section 144.415.

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

Hackbarth, Hortman, Olson, Dittrich, Tingelstad, Bernardy, Abeler, Goodwin, DeLaForest, Erickson and Westerberg introduced:

H. F. No. 2176, A bill for an act relating to transportation; appropriating money for commuter bus service between Elk River and Minneapolis.

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

Cornish introduced:

H. F. No. 2177, A bill for an act relating to education; providing for compulsory instruction of children between five and 16 years of age; making special provisions for children under age 7; amending Minnesota Statutes 2004, section 120A.22, subdivisions 5, 6.

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

Krinkie, Lenczewski and Vandever introduced:

H. F. No. 2178, A bill for an act relating to taxation; defining the term tax for purposes of Minnesota Statutes; amending Minnesota Statutes 2004, section 645.44, by adding a subdivision.

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

Welti introduced:

H. F. No. 2179, A bill for an act relating to state government; authorizing certain emergency meetings to be conducted by telephone or other electronic means; proposing coding for new law in Minnesota Statutes, chapter 13D.

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

Marquart; Gunther; Dorman; Abeler; Anderson, I.; Simpson; Heidgerken; Peterson, A.; Cornish; Johnson, R.; Liebling and Poppe introduced:

H. F. No. 2180, A bill for an act relating to education finance; increasing the general education basic formula allowance; increasing funding for declining enrollment; reinstating a general education levy; promoting alternative teacher compensation programs; creating a new revenue source for deferred maintenance; authorizing funding for school district telecommunication and Internet access; providing incentives for school districts delivering exceptional education services; authorizing state funding for unfunded federal mandates; appropriating money; amending Minnesota Statutes 2004, sections 122A.414; 122A.415, subdivisions 1, 3; 123B.59, by adding subdivisions; 126C.05, subdivisions 5, 6; 126C.10, subdivisions 1, 2, by adding subdivisions; 126C.13, by adding subdivisions; 127A.45, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 125B.

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

Vandevveer introduced:

H. F. No. 2181, A bill for an act relating to taxation; income; abolishing the alternative minimum tax for individuals and corporations; amending Minnesota Statutes 2004, sections 289A.25, subdivision 5; 290.02; 290.06, subdivisions 30, 31; 290.491; 298.01, subdivisions 3d, 4e; 469.316, subdivision 1; 469.317; 469.337; repealing Minnesota Statutes 2004, sections 290.0674, subdivision 3; 290.091; 290.0921; 298.01, subdivisions 3c, 4d.

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

Carlson, Pelowski and Kahn introduced:

H. F. No. 2182, A bill for an act relating to higher education; proposing an amendment to the Minnesota Constitution, article XIII, section 3; establishing the size of the Board of Regents of the University of Minnesota; providing for elections; proposing coding for new law in Minnesota Statutes, chapter 137.

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

Dauids introduced:

H. F. No. 2183, A bill for an act relating to sales tax; authorizing imposition of a local sales tax for cities; amending Minnesota Statutes 2004, sections 297A.99, subdivision 1; 477A.016; proposing coding for new law in Minnesota Statutes, chapter 297A.

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

Dittrich; Zellers; Hortman; Peppin; Peterson, S.; Hilstrom and Abeler introduced:

H. F. No. 2184, A bill for an act relating to economic development; appropriating money for a grant to the Northwest Regional Curfew Center.

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

Charron introduced:

H. F. No. 2185, A bill for an act relating to natural resources; establishing the Shooting Range Protection Act; requiring expedited rulemaking; proposing coding for new law as Minnesota Statutes, chapter 87A.

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

Demmer introduced:

H. F. No. 2186, A bill for an act relating to public safety; appropriating money to the Dodge County drug court.

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

Abrams introduced:

H. F. No. 2187, A bill for an act relating to public and municipal corporations; creating a county subsidiary corporation to provide health care and related services, education, and research; providing for governance of Hennepin County Medical Center; amending Minnesota Statutes 2004, sections 179A.03, subdivisions 7, 14, 15; 179A.06, subdivision 2; 179A.16, by adding a subdivision; 353.01, subdivisions 2b, 2d, 6; 353.64, subdivision 10; 353E.02, subdivision 2a; 383B.117, subdivision 2; 383B.217, subdivision 7; 383B.46; proposing coding for new law in Minnesota Statutes, chapters 179A; 383B; repealing Minnesota Statutes 2004, section 383B.217, subdivisions 1, 2, 3, 4, 5, 6, 8.

