

## STATE OF MINNESOTA

## EIGHTY-FOURTH SESSION — 2005

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 THIRTY-FOURTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 31, 2005

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

Prayer was offered by Pastor Mike Haseltine, Maranatha Assembly of God, Forest Lake, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Abrams was excused.

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

**REPORTS OF STANDING COMMITTEES**

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 215, A bill for an act relating to natural resources; modifying safety training provisions; providing for certain background checks; providing for reporting of certain driving while impaired violations; providing for seizure and forfeiture of boat trailers; providing for certain uses of lawful gambling profits; amending Minnesota Statutes 2004, sections 84.027, by adding a subdivision; 84.91, subdivision 1; 84.9256, subdivision 1; 97B.015, subdivisions 1, 2, 5; 97B.020; 169A.63, subdivision 6; 349.12, subdivision 25.

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. 436, A bill for an act relating to natural resources; requiring commissioner's evaluation before vacating certain roads adjacent to public waters; creating right of intervention; amending Minnesota Statutes 2004, sections 164.07, subdivision 2; 412.851; 505.14.

Reported the same back with the following amendments:

Page 1, line 21, strike "such" and insert "the"

Page 1, line 22, strike "such" in both places and insert "the"

Page 2, line 7, delete "a representative of"

Page 2, lines 9 and 15, delete "commissioner's representative" and insert "commissioner"

Page 2, line 26, strike "such"

Page 3, line 8, delete "a representative of"

Page 3, lines 9 and 10, delete "commissioner's representative" and insert "commissioner"

Page 3, line 16, delete "commissioner's representative" and insert "commissioner"

Page 3, line 27, strike "such"

Page 3, lines 33 and 35, strike "such" and insert "the"

Page 4, lines 4, 19, 22, 26, and 35, strike "such" and insert "the"

Page 4, line 32, strike "such"

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. 665, A bill for an act relating to legal process; eliminating the prohibition on service of legal process on Sunday; repealing Minnesota Statutes 2004, section 624.04.

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

The report was adopted.

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

H. F. No. 682, A bill for an act relating to the military; providing for special "Support Our Troops" plates; establishing an account; providing funding for certain National Guard incentive programs; providing funding for a World War II veterans memorial and the maintenance and improvement of veterans homes; providing certain income tax benefits; appropriating money; amending Minnesota Statutes 2004, sections 290.01, subdivisions 7, 19, 19b; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapters 168; 190.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### LICENSE PLATES

Section 1. [168.1298] [SPECIAL "SUPPORT OUR TROOPS" LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] (a) The commissioner shall issue special "Support Our Troops" license plates to an applicant who:

(1) is an owner of a passenger automobile, one-ton pickup truck, recreational vehicle, or motorcycle;

(2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$30 annually to the Minnesota "Support Our Troops" account established in section 190.19; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

(b) The license application under this section must indicate that the annual contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plate and that the applicant may make an additional contribution to the account.

Subd. 2. [DESIGN.] After consultation with interested groups, the adjutant general and the commissioner of veterans affairs shall design the special plate, subject to the approval of the commissioner.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile, one-ton pickup truck, recreational vehicle, or motorcycle owned by the individual to whom the special plates were issued.

Subd. 5. [CONTRIBUTION AND FEES CREDITED.] Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the Minnesota "Support Our Troops" account established in section 190.19. The fees collected under this section must be deposited in the vehicle services operating account in the special revenue fund.

Subd. 6. [RECORD.] The commissioner shall maintain a record of the number of plates issued under this section.

Sec. 2. [190.19] [MINNESOTA "SUPPORT OUR TROOPS" ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota "Support Our Troops" account is established in the state treasury. The account shall consist of contributions from private sources and appropriations.

Subd. 2. [GRANTS.] (a) Money in the Minnesota "Support Our Troops" account is appropriated to the adjutant general for the purpose of making grants:

(1) directly to eligible individuals; or

(2) to one or more eligible foundations for the purpose of making grants to eligible individuals, as provided in this section.

(b) The term "eligible individual" includes any person who is:

(1) a member of the Minnesota National Guard or a reserve unit based in Minnesota who has been called to active service as defined in section 190.05, subdivision 5;

(2) a Minnesota resident who is a member of a military reserve unit not based in Minnesota, if the member is called to active service as defined in section 190.05, subdivision 5;

(3) any other Minnesota resident performing active service for any branch of the military of the United States; and

(4) members of the immediate family of an individual identified in clause (1), (2), or (3). For purposes of this clause, "immediate family" means the individual's spouse and minor children and, if they are dependents of the member of the military, the member's parents, grandparents, siblings, stepchildren, and adult children.

(c) The term "eligible foundation" includes any organization that:

(1) is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code;

(2) has articles of incorporation under chapter 317A specifying the purpose of the organization as including the provision of financial assistance to members of the Minnesota National Guard and other United States armed forces reserves and their families and survivors; and

(3) agrees in writing to distribute any grant money received from the adjutant general under this section to eligible individuals as defined in this section and in accordance with any written policies and rules the adjutant general may impose as conditions of the grant to the foundation.

(d) The maximum grant awarded to an eligible individual in a calendar year with funds from the Minnesota "Support Our Troops" account, either through an eligible institution or directly from the adjutant general, may not exceed \$2,000.

Subd. 3. [ANNUAL REPORT.] The adjutant general must report by February 1, 2007, and each year thereafter, to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over military and veterans affairs on the number, amounts, and use of grants issued from the Minnesota "Support Our Troops" account in the previous year.

## ARTICLE 2

### NATIONAL GUARD FUNDING

#### Section 1. [APPROPRIATION.]

(a) \$3,850,000 is appropriated in fiscal year 2006 and \$3,850,000 is appropriated in fiscal year 2007 from the general fund to the adjutant general to provide the additional amount necessary for full funding of the tuition reimbursement program in Minnesota Statutes, section 192.501, subdivision 2.

(b) \$1,500,000 is appropriated in fiscal year 2006 and \$1,500,000 is appropriated in fiscal year 2007 from the general fund to the adjutant general to provide for reenlistment bonuses under Minnesota Statutes, section 192.501, subdivision 1b.

## ARTICLE 3

### BONDING

#### Section 1. [APPROPRIATION.]

(a) \$670,000 is appropriated from the bond proceeds fund to the commissioner of administration for the construction of a World War II veterans memorial on the Capitol Mall. The design is subject to approval by the Capitol Area Architectural and Planning Board.

(b) \$6,306,000 is appropriated from the bond proceeds fund to the Veterans Homes Board for the maintenance and improvement of Minnesota's veterans homes, including \$6,000,000 for asset preservation and \$306,000 for the Luverne Veterans Home dementia unit common area.

#### Sec. 2. [BOND SALE.]

To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$6,976,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

#### Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

## ARTICLE 4

## INCOME TAX

Section 1. Minnesota Statutes 2004, section 289A.02, subdivision 7, is amended to read:

Subd. 7. [INTERNAL REVENUE CODE.] Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~June 15~~ November 15, 2003.

**[EFFECTIVE DATE.]** This section is effective for actions required on or after November 11, 2003.

Sec. 2. Minnesota Statutes 2004, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating the federal effective dates of changes to the Internal Revenue Code and any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(g) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply;

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code; and

(3) the deduction for dividends paid must also be applied in the amount of any undistributed capital gains which the regulated investment company elects to have treated as provided in section 852(b)(3)(D) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The net income of a designated settlement fund as defined in section 468B(d) of the Internal Revenue Code means the gross income as defined in section 468B(b) of the Internal Revenue Code.