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

Jaros; Anderson, B.; Westerberg; Lieder and Anderson, I., introduced:

H. F. No. 2188, A bill for an act relating to the military; providing reimbursement grants or pay for certain honor guard members; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 192; 197.

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

Ellison; Meslow; Lesch; Nelson, M., and Smith introduced:

H. F. No. 2189, A bill for an act relating to crimes; defining "public place" for purposes of the prostitution law; amending Minnesota Statutes 2004, section 609.321, subdivision 12.

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

Hackbarth, Abeler and Westerberg introduced:

H. F. No. 2190, A bill for an act relating to horse racing; amending additional class A license requirements; amending Minnesota Statutes 2004, section 240.06, subdivision 5a.

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

Abeler and Thissen introduced:

H. F. No. 2191, A bill for an act relating to health; transferring oversight authority for the Office of Mental Health Practice; requiring a report; appropriating money; amending Minnesota Statutes 2004, sections 148B.60; 148B.61; Laws 2003, chapter 118, section 29, as amended.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. Nos. 1879 and 1535.

PATRICE DWORAK, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1879, A bill for an act relating to the financing of state government; providing for structural balance in the state budget; appropriating money for education, the environment, agriculture, economic development, transportation, public safety, state government, and health and human services with certain conditions; canceling and transferring balances to the general fund; fixing and limiting fees; regulating the deposit of money in the state treasury; regulating transfers between appropriations and accounts; requiring certain studies and reports; shortening the holding period for abandoned securities; amending Minnesota Statutes 2004, sections 123B.54; 127A.49, subdivision 2; 168.013, subdivision 8; 168.12, subdivisions 2, 2a, 2b, 2c, 2d, 2e, 5; 168.1255, subdivision 4; 168.127, subdivision 6; 168.129, subdivision 5; 168.1293, subdivision 7; 168.1296, subdivision 5; 168.27, subdivision 11; 168.33, subdivision 7; 168.381, subdivision 4; 168A.152, subdivision 2; 168A.29, subdivision 1; 168A.31; 169.09, subdivision 13; 169A.60, subdivision 16; 171.06, subdivisions 2, 2a; 171.061, subdivision 4; 171.07, subdivision 11; 171.13, subdivision 6, by adding a subdivision; 171.26; 171.29, subdivision 2; 171.36; 256.975, subdivision 9; 256B.0595, subdivision 2; 256B.0625, subdivisions 13, 13e, 13f, by adding subdivisions; 256B.0911, subdivision 1a; 256M.40, subdivision 2; 345.47, subdivisions 3, 3a; Laws 2003, First Special Session chapter 9, article 1, section 53, subdivisions 2, as amended, 3, as amended, 5, as amended, 6, as amended, 11, as amended, 12, as amended; Laws 2003, First Special Session chapter 9, article 2, section 55, subdivisions 2, as amended, 3, as amended, 5, as amended, 7, as amended, 8, 9, as amended, 12, as amended; Laws 2003, First Special

Session chapter 9, article 3, section 20, subdivisions 2, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 8, as amended, 9, as amended, 10; Laws 2003, First Special Session chapter 9, article 4, section 31, subdivisions 2, as amended, 3, as amended, 4; Laws 2003, First Special Session chapter 9, article 5, section 35, subdivisions 2, as amended, 3, as amended; Laws 2003, First Special Session chapter 9, article 6, section 4, as amended; Laws 2003, First Special Session chapter 9, article 7, section 11, subdivisions 2, 3, as amended, 4, 5; Laws 2003, First Special Session chapter 9, article 8, section 7, subdivisions 2, as amended, 3, 5, as amended; Laws 2003, First Special Session chapter 9, article 9, section 9, subdivision 2, as amended; proposing coding for new law in Minnesota Statutes, chapters 93; 168; 299A; repealing Minnesota Statutes 2004, sections 168.012, subdivision 12; 168.041, subdivision 11; 168.105, subdivision 6; 168.123, subdivision 5; 168.1235, subdivision 5; 168.128, subdivision 4; 168.231; 168.345, subdivisions 3, 4; 170.23; 171.12, subdivision 8; 171.185; 256.955.