~~The provisions of sections 1113(a), 1117, 1206(a), 1313(a), 1402(a), 1403(a), 1443, 1450, 1501(a), 1605, 1611(a), 1612, 1616, 1617, 1704(l), and 1704(m) of the Small Business Job Protection Act, Public Law 104 188, the provisions of Public Law 104 117, the provisions of sections 313(a) and (b)(1), 602(a), 913(b), 941, 961, 971, 1001(a) and (b), 1002, 1003, 1012, 1013, 1014, 1061, 1062, 1081, 1084(b), 1086, 1087, 1111(a), 1131(b) and (c), 1211(b), 1213, 1530(e)(2), 1601(f)(5) and (h), and 1604(d)(1) of the Taxpayer Relief Act of 1997, Public Law 105 34, the provisions of section 6010 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law 105 206, the provisions of section 4003 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105 277, and the provisions of section 318 of the Consolidated Appropriation Act of 2001, Public Law 106 554, shall become effective at the time they become effective for federal purposes.~~

The Internal Revenue Code of 1986, as amended through ~~December 31, 1996~~ November 15, 2003, shall be in effect for taxable years beginning after ~~December 31, 1996~~ at the same time it becomes effective for federal purposes.

~~The provisions of sections 202(a) and (b), 221(a), 225, 312, 313, 913(a), 934, 962, 1004, 1005, 1052, 1063, 1084(a) and (c), 1089, 1112, 1171, 1204, 1271(a) and (b), 1305(a), 1306, 1307, 1308, 1309, 1501(b), 1502(b), 1504(a), 1505, 1527, 1528, 1530, 1601(d), (e), (f), and (i) and 1602(a), (b), (c), and (e) of the Taxpayer Relief Act of 1997, Public Law 105-34, the provisions of sections 6004, 6005, 6012, 6013, 6015, 6016, 7002, and 7003 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law 105-206, the provisions of section 3001 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, the provisions of section 3001 of the Miscellaneous Trade and Technical Corrections Act of 1999, Public Law 106-36, and the provisions of section 316 of the Consolidated Appropriation Act of 2001, Public Law 106-554, shall become effective at the time they become effective for federal purposes.~~

~~The Internal Revenue Code of 1986, as amended through December 31, 1997, shall be in effect for taxable years beginning after December 31, 1997.~~

~~The provisions of sections 5002, 6009, 6011, and 7001 of the Internal Revenue Service Restructuring and Reform Act of 1998, Public Law 105-206, the provisions of section 9010 of the Transportation Equity Act for the 21st Century, Public Law 105-178, the provisions of sections 1004, 4002, and 5301 of the Omnibus Consolidation and Emergency Supplemental Appropriations Act, 1999, Public Law 105-277, the provision of section 303 of the Ricky Ray Hemophilia Relief Fund Act of 1998, Public Law 105-369, the provisions of sections 532, 534, 536, 537, and 538 of the Ticket to Work and Work Incentives Improvement Act of 1999, Public Law 106-170, the provisions of the Installment Tax Correction Act of 2000, Public Law 106-573, and the provisions of section 309 of the Consolidated Appropriation Act of 2001, Public Law 106-554, shall become effective at the time they become effective for federal purposes.~~

~~The Internal Revenue Code of 1986, as amended through December 31, 1998, shall be in effect for taxable years beginning after December 31, 1998.~~

~~The provisions of the FSC Repeal and Extraterritorial Income Exclusion Act of 2000, Public Law 106-519, and the provision of section 412 of the Job Creation and Worker Assistance Act of 2002, Public Law 107-147, shall become effective at the time it became effective for federal purposes.~~

~~The Internal Revenue Code of 1986, as amended through December 31, 1999, shall be in effect for taxable years beginning after December 31, 1999. The provisions of sections 306 and 401 of the Consolidated Appropriation Act of 2001, Public Law 106-554, and the provision of section 632(b)(2)(A) of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16, and provisions of sections 101 and 402 of the Job Creation and Worker Assistance Act of 2002, Public Law 107-147, shall become effective at the same time it became effective for federal purposes.~~

~~The Internal Revenue Code of 1986, as amended through December 31, 2000, shall be in effect for taxable years beginning after December 31, 2000. The provisions of sections 659a and 671 of the Economic Growth and Tax Relief Reconciliation Act of 2001, Public Law 107-16, the provisions of sections 104, 105, and 111 of the Victims of Terrorism Tax Relief Act of 2001, Public Law 107-134, and the provisions of sections 201, 403, 413, and 606 of the Job Creation and Worker Assistance Act of 2002, Public Law 107-147, shall become effective at the same time it became effective for federal purposes.~~

~~The Internal Revenue Code of 1986, as amended through March 15, 2002, shall be in effect for taxable years beginning after December 31, 2001.~~

~~The provisions of sections 101 and 102 of the Victims of Terrorism Tax Relief Act of 2001, Public Law 107-134, shall become effective at the same time it becomes effective for federal purposes.~~

~~The Internal Revenue Code of 1986, as amended through June 15, 2003, shall be in effect for taxable years beginning after December 31, 2002. The provisions of section 201 of the Jobs and Growth Tax Relief and Reconciliation Act of 2003, H.R. 2, if it is enacted into law, are effective at the same time it became effective for federal purposes.~~

Except as otherwise provided, references to the Internal Revenue Code in subdivisions ~~19a 19~~ to ~~19g 19f~~ mean the code in effect for purposes of determining net income for the applicable year.

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

Sec. 3. Minnesota Statutes 2004, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

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

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

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

(4) income as provided under section 290.0802;

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

(6) to the extent included in federal taxable income, postservice benefits for youth community service under section 124D.42 for volunteer service under United States Code, title 42, sections 12601 to 12604;



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

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

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

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

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

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

(13) to the extent included in federal taxable income, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Service Members Civil Relief Act, Public Law 108-189, section 101(2), performed by a nonresident. This subtraction does not apply to "retirement income" as defined in section 290.17, subdivision 2, paragraph (a), clause (3).

[EFFECTIVE DATE.] The subtraction allowed in clause (12) is effective for taxable years beginning after December 31, 2004, and the subtraction allowed in clause (13) is effective for taxable years beginning after December 31, 2002.

Sec. 4. Minnesota Statutes 2004, section 290.01, subdivision 31, is amended to read:

Subd. 31. [INTERNAL REVENUE CODE.] Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~June 15~~ November 15, 2003.

[EFFECTIVE DATE.] This section is effective the day following final enactment, except the changes incorporated by federal changes are effective at the same times as the changes were effective for federal purposes.

Sec. 5. Minnesota Statutes 2004, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$25,680, 5.35 percent;
- (2) On all over \$25,680, but not over \$102,030, 7.05 percent;
- (3) On all over \$102,030, 7.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$17,570, 5.35 percent;
- (2) On all over \$17,570, but not over \$57,710, 7.05 percent;
- (3) On all over \$57,710, 7.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$21,630, 5.35 percent;
- (2) On all over \$21,630, but not over \$86,910, 7.05 percent;
- (3) On all over \$86,910, 7.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), and (6), and reduced by the subtraction under section 290.01, subdivision 19b, clause (11), and the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtraction under clause (12), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), and (6), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1) ~~and~~ (11), and (12).

**[EFFECTIVE DATE.]** This section is effective for taxable years beginning after December 31, 2004.

Sec. 6. Minnesota Statutes 2004, section 290.091, subdivision 2, is amended to read:

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

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code to the extent that the deduction exceeds 1.0 percent of adjusted gross income, as defined in section 62 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

(6) the amount of addition required by section 290.01, subdivision 19a, clause (7);

less the sum of the amounts determined under the following:

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (10) ~~and~~, (11), and (12).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

**[EFFECTIVE DATE.]** This section is effective for tax years beginning after December 31, 2004.

Sec. 7. Minnesota Statutes 2004, section 290A.03, subdivision 15, is amended to read:

Subd. 15. [INTERNAL REVENUE CODE.] "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through ~~June~~ November 15, 2003.