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

S. F. No. 1535, A bill for an act relating to liquor; authorizing the city of Minneapolis to issue an on-sale license; amending Minnesota Statutes 2004, section 340A.404, subdivision 2.

The bill was read for the first time.

Hoppe moved that S. F. No. 1535 and H. F. No. 1376, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 974, A bill for an act relating to public safety; providing that a peace officer may operate any vehicle or combination of vehicles; making clarifying changes; amending Minnesota Statutes 2004, section 171.02, subdivision 2.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Cybart	Entenza	Hilstrom	Klinzing	Mahoney
Anderson, B.	Davids	Erhardt	Hilty	Knoblach	Mariani
Anderson, I.	Davnie	Erickson	Holberg	Koenen	Marquart
Atkins	Dean	Finstad	Hoppe	Kohls	McNamara
Beard	DeLaForest	Fritz	Hornstein	Krinkie	Meslow
Bernardy	Demmer	Garofalo	Hortman	Lanning	Moe
Blaine	Dempsey	Gazelka	Hosch	Larson	Mullery
Bradley	Dill	Goodwin	Howes	Latz	Murphy
Brod	Dittrich	Greiling	Jaros	Lenczewski	Nelson, M.
Buesgens	Dorman	Gunther	Johnson, J.	Lesch	Nelson, P.
Carlson	Dorn	Hackbarth	Johnson, R.	Liebling	Newman
Charron	Eastlund	Hamilton	Johnson, S.	Lieder	Nornes
Clark	Eken	Hansen	Juhnke	Lillie	Opatz
Cornish	Ellison	Hausman	Kahn	Loeffler	Otremba
Cox	Emmer	Heidgerken	Kelliher	Magnus	Ozment

Paulsen	Peterson, S.	Samuelson	Simpson	Thissen	Welti
Paymar	Poppe	Scalze	Slawik	Tingelstad	Westerberg
Pelowski	Powell	Seifert	Smith	Urdahl	Westrom
Penas	Rukavina	Sertich	Soderstrom	Vandever	Wilkin
Peppin	Ruth	Severson	Solberg	Wagenius	Zellers
Peterson, A.	Ruud	Sieben	Sykora	Walker	Spk. Sviggum
Peterson, N.	Sailer	Simon	Thao	Wardlow	

The bill was passed and its title agreed to.

Paulsen moved that the remaining bills on the Consent Calendar be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Bernardy moved that the name of Entenza be added as an author on H. F. No. 310. The motion prevailed.

Ruth moved that the name of Hilty be added as an author on H. F. No. 357. The motion prevailed.

Erickson moved that the names of Thissen and Blaine be added as authors on H. F. No. 376. The motion prevailed.

Kelliher moved that the name of Carlson be added as an author on H. F. No. 629. The motion prevailed.

Sieben moved that the name of Ruud be added as an author on H. F. No. 646. The motion prevailed.

Abeler moved that the name of Fritz be added as an author on H. F. No. 670. The motion prevailed.

Bernardy moved that the name of Entenza be added as an author on H. F. No. 726. The motion prevailed.

Bradley moved that the name of Simon be added as an author on H. F. No. 775. The motion prevailed.

Greiling moved that the name of Bernardy be added as an author on H. F. No. 827. The motion prevailed.

Demmer moved that the name of Soderstrom be added as an author on H. F. No. 1273. The motion prevailed.

Larson moved that the name of Bernardy be added as an author on H. F. No. 1280. The motion prevailed.

Johnson, J., moved that the name of Soderstrom be added as an author on H. F. No. 1298. The motion prevailed.

Hilty moved that his name be stricken as an author on H. F. No. 1319. The motion prevailed.

Emmer moved that the name of Soderstrom be added as an author on H. F. No. 1444. The motion prevailed.

Meslow moved that the name of Ruud be added as an author on H. F. No. 1572. The motion prevailed.