**[EFFECTIVE DATE.]** This section is effective the day following final enactment, except the changes to household income generated by federal changes to federal adjusted gross income are effective at the same times the federal changes are effective.

Sec. 8. Minnesota Statutes 2004, section 291.005, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] Unless the context otherwise clearly requires, the following terms used in this chapter shall have the following meanings:

(1) "Federal gross estate" means the gross estate of a decedent as valued and otherwise determined for federal estate tax purposes by federal taxing authorities pursuant to the provisions of the Internal Revenue Code.

(2) "Minnesota gross estate" means the federal gross estate of a decedent after (a) excluding therefrom any property included therein which has its situs outside Minnesota, and (b) including therein any property omitted from the federal gross estate which is includable therein, has its situs in Minnesota, and was not disclosed to federal taxing authorities.

(3) "Personal representative" means the executor, administrator or other person appointed by the court to administer and dispose of the property of the decedent. If there is no executor, administrator or other person appointed, qualified, and acting within this state, then any person in actual or constructive possession of any property having a situs in this state which is included in the federal gross estate of the decedent shall be deemed to be a personal representative to the extent of the property and the Minnesota estate tax due with respect to the property.

(4) "Resident decedent" means an individual whose domicile at the time of death was in Minnesota.

(5) "Nonresident decedent" means an individual whose domicile at the time of death was not in Minnesota.

(6) "Situs of property" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of the decedent's death; and with respect to intangible personal property, the state or country in which the decedent was domiciled at death.

(7) "Commissioner" means the commissioner of revenue or any person to whom the commissioner has delegated functions under this chapter.

(8) "Internal Revenue Code" means the United States Internal Revenue Code of 1986, as amended through ~~December 31, 2002~~ November 15, 2003.

**[EFFECTIVE DATE.]** This section is effective for estates of decedents dying after January 31, 2003.

Amend the title as follows:

Page 1, line 10, after "19b" insert ", 31" and after "2c;" insert "290.091, subdivision 2; 290A.03, subdivision 15; 291.005, subdivision 1;"

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

The report was adopted.

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

H. F. No. 865, A bill for an act relating to elections; changing certain procedures in cases of annexations affecting precinct boundaries; amending Minnesota Statutes 2004, section 204B.14, subdivision 5.

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

The report was adopted.

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

H. F. No. 928, A bill for an act relating to corrections; establishing a parole board; prescribing its membership, duties, and powers; prescribing when an individual is eligible to be considered for parole; authorizing the board to determine if selected Level III sex offenders should be referred to the county attorney for civil commitment; appropriating money; amending Minnesota Statutes 2004, section 244.05, subdivision 7; proposing coding for new law as Minnesota Statutes, chapter 244A.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Governmental Operations and Veterans Affairs without further recommendation.

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 1049, A bill for an act relating to motor vehicles; authorizing additional deputy registrar of motor vehicles in Minneapolis.

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.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 1087, A bill for an act relating to traffic regulations; making seat belt violation a primary offense in all seating positions regardless of age; increasing the fine for seat belt violations; making technical changes; amending Minnesota Statutes 2004, sections 169.686, subdivision 1; 171.05, subdivision 2b; 171.055, subdivision 2.

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

The report was adopted.

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

H. F. No. 1172, A bill for an act relating to local government; providing for local governments to opt out of state mandates; proposing coding for new law as Minnesota Statutes, chapter 471B.

Reported the same back with the following amendments:

Pages 5 and 6, delete section 3

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1420, A bill for an act relating to state government; appropriating money for environmental, natural resources, agricultural, and economic development purposes; establishing and modifying certain programs; reorganizing environmental agencies; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; amending Minnesota Statutes 2004, sections 15.01; 16A.125, subdivision 5; 17.03, subdivision 13; 17.117, by adding a subdivision; 18B.08, subdivision 4; 18B.26, subdivision 3; 18B.31, subdivision 5; 18B.315, subdivision 6; 18B.32, subdivision 6; 18B.33, subdivision 7; 18B.34, subdivision 5; 18C.141, subdivisions 1, 3, 5; 18C.425, subdivision 6; 18E.03, subdivision 2; 18G.10, subdivisions 5, 7; 18H.07, subdivisions 1, 2, 3; 19.64, subdivision 1; 25.341, subdivision 2; 25.39, subdivisions 1, 4; 60A.14, subdivision 1; 60K.55, subdivision 2; 72B.04, subdivision 10; 82B.09, subdivision 1; 84.631; 85.052, subdivision 4; 85.055, subdivision 2, by adding a subdivision; 85.42; 89.039, subdivision 1; 89.37, by adding a subdivision; 93.22, subdivision 1; 97A.071, subdivision 2; 97A.075; 103G.271, subdivision 6; 103G.301, subdivision 2; 103I.681, subdivision 11;

115A.06, subdivision 5; 115A.07, subdivision 1; 115A.15, subdivision 7; 115A.38, subdivision 1; 116.03, subdivision 1; 116.07, subdivision 4b; 116C.779, subdivision 2; 116J.551, subdivision 1; 116J.63, subdivision 2; 116J.8731, subdivision 5; 168.1296, subdivision 1; 183.41, by adding a subdivision; 183.411, subdivisions 2a, 3; 183.42; 183.44, subdivision 1; 183.51, subdivision 2, by adding a subdivision; 183.545; 183.57; 216C.41, subdivisions 2, 5, 5a; 223.17, subdivision 3; 231.16; 232.22, subdivision 3; 236.02, subdivision 4; 282.09, by adding a subdivision; 297H.13, subdivision 2; 326.975, subdivision 1; 345.47, subdivisions 3, 3a; 373.40, subdivisions 1, 3; 462A.05, subdivision 3a; 462A.33, subdivision 2; 473.846; 517.08, subdivisions 1b, 1c; proposing coding for new law in Minnesota Statutes, chapters 25; 45; 84; 92; 93; 116; 477A; repealing Minnesota Statutes 2004, sections 18B.065, subdivision 5; 19.64, subdivision 4a; 45.0295; 84.901; 115A.03, subdivisions 8a, 22a; 115A.055, subdivision 1; 115A.158, subdivision 3; 115D.03, subdivision 4; 116.02, subdivision 5; 116.04; 116J.58, subdivision 3; 462C.15; 473.801, subdivision 6.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Agriculture, Environment and Natural Resources Finance.

The report was adopted.

Gunther from the Committee on Jobs and Economic Opportunity Policy and Finance 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, subdivisions 1, 2; 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 recommendation that the bill pass and be re-referred to the Committee on Public Safety Policy and Finance.

The report was adopted.