Liebling moved that the name of Johnson, J., be added as an author on H. F. No. 1578. The motion prevailed.

Emmer moved that the name of Soderstrom be added as an author on H. F. No. 1593. The motion prevailed.

Thao moved that the name of Mullery be added as an author on H. F. No. 1693. The motion prevailed.

Blaine moved that the name of Erickson be added as an author on H. F. No. 1732. The motion prevailed.

Abrams moved that the name of Ruud be added as an author on H. F. No. 1789. The motion prevailed.

Abeler moved that the name of Sviggum be added as an author on H. F. No. 1812. The motion prevailed.

Westerberg moved that the name of Sailer be added as an author on H. F. No. 1817. The motion prevailed.

Mullery moved that the name of Clark be added as an author on H. F. No. 1829. The motion prevailed.

Heidgerken moved that the name of Westrom be added as an author on H. F. No. 1931. The motion prevailed.

Finstad moved that the name of Soderstrom be added as an author on H. F. No. 1956. The motion prevailed.

Finstad moved that the name of Hamilton be added as an author on H. F. No. 1967. The motion prevailed.

Nelson, P., moved that the name of Erickson be added as an author on H. F. No. 1971. The motion prevailed.

Magnus moved that his name be stricken as an author on H. F. No. 2045. The motion prevailed.

Davids moved that the name of Hamilton be added as an author on H. F. No. 2059. The motion prevailed.

Loeffler moved that the names of Sailer, Seifert, Moe and Ellison be added as authors on H. F. No. 2070. The motion prevailed.

Cybart moved that the name of Abrams be added as an author on H. F. No. 2076. The motion prevailed.

Holberg moved that the name of Anderson, B., be added as an author on H. F. No. 2097. The motion prevailed.

Johnson, J., moved that the name of Knoblach be added as an author on H. F. No. 2099. The motion prevailed.

Carlson moved that the name of Peterson, S., be added as an author on H. F. No. 2106. The motion prevailed.

Zellers moved that H. F. No. 1 be recalled from the Committee on Civil Law and Elections and be re-referred to the Committee on Public Safety Policy and Finance. The motion prevailed.

Cornish moved that H. F. No. 814, now on the General Register, be re-referred to the Committee on Agriculture, Environment and Natural Resources Finance. The motion prevailed.

Blaine moved that H. F. No. 1209 be recalled from the Committee on Governmental Operations and Veterans Affairs and be re-referred to the Committee on State Government Finance. The motion prevailed.

Erhardt moved that H. F. No. 1573 be recalled from the Committee on Transportation Finance and be re-referred to the Committee on Transportation. The motion prevailed.

Otremba moved that H. F. No. 1797 be recalled from the Committee on Taxes and be re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Powell moved that H. F. No. 1873 be recalled from the Committee on Health Policy and Finance and be referred to the Committee on Civil Law and Elections. The motion prevailed.

Bradley moved that H. F. No. 2013 be recalled from the Committee on Higher Education Finance and be referred to the Committee on Governmental Operations and Veterans Affairs. The motion prevailed.

House Resolution No. 6 was reported to the House.

HOUSE RESOLUTION NO. 6

A House resolution setting the maximum limit on general fund expenditures for the biennium ending June 30, 2007.

Be It Resolved by the House of Representatives that the sum of \$29,835,164,000 is the maximum limit on net expenditures and transfers from the general fund for fiscal years 2006 and 2007.

Be It Further Resolved that the House of Representatives finds that a cash flow account of \$350,000,000 and a budget reserve of \$653,000,000 are necessary.

Be It Further Resolved that the limit on appropriations and transfers from the general fund established in this resolution may be adjusted to reflect forecast adjustments and consolidation of other funds into the general fund. This resolution is adopted under House Rule 4.03.

Knoblach moved that House Resolution No. 6 be now adopted.

A roll call was requested and properly seconded.

Dorman and Greiling moved to amend House Resolution No. 6 as follows:

Page 1, line 6, delete "\$29,835,164,000" and insert "\$30,193,164,000"

A roll call was requested and properly seconded.