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

H. F. No. 1585, A bill for an act relating to housing; providing certain manufactured home park exclusions; amending Minnesota Statutes 2004, section 327.23, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 1664, A bill for an act relating to gambling; providing for lottery gaming machines; authorizing the director of the State Lottery to contract for placement of gaming machines; establishing horse racing purse payments; imposing a tax on gaming machine and card club revenue; providing powers and duties to the director; authorizing blackjack and other card games; amending Minnesota Statutes 2004, sections 240.13, by adding a subdivision; 240.15, subdivision 1; 240.30, subdivision 8; 240.35, subdivision 1; 299L.07, subdivisions 2, 2a;

340A.410, subdivision 5; 349A.01, subdivision 10, by adding subdivisions; 349A.10, subdivision 3; 349A.13; 541.20; 541.21; 609.75, subdivision 3; 609.761, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 297A; 349A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 240.13, is amended by adding a subdivision to read:

Subd. 5a. [PURSES; GAMING MACHINES.] From the commission received by a licensee pursuant to a gaming machine location contract entered into under section 349A.17, the licensee must set aside an amount equal to not less than 7.25 percent of the adjusted gross gaming machine revenues as defined under chapter 349A, for purses for live horse races conducted by the licensee. Purse payments made pursuant to this subdivision are in addition to purse payments otherwise established by law or contract. Twenty percent of the money set aside for purses pursuant to this subdivision shall be transferred to the commission and used for the purposes in section 240.18, subdivisions 2, paragraph (d), and 3, paragraph (b), subject to the proportionality requirement in section 240.18, subdivision 1. The licensee and the horseperson's organization representing the majority of horsepersons who have raced at the racetrack during the preceding 12 months may negotiate percentages different from those stated in this section if the agreement is in writing and filed with the racing commission.

Sec. 2. Minnesota Statutes 2004, section 240.15, subdivision 1, is amended to read:

Subdivision 1. [TAXES IMPOSED.] (a) There is imposed a tax at the rate of six percent of the amount in excess of \$12,000,000 annually withheld from all pari-mutuel pools by the licensee, including breakage and amounts withheld under section 240.13, subdivision 4. For the purpose of this subdivision, "annually" is the period from July 1 to June 30 of the next year.

In addition to the above tax, the licensee must designate and pay to the commission a tax of one percent of the total amount bet on each racing day, for deposit in the Minnesota breeders fund.

The taxes imposed by this clause must be paid from the amounts permitted to be withheld by a licensee under section 240.13, subdivision 4.

(b) The commission may impose an admissions tax of not more than ten cents on each paid admission at a licensed racetrack on a racing day if:

(1) the tax is requested by a local unit of government within whose borders the track is located;

(2) a public hearing is held on the request; and

(3) the commission finds that the local unit of government requesting the tax is in need of its revenue to meet extraordinary expenses caused by the racetrack.

(c) There is imposed a tax at the rate of five percent on amounts annually received from charges authorized under section 240.30, subdivision 4, less amounts set aside for purse payments and the breeders fund, as required by section 240.135.



Sec. 3. Minnesota Statutes 2004, section 240.30, subdivision 8, is amended to read:

Subd. 8. [LIMITATIONS.] The commission may not approve any plan of operation under subdivision 6 that exceeds any of the following limitations:

~~(1) the maximum number of tables used for card playing at the card club at any one time, other than tables used for instruction, demonstrations, or tournament play, may not exceed 50. The table limit exception for tournament play is allowed for only one tournament per year that lasts for no longer than 14 days;~~

~~(2)~~ except as provided in clause ~~(3)~~ (2), no wager may exceed \$60;

~~(3)~~ (2) for games in which each player is allowed to make only one wager or has a limited opportunity to change that wager, no wager may exceed \$300.

Sec. 4. Minnesota Statutes 2004, section 240.35, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] A licensee of the commission may detain a person if the licensee has probable cause to believe that the person detained has violated section 609.76 while at a card club authorized by section 240.30 or at a facility where gaming machines are located under section 349A.17. For purposes of this section, "licensee" means the commission's director of racing security or a security officer licensed under Minnesota Rules, chapter 7878.

Sec. 5. [297A.651] [LOTTERY GAMING MACHINES; IN-LIEU TAX.]

Adjusted gross revenue from the operation of gaming machines authorized under chapter 349A are exempt from the tax imposed under section 297A.62. The State Lottery must on or before the 20th day of each month transmit to the commissioner an amount equal to the adjusted gross revenue from the operation of gaming machines, as defined in section 349A.01, for the previous month multiplied by 35 percent. The commissioner shall deposit the money transmitted under this paragraph in the state treasury in the general fund.

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

Subd. 2. [EXCLUSIONS.] Notwithstanding subdivision 1, a gambling device:

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

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

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

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

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

Sec. 7. Minnesota Statutes 2004, section 299L.07, subdivision 2a, is amended to read:

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

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

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

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

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

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

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

Sec. 8. Minnesota Statutes 2004, section 340A.410, subdivision 5, is amended to read:

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

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

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

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

(e) Gambling devices may be operated on the premises of a licensed racetrack as authorized by chapter 349A.

Sec. 9. Minnesota Statutes 2004, section 349A.01, subdivision 10, is amended to read:

Subd. 10. [LOTTERY PROCUREMENT CONTRACT.] "Lottery procurement contract" means a contract to provide lottery products, gaming machines, maintenance of gaming machines, computer hardware and software used to monitor sales of lottery tickets and gaming machine plays, and lottery tickets. "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.

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

Subd. 14. [GAMING MACHINE.] "Gaming machine" means any machine, system, or device which, upon payment of consideration in order to play a game, may award or entitle a player to a prize by reason of skill of the player or application of the element of chance, or both.

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

Subd. 15. [GAMING MACHINE GAME.] "Gaming machine game" means a game operated by a gaming machine as authorized by the director.

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

Subd. 16. [GAMING MACHINE PLAY.] "Gaming machine play" means an electronic record that proves participation in a gaming machine game.

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

Subd. 17. [ADJUSTED GROSS GAMING MACHINE REVENUE.] "Adjusted gross gaming machine revenue" means the sum of all money received by the lottery for gaming machine plays, less the amount paid out in prizes for gaming machine games.

Sec. 14. Minnesota Statutes 2004, section 349A.10, subdivision 3, is amended to read:

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

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation and amounts transferred or retained by a racetrack pursuant to a location contract under section 349A.17.

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

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

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

(f) Notwithstanding the provisions of this subdivision, the director may not credit, in any fiscal year, to the lottery operations account which when totaled exceed ten percent of adjusted gross revenue from the operation of gaming machines at the gaming facility.

Sec. 15. Minnesota Statutes 2004, section 349A.10, subdivision 6, is amended to read:

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

Sec. 16. Minnesota Statutes 2004, section 349A.13, is amended to read:

349A.13 [RESTRICTIONS.]

Nothing in this chapter:

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

(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game except as authorized under section 349A.17; and

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

Sec. 17. [349A.17] [GAMING MACHINES.]

Subdivision 1. [LOCATION CONTRACT.] (a) The director may enter into a contract with a person to provide locations for gaming machines. Contracts entered into under this section are not subject to chapter 16C. The director may only enter a contract under this subdivision with a person that holds a class A license under chapter 240. The gaming machines may only be placed at the racetrack for which the class A license under chapter 240 was issued.

(b) In order to be eligible for a contract under this section, the class A licensee must have conducted at least 50 days of live racing at the racetrack each year within the last five preceding calendar years. A contract under this section must contain a provision under which the contract terminates on the first day of any calendar year following a calendar year during which the class A licensee has not conducted at least 50 days of live racing at the licensee's racetrack.

(c) Contracts entered into must provide for compensation to the racetrack in an amount equal to at least 55 percent of adjusted gross gaming machine revenue. From the amount received by the racetrack under this section, the racetrack shall annually remit an amount equal to one percent of the adjusted gross gaming machine revenue to both the city or town and the county where the racetrack is located.

(d) The director may cancel, suspend, or refuse to renew the location contract or impose a civil penalty if the person:

(1) no longer holds a class A license under chapter 240;

(2) fails to account for proceeds from the gaming machines;

(3) fails to remit funds to the director in accordance with the location contract;

(4) violates a law, rule, or order of the director;

(5) fails to comply with any of the terms of the location contract; or

(6) has acted in a manner prejudicial to public confidence in the integrity of the operation of the gaming machines.