The question was taken on the Dorman and Greiling amendment and the roll was called. There were 61 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dill	Erhardt	Hilstrom	Johnson, S.	Lesch
Atkins	Dorman	Fritz	Hilty	Juhnke	Liebling
Bernardy	Dorn	Goodwin	Hornstein	Kahn	Lieder
Carlson	Eken	Greiling	Hortman	Kelliher	Lillie
Clark	Ellison	Hansen	Jaros	Koenen	Loeffler
Davnie	Entenza	Hausman	Johnson, R.	Latz	Mahoney

Mariani	Nelson, M.	Peterson, S.	Sertich	Thao
Marquart	Otremba	Poppe	Sieben	Thissen
Moe	Paymar	Rukavina	Simon	Wagenius
Mullery	Pelowski	Ruud	Slawik	Walker
Murphy	Peterson, A.	Sailer	Solberg	Welti

Those who voted in the negative were:

Abeler	Davids	Gunther	Krinkie	Ozment	Smith
Abrams	Dean	Hackbarth	Lanning	Paulsen	Soderstrom
Anderson, B.	DeLaForest	Hamilton	Larson	Penas	Sykora
Beard	Demmer	Heidgerken	Lenczewski	Peppin	Tingelstad
Blaine	Dempsey	Holberg	Magnus	Peterson, N.	Urdahl
Bradley	Dittrich	Hoppe	McNamara	Powell	Vandever
Brod	Eastlund	Hosch	Meslow	Ruth	Wardlow
Buesgens	Emmer	Howes	Nelson, P.	Samuelson	Westerberg
Charron	Erickson	Johnson, J.	Newman	Scalze	Westrom
Cornish	Finstad	Klinzing	Nornes	Seifert	Wilkin
Cox	Garofalo	Knoblach	Olson	Severson	Zellers
Cybart	Gazelka	Kohls	Opatz	Simpson	Spk. Sviggum

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

The question recurred on the Knoblach motion and the roll was called. There were 67 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gunther	Lanning	Peterson, N.	Vandever
Abrams	Dean	Hackbarth	Magnus	Powell	Wardlow
Anderson, B.	DeLaForest	Hamilton	McNamara	Ruth	Westerberg
Beard	Demmer	Heidgerken	Meslow	Samuelson	Westrom
Blaine	Dempsey	Holberg	Nelson, P.	Seifert	Wilkin
Bradley	Eastlund	Hoppe	Newman	Severson	Zellers
Brod	Emmer	Howes	Nornes	Simpson	Spk. Sviggum
Buesgens	Erhardt	Johnson, J.	Olson	Smith	
Charron	Erickson	Klinzing	Ozment	Soderstrom	
Cornish	Finstad	Knoblach	Paulsen	Sykora	
Cox	Garofalo	Kohls	Penas	Tingelstad	
Cybart	Gazelka	Krinkie	Peppin	Urdahl	

Those who voted in the negative were:

Anderson, I.	Dorman	Hansen	Johnson, R.	Lenczewski	Marquart
Atkins	Dorn	Hausman	Johnson, S.	Lesch	Moe
Bernardy	Eken	Hilstrom	Juhnke	Liebling	Mullery
Carlson	Ellison	Hilty	Kahn	Lieder	Murphy
Clark	Entenza	Hornstein	Kelliher	Lillie	Nelson, M.
Davnie	Fritz	Hortman	Koenen	Loeffler	Opatz
Dill	Goodwin	Hosch	Larson	Mahoney	Otremba
Dittrich	Greiling	Jaros	Latz	Mariani	Paymar

Pelowski	Poppe	Sailer	Sieben	Solberg	Wagenius
Peterson, A.	Rukavina	Scalze	Simon	Thao	Walker
Peterson, S.	Ruud	Sertich	Slawik	Thissen	Welti

The motion prevailed and House Resolution No. 6 was adopted.

Murphy moved that H. F. No. 449 be recalled from the Committee on Capital Investment and be re-referred to the Committee on Taxes. The motion prevailed.

Gazelka moved that H. F. No. 1536 be recalled from the Committee on Civil Law and Elections and be re-referred to the Committee on Public Safety Policy and Finance. The motion prevailed.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, March 30, 2005. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, March 30, 2005.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