The cancellation, suspension, or refusal to renew the location contract or imposition of a civil penalty under this paragraph is a contested case under sections 14.57 to 14.69.

(e) No gaming machines may be located within a home rule charter or statutory city, or town, unless the governing body of the city or town adopts a resolution approving the location of the gaming machines within the city or town.

(f) As a condition of entering into a contract under this section, the person holding a class A license under chapter 240 must make to the racing commission, for deposit in the general fund, a onetime payment of \$100,000,000 by June 30, 2007. A contract must include a provision to refund this payment if this section is repealed by the legislature, revoked by constitutional amendment, or held unconstitutional by a court of competent jurisdiction.

(g) The contract entered into under this section must provide for the following provisions:

(1) Liquidated damages to recover the initial investment by the licensee in the event the state, through legislation or constitutional amendment, revokes all or substantially all of the forms of gambling authorized under this section. The liquidated damages may not be greater than the unpaid balance of any debt incurred by the licensee after the location contract has been executed and is limited to the debt incurred by the licensee for the gaming facility license, initial construction, or acquisition of the gaming facility less the present market value of the property or other assets related to the debt. Any liquidated damages provision must expire within ten years.

(2) All costs associated with managing the day-to-day activity of gaming machines, including, but not limited to, routine and minor service and maintenance, security monitoring, verifying winners, paying winners, collecting money from gaming machines, and advertising and marketing of gaming machines shall be borne by the licensee.

Subd. 2. [OPERATION.] (a) All gaming machines that are placed at a racetrack pursuant to subdivision 1 must be operated and controlled by the director.

(b) Gaming machines must be owned or leased by the director.

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

(d) The director must have a central communications system that monitors activities on each gaming machine. The central communications system must be located at a lottery office.

(e) The director must approve the general security arrangements associated with and relating to the operation of the gaming machines.

(f) Advertising and promotional material produced by the racetrack relating to gaming machines located at its facility must be approved by the director.

(g) All gaming machines must be accessible to individuals with disabilities. For the purposes of this subdivision, "individuals with disabilities" includes any person who has a physical or sensory impairment which materially limits one or more major life activities.

(h) A reasonable number of gaming machines that are placed at a racetrack pursuant to subdivision 1 must afford players the option to receive winnings in the form of either coins or tokens rather than in the form of a paper receipt.

(i) The director may implement such other controls as are deemed necessary for the operation of gaming machines pursuant to this section.

Subd. 3. [GAMES.] The director shall specify the games that may be placed on a gaming machine as set forth under section 349A.04. Gaming machines may conduct pari-mutuel wagering and display horse races pursuant to specifications set forth by the director.

Subd. 4. [PRIZES.] A person who plays a gaming machine agrees to be bound by the rules and game procedures applicable to that particular gaming machine game. The player acknowledges that the determination of whether the player has won a prize is subject to the rules and game procedures adopted by the director, claim procedures established by the director for the game, and any confidential or public validation tests established by the director for that game. A prize claimed from the play of a gaming machine game is not subject to the provisions of section 349A.08, subdivision 8.

Subd. 5. [PROHIBITIONS.] (a) A person under the age of 18 years may not play a game on or claim a prize from a gaming machine.

(b) The director or any employee of the lottery, or a member of their immediate family residing in the same household, may not play a game on a gaming machine or receive a prize from the operation of a gaming machine.

Subd. 6. [COMPULSIVE GAMBLING; REPORT.] (a) The licensee shall prominently post, in the area where the gaming machines are located, the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98. The licensee, with the approval of the director, shall establish a proactive plan relating to problem gambling.

(b) By January 15 of each year, the director shall submit a report to the legislature, of not more than five pages in length, setting forth the performance objectives of the plan and the progress that was made toward those objectives during the prior calendar year. The licensee may establish a self-exclusion program by which persons, at their request, may be excluded from the facility where the gaming machines are located.

Subd. 7. [LOCAL LICENSES.] Except as provided in subdivision 1, no political subdivision may require a license to operate a gaming machine, restrict or regulate the placement of gaming machines, or impose a tax or fee on the business of operating gaming machines.

Subd. 8. [REIMBURSEMENT; RACING COMMISSION.] The racing commission under section 240.02 shall require the licensee to reimburse the commission's actual costs, including personnel costs, of regulating the licensee under this section. Amounts received under this subdivision must be deposited as provided in section 240.155, subdivision 1.

Sec. 18. Minnesota Statutes 2004, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering or other wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, or gambling authorized under chapters 349 and 349A.

Sec. 19. Minnesota Statutes 2004, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

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

Sec. 20. Minnesota Statutes 2004, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

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

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

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

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

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

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

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

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

Sec. 21. Minnesota Statutes 2004, section 609.761, subdivision 2, is amended to read:

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A, or the manufacture, possession, sale, or operation of a gaming machine under chapter 349A.

Sec. 22. [OTHER GAMES.]

(a) The Minnesota Racing Commission may authorize a person with a gaming machine location contract under Minnesota Statutes, section 349A.17, to conduct other card games that Indian gaming casinos within this state are authorized by compact or law to conduct. The Minnesota Racing Commission shall adopt game procedures and take other actions necessary to regulate the conduct and ensure the integrity of the games.

(b) A tax is imposed on games conducted under this section, at the rate of 20 percent of the gross gaming receipts from the conduct of the games. For purposes of this section, gross gaming receipts means all revenue received by a gaming facility as wagers on gambling activities, or as payment for chips or tokens used in gambling activities at the casino, less amounts paid out by the casino as winnings and for the redemption of chips or tokens. Gross gaming receipts do not include (1) adjusted gross gaming machine revenue from gaming machines operated by the lottery director, or (2) receipts from chips or tokens that have been purchased but have not been redeemed or won back by the casino.

(c) From the revenue received from games authorized under this section, the licensee must set aside an amount equal to not less than 7.25 percent of the gross gaming receipts for purses for live horse races conducted by the licensee. Purse payments under this section are in addition to any other purse payments established by law or contract. Twenty percent of the money set aside for purses shall be transferred to the Minnesota Racing Commission and used for the purposes in Minnesota Statutes, section 240.18. The licensee and the horseperson's organization representing the majority of horsepersons who have raced at the racetrack during the preceding 12 months may negotiate percentages different from those stated in this section if the agreement is in writing and filed with the racing commission.

Sec. 23. [LOTTERY BUDGET; GAMING FACILITY.]

The director of the State Lottery shall submit a budget for the operation of gaming machines at a gaming facility as authorized under Minnesota Statutes, section 349A.17, to the commissioner of finance. Notwithstanding Minnesota Statutes, section 349A.10, subdivision 6, the director of the State Lottery may expend amounts necessary to operate gaming at the gaming facility. Amounts expended by the director of the State Lottery for the conducting of gaming at the gaming facility in fiscal years 2006 and 2007 are not subject to the maximum amount set in law for the operation of the lottery.

Sec. 24. [SEVERABILITY; SAVINGS.]

If any part of this act is found to be invalid because it is in conflict with a provision of the Constitution of the state of Minnesota or the Constitution of the United States, or for any other reason, all other provisions of this act shall remain valid and any rights, remedies, and privileges that have been otherwise accrued by this act, shall remain in effect and may be proceeded with and concluded under the provisions of this act.



Sec. 25. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

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

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 1702, A bill for an act relating to railroads; prohibiting railroad company from obstructing treatment of railroad worker injured on the job or from disciplining or threatening to discipline injured railroad employee for requesting treatment or first aid; proposing coding for new law in Minnesota Statutes, chapter 219.

Reported the same back with the following amendments:

Page 1, lines 20 and 21, delete "The commissioner of transportation may issue an order assessing" and insert "A person who believes that the person has been affected by a violation of section 1 may file a complaint with the commissioner of labor and industry who shall refer it to the Office of Administrative Hearings for consideration as a contested case. Upon finding a violation, the administrative law judge may assess"

Page 1, line 24, delete "commissioner" and insert "administrative law judge"

Page 2, line 4, delete "an expedited administrative hearing or"

Page 2, line 5, delete everything after the period

Page 2, delete line 6

Page 2, line 7, delete everything before "Judicial"

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.

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

H. F. No. 1719, A bill for an act relating to education; providing for high school reform; providing for an educational planning and assessment program, advanced placement and international baccalaureate examination fees and teacher stipends, and a college-level examination program; replacing the basic skills tests with the Minnesota Comprehensive Assessments; appropriating money; amending Minnesota Statutes 2004, sections 120B.02; 120B.13, subdivisions 1, 3, by adding subdivisions; 120B.30, subdivisions 1, 1a; 124D.66, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 120B.

Reported the same back with the following amendments:

Page 2, line 16, delete "or" and insert "and"

Page 3, line 30, reinstate the stricken "district" and delete "public or"

Page 3, line 31, delete "nonpublic school"

Page 4, line 35, after "or" insert "a four or higher on"

Page 8, line 30, delete "or" and insert "and"

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

The report was adopted.

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

H. F. No. 1747, A bill for an act relating to agriculture; changing certain limits on agriculture best management practices loans; amending Minnesota Statutes 2004, section 17.117, subdivision 11.

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. 1760, A bill for an act relating to public safety; criminalizing certain acts related to the unlawful trafficking in persons; providing for the forfeiture of certain property of the offender in these cases; specifically including conduct involving sex trafficking in the promoting of prostitution crime; modifying the distribution formula for prostitution and sex trafficking-related forfeiture proceeds; amending Minnesota Statutes 2004, sections 609.321, subdivisions 1, 7, by adding subdivisions; 609.325, by adding a subdivision; 609.531, subdivision 1; 609.5315, subdivision 1, by adding a subdivision; 628.26; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"ARTICLE 1

CRIMINAL AND CIVIL PROVISIONS"

Page 2, lines 16 and 25, before "TRAFFICKING" insert "LABOR" and before "Trafficking" insert "Labor"

Page 2, line 27, before "TRAFFICKING" insert "LABOR"

Page 2, line 28, after "the" insert "labor"

Page 2, line 33, before "TRAFFICKING" insert "LABOR OR SEX"

Page 3, line 14, before "TRAFFICKING" insert "LABOR OR SEX"

Page 3, line 19, before "trafficking" insert "labor"

Page 3, line 25, delete "or" and insert a comma

Page 3, line 26, after the comma, insert "or 609.322,"

Page 5, line 8, before "trafficking" insert "labor"

Page 5, line 13, delete "substantial"

Page 10, after line 19, insert:

"ARTICLE 2

DEPARTMENT OF PUBLIC SAFETY:  
ASSESSMENT OF TRAFFICKING IN MINNESOTA;  
PLANS TO ADDRESS AND PREVENT TRAFFICKING;  
ASSESSMENT OF SERVICES FOR TRAFFICKING VICTIMS

Section 1. [299A.78] [STATEWIDE TRAFFICKING ASSESSMENT.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 299A.78 to 299A.7955, the following definitions apply:

(a) "Commissioner" means the commissioner of the Department of Public Safety.

(b) "Nongovernmental organizations" means nonprofit, nongovernmental organizations that provide legal, social, or other community services.

(c) "Trafficking" includes "labor trafficking" as defined in section 609.281, subdivision 5, and "sex trafficking" as defined in section 609.321, subdivision 7a.

(d) "Trafficking victim" includes "labor trafficking victim" as defined in section 609.281, subdivision 6, and "sex trafficking victim" as defined in section 609.321, subdivision 7b.

(e) "Blackmail" has the meaning given it in section 609.281, subdivision 2.

(f) "Debt bondage" has the meaning given it in section 609.281, subdivision 3.

(g) "Forced labor or services" has the meaning given it in section 609.281, subdivision 4.

Subd. 2. [GENERAL DUTIES.] The commissioner of public safety shall:

(1) in cooperation with local authorities, collect, share, and compile trafficking data among government agencies to assess the nature and extent of trafficking in Minnesota;

(2) analyze collected data to develop a plan to address and prevent trafficking; and

(3) use its analyses to establish policies to enable state government to work with nongovernmental organizations to provide assistance to trafficking victims.

Subd. 3. [OUTSIDE SERVICES.] As provided for in section 15.061, the commissioner of public safety may contract with professional or technical services in connection with the duties to be performed under sections 299A.785 to 299A.7955. The commissioner may also contract with other outside organizations to assist with the duties to be performed under sections 299A.785 to 299A.7955.

Sec. 2. [299A.785] [TRAFFICKING STUDY.]

Subdivision 1. [INFORMATION TO BE COLLECTED.] The commissioner shall elicit the cooperation and assistance of government agencies and nongovernmental organizations as appropriate to assist in the collection of trafficking data. The commissioner shall direct the appropriate authorities in each agency and organization to make best efforts to collect information relevant to tracking progress on trafficking. The information to be collected may include, but is not limited to:

(1) the numbers of arrests, prosecutions, and successful convictions of traffickers and those committing trafficking related crimes, including, but not limited to, the following offenses: sections 609.282, labor trafficking; 609.283, document fraud; 609.322, solicitation of prostitution; 609.324, other prostitution crimes; 609.33, disorderly house; 609.352, solicitation of a child; and 617.245 and 617.246, use of minors in sexual performance;

(2) statistics on the number of trafficking victims, including demographics, method of recruitment, and method of discovery;

(3) trafficking routes and patterns, states or country of origin, transit states or countries;

(4) method of transportation, motor vehicles, aircraft, watercraft, or by foot if any transportation took place; and

(5) social factors that contribute to and foster trafficking, especially trafficking of women and children.

Subd. 2. [REPORT AND ANNUAL PUBLICATION.] (a) By September 1, 2006, the commissioner of public safety shall report to the chairs of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding a summary of its findings. This report shall include, to the extent possible, the information to be collected in subdivision 1 and any other information the commissioner finds relevant to the issue of trafficking in Minnesota.

(b) The commissioner shall gather, compile, and publish annually statistical data on the extent and nature of trafficking in Minnesota. This annual publication shall be available to the public and include, to the extent possible, the information to be collected in subdivision 1 and any other information the commissioner finds relevant to the issue of trafficking in Minnesota.

Sec. 3. [299A.7855] [TRAFFICKING ANALYSIS AND INITIATIVES.]

Subdivision 1. [DATA ANALYSIS.] The commissioner shall analyze the data collected in section 299A.785 to develop and carry out a plan to address current trafficking and prevent future trafficking in Minnesota. The commissioner may evaluate various approaches used by other state and local governments to address trafficking. The plan shall include, but not be limited to, the following initiatives:

(1) training agencies, organizations, and officials involved in law enforcement, prosecution, and social services;

(2) increasing public awareness of trafficking; and

(3) establishing procedures to enable the state government to work with nongovernmental organizations to prevent trafficking.

Subd. 2. [TRAINING INITIATIVES.] (a) The commissioner shall provide and strengthen training for law enforcement, prosecutors, social services, and other relevant officials in addressing trafficking. The training shall include:

(1) methods used in identifying trafficking victims, including preliminary interview techniques and appropriate interrogation methods;

(2) methods for prosecuting traffickers;

(3) methods for protecting the rights of trafficking victims, taking into account the need to consider human rights and special needs of women and children trafficking victims; and

(4) methods for promoting the safety of trafficking victims.

(b) Once created and as updated, the commissioner shall provide training plans and materials associated with paragraph (a) to the Board of Peace Officer Standards and Training.

Subd. 3. [AWARENESS INITIATIVES.] (a) The commissioner shall, in cooperation with appropriate nongovernmental organizations, establish public awareness programs designed to educate persons at risk of trafficking and their families of the risks of victimization. The programs shall include, but not be limited to, information on the following subjects:

(1) the risks of becoming a trafficking victim, including:

(i) common recruitment techniques, such as use of debt bondage, blackmail, forced labor and services, prostitution, and other coercive tactics; and

(ii) the risks of assault, criminal sexual conduct, exposure to sexually transmitted diseases, and psychological harm;

(2) crime victims' rights in Minnesota; and

(3) methods for reporting recruitment activities involved in trafficking.

(b) The commissioner shall, in cooperation with appropriate agencies and nongovernmental organizations, disseminate public awareness materials to educate the public on the extent of trafficking and to discourage the demand that fosters and leads to trafficking, in particular trafficking of women and children. These materials may include information on:

(1) the impact of trafficking on victims;

(2) the aggregate impact of trafficking worldwide and domestically; and

(3) the criminal consequences of trafficking. The materials may be disseminated by way of the following media: pamphlets, brochures, posters, advertisements in mass media, or any other appropriate methods.

(c) Once created and as updated, the commissioner shall provide samples of the materials disseminated under paragraph (b) to the Department of Public Safety's office of justice program.

Subd. 4. [ANNUAL EVALUATION.] The commissioner shall evaluate its training and awareness initiatives annually to ensure their effectiveness.

Sec. 4. [299A.79] [TRAFFICKING VICTIM ASSISTANCE.]

(a) The commissioner shall establish policies to enable state government to work with nongovernmental organizations to provide assistance to trafficking victims.

(b) The commissioner may review the existing services and facilities to meet trafficking victims' needs and recommend a plan that would coordinate such services, including, but not limited to:

(1) medical and mental health services;

(2) housing;

(3) education and job training;

(4) English as a second language;

(5) interpreting services;

(6) legal and immigration services; and

(7) victim compensation.

Sec. 5. [299A.795] [TRAFFICKING INTERAGENCY ADVISORY COMMITTEE.]

Subdivision 1. [CREATION AND DUTIES.] By August 1, 2005, the commissioner shall appoint an advisory committee on trafficking to advise the commissioner on carrying out the commissioner's duties and responsibilities set forth in sections 299A.78 to 299A.79. The trafficking advisory committee shall also serve as a liaison between the commissioner and agencies and nongovernmental organizations that provide services to trafficking victims. The members shall be compensated at a per diem rate to be set by the commissioner, plus receive expense reimbursement as specified in section 15.059.

Subd. 2. [MEMBERSHIP.] The trafficking advisory committee consists of some or all of the following individuals or their designees, who are knowledgeable in trafficking, crime victims' rights, or violence prevention:

(1) a representative of the Minnesota Police Chiefs Association;

(2) a representative of the Bureau of Criminal Apprehension;

(3) a representative of the Minnesota Sheriffs Association;

(4) a peace officer who works and resides in the metropolitan area, composed of Hennepin, Ramsey, Anoka, Dakota, Scott, Washington, and Carver Counties;

(5) a peace officer who works and resides in the nonmetropolitan area;

(6) a county attorney who works in Hennepin County;

(7) a county attorney who works in Ramsey County;

(8) a representative from the Attorney General's Office;

(9) a representative of the Department of Public Safety's office of justice program;

(10) a representative of the federal Homeland Security Office;

(11) a representative of the Department of Health;

(12) a representative of the Department of Human Services;

(13) a representative from a nongovernmental organization that specializes in trafficking;

(14) representatives from nongovernmental organizations that represent immigrant communities likely to be affected by trafficking;

(15) a representative from a nongovernmental organization that provides child services and runaway services;

(16) a representative of the medical and mental health community; and

(17) a representative of the academic community.

The commissioner may appoint more than one individual from any of the representatives specified in clauses (1) to (17) to serve on the committee.

Subd. 3. [OFFICERS; MEETINGS.] (a) The committee shall elect a chair and vice-chair from among its members, and may elect other officers as necessary. The committee shall meet at least quarterly, or upon the call of the chair. The committee shall meet at such intervals as to accomplish the tasks identified in this section.

(b) The committee shall seek out and enlist the cooperation and assistance of nongovernmental organizations and academic researchers, especially those specializing in trafficking, representing diverse communities disproportionately affected by trafficking, or focusing on child services and runaway services.

Subd. 4. [DISSOLUTION.] Notwithstanding section 15.059, the committee may dissolve once the extent of trafficking in Minnesota has been assessed, and the initiatives, programs, and policies have been developed and implemented as set forth in sections 299A.78 to 299A.795 to the satisfaction of the commissioner. Upon dissolution of the committee, all duties and responsibilities set forth in sections 299A.78 to 299A.795 may continue at the discretion of the commissioner.

Sec. 6. [299A.7955] [TRAFFICKING COORDINATOR.]

(a) By August 15, 2005, the commissioner of public safety shall appoint a statewide trafficking coordinator. In choosing a coordinator, the commissioner may consult the trafficking advisory committee and consider any of the committee's recommendations. The coordinator is a position in the unclassified service and serves at the pleasure of the commissioner.

(b) The coordinator shall assist the commissioner in fulfilling the duties and responsibilities set forth in sections 299A.78 to 299A.795. In addition, the coordinator may be responsible for the following duties:

(1) coordinating and monitoring the activities of the agencies implementing the Minnesota Trafficking Victims Protection Act;

(2) facilitating local efforts and ensure statewide coordination of efforts to prevent trafficking;

(3) facilitating training for personnel;

(4) monitoring compliance with investigative protocols; and

(5) implementing an outcome evaluation and data quality control process.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 2005.

### ARTICLE 3

#### APPROPRIATIONS

Section 1. [ASSESSMENT AND POLICY DEVELOPMENT AND IMPLEMENTATION.]

\$125,000 for the fiscal year ending June 30, 2006, and \$125,000 for the fiscal year ending June 30, 2007, are appropriated from the general fund to the commissioner of public safety to be used in the prevention of human trafficking and to carry out the commissioner's duties under article 2."

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "requiring a trafficking study; requiring the commissioner of public safety to collect and analyze trafficking data and undertake law enforcement and other agency training initiatives; requiring the commissioner to establish public awareness programs designed to target persons at risk of trafficking; requiring the commissioner to coordinate services for trafficking victims; establishing a trafficking interagency advisory committee; providing for appointment of a trafficking coordinator; appropriating money;"

Page 1, line 14, delete "chapter" and insert "chapters 299A;"

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.

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

H. F. No. 1816, A bill for an act relating to human services; extending coverage of certain mental health services; amending Minnesota Statutes 2004, sections 148C.11, subdivision 1; 245.4885, subdivisions 1, 2, by adding a subdivision; 253B.02, subdivisions 7, 9; 253B.05, subdivision 2; 256.9693; 256B.0622, by adding a subdivision; 256B.0624, by adding a subdivision; 256B.0625, by adding subdivisions; 256D.03, subdivision 4; 256L.03, subdivision 1; 260C.141, subdivision 2; 260C.193, subdivision 2; 260C.201, subdivisions 1, 2; 260C.205; 260C.212, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Laws 2001, First Special Session chapter 9, article 9, section 52; Laws 2002, chapter 335, section 4.

Reported the same back with the following amendments:



Pages 2 to 5, delete sections 2 to 4

Page 6, delete section 6

Pages 7 to 16, delete sections 8 to 13

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 5

Page 1, line 7, delete everything after the first semicolon

Page 1, line 8, delete "256B.0625, by"

Page 1, delete line 9

Page 1, line 10, delete "subdivision 1;"

Page 1, line 12, delete everything after the semicolon

Page 1, line 13, delete everything before "repealing"

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.

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

H. F. No. 1817, A bill for an act relating to gambling; providing for the operation of lottery gaming machines and the conduct of lottery and nonlottery games at a gaming facility; licensing the gaming facility and imposing a license fee; imposing a gaming transaction fee on gaming at the gaming facility; amending Minnesota Statutes 2004, sections 297A.94; 299L.07, subdivisions 2, 2a; 340A.410, subdivision 5; 349A.01, subdivision 10, by adding subdivisions; 349A.04; 349A.10, subdivisions 3, 6; 349A.13; 541.20; 541.21; 609.75, subdivision 3; 609.761, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 297A; 299L; 349A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PURPOSE

Section 1. [PURPOSE.]

The purpose of this act is to:

(1) recognize the significant inequities created by the current status of casino gaming in Minnesota given the extreme disparity in revenues generated by tribal casinos for Minnesota's Indian tribes and tribal members and the lack of any significant direct revenue to the state of Minnesota;

(2) provide an opportunity for increased economic development and tribal self-sufficiency to tribal governments which, because of their locations and tribal populations, have not benefited significantly from gaming opportunities under the federal Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721;

(3) provide for the generation of revenues to the state, including proceeds for distribution as set forth in the Minnesota Constitution, article XI, section 14; and

(4) establish a structure that promotes tribal sovereignty and self-governance and that provides revenues from casino gaming to tribal governments for the development of programs to alleviate persistent poverty conditions and to advance tribal goals.

## ARTICLE 2

### LOTTERY OPERATIONS

Section 1. Minnesota Statutes 2004, section 349A.01, subdivision 10, is amended to read:

Subd. 10. [LOTTERY PROCUREMENT CONTRACT.] "Lottery procurement contract" means a contract to provide lottery products, gaming machines, maintenance of gaming machines, computer hardware and software used to monitor sales of lottery tickets and gaming machine plays, equipment used to conduct and monitor other lottery games at a gaming facility, equipment used for the conducting of other lottery games, and lottery tickets. "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.

Sec. 2. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 14. [GAMING FACILITY.] "Gaming facility" means the site selected for the location of gaming machines and the conduct of other lottery games pursuant to a location contract under section 349A.17 and nonlottery casino games pursuant to a plan of operation approved under section 299L.094.

Sec. 3. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 15. [GAMING MACHINE.] "Gaming machine" means any machine, system, or device which, upon payment of consideration in order to play a game, may award or entitle a player to a prize by reason of skill of the player or application of the element of chance, or both.

Sec. 4. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 16. [GAMING MACHINE GAME.] "Gaming machine game" means a game operated by a gaming machine as authorized by the director.

Sec. 5. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 17. [GAMING MACHINE PLAY.] "Gaming machine play" means a record that proves participation in a gaming machine game.

Sec. 6. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 18. [ADJUSTED GROSS GAMING MACHINE REVENUE.] "Adjusted gross gaming machine revenue" means the sum of all money received for gaming machine plays less the amount paid out in prizes and for gaming machine games and promotional allowances approved by the director under section 349A.17.

Sec. 7. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 19. [OTHER LOTTERY GAME.] "Other lottery game" means any game operated by the lottery at the gaming facility other than a gaming machine, where money or property are distributed to persons selected primarily by chance from among participants who have paid for a chance of being selected and any other game or activity determined to constitute a lottery within the meaning of the Minnesota Constitution, article XIII, section 5. Other lottery games do not include lottery games that are operated by the lottery at the gaming facility that are also sold by lottery retailers.

Sec. 8. Minnesota Statutes 2004, section 349A.01, is amended by adding a subdivision to read:

Subd. 20. [OTHER LOTTERY GAMES ADJUSTED GROSS REVENUE.] "Other lottery games adjusted gross revenue" means the sum of all money from the operation of other lottery games at the gaming facility, less the amount paid out in prizes in the other lottery games and promotional allowances paid by the tribal entity under section 349A.17 and approved by the director.

Sec. 9. Minnesota Statutes 2004, section 349A.04, is amended to read:

349A.04 [LOTTERY GAME PROCEDURES.]

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

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; ~~and~~
- (5) frequency and method of drawings;
- (6) gaming machine games;
- (7) cost of gaming machine plays;
- (8) other lottery games; and
- (9) cost to participate in other lottery games.

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

Sec. 10. Minnesota Statutes 2004, section 349A.10, subdivision 3, is amended to read:

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

(b) Except as provided in paragraph (e), the director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation and amounts transferred to or retained by the tribal entity pursuant to a location contract under section 349A.17.

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

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

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

(f) Notwithstanding the provisions of this subdivision, the director may not credit, in any fiscal year, to the lottery operations account which when totaled exceed ten percent of adjusted gross revenue from the operation of gaming machines and other lottery games at the gaming facility.

Sec. 11. Minnesota Statutes 2004, section 349A.10, subdivision 6, is amended to read:

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

Sec. 12. Minnesota Statutes 2004, section 349A.13, is amended to read:

349A.13 [RESTRICTIONS.]

Nothing in this chapter:

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

(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game except as authorized under section 349A.17; and

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

Sec. 13. [349A.17] [GAMING FACILITY.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Tribal entity" means one or more entities, whether tribally or federally chartered corporations, or other legal entities, wholly owned by one or more tribal governments that are parties to the location contract under this section.

(c) "Tribal government" means the governmental entity that represents one of the 11 federally recognized Indian tribes within the state of Minnesota.

(d) "Site" means a parcel or contiguous parcels of land, and may be enlarged by the addition of contiguous parcels of land over time.

Subd. 2. [LOCATION CONTRACT.] (a) The director may enter into a contract with a tribal entity to provide locations for the operation of gaming machines and other lottery games at one site located in the seven-county metropolitan area as defined in section 473.121, subdivision 2, or any contiguous county thereto. The site for the gaming facility shall be jointly selected by the director and the tribal entity. Upon notification by the director that the gaming facility will be located in a particular city, the home rule charter or statutory city has 60 days after the notification to adopt a resolution that it does not consent to being considered as a site under this subdivision. Upon receipt of the notification by the home rule charter or statutory city, the director shall not consider that city as a site for the facility.

(b) The director may enter a location contract with a tribal entity that meets the following criteria:

(1) the tribal entity must be comprised of tribal governments which are each federally recognized tribes which operate current casino gaming operations under the federal Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721, pursuant to a compact with the state of Minnesota;

(2) to be eligible to participate in the tribal entity, the tribal government must demonstrate to the director that the revenues available to the tribal government from currently available revenue sources are insufficient to adequately meet the basic needs of tribal members including, but not limited to, housing, medical care, education, or other governmental services to members;

(3) each of the tribal governments participating in the tribal entity must within 30 days following final enactment of this act file with the director a formal resolution from its tribal council which provides that:

(i) the tribal government intends to participate in a tribal entity which will enter a contract that complies with the requirements of this act;

(ii) the tribal government meets the eligibility criteria set forth in this paragraph and provides adequate documentation to supports its eligibility to participate in the tribal entity;

(iii) a statement of the tribal government's intent to participate in a tribal entity that waives the entity's sovereign immunity relating to disputes arising out of the location contract or the construction, management, or operation of the gaming facility and that the tribal government expressly consents that the tribal entity will be subject to the

jurisdiction of the state court and the administrative and regulatory jurisdiction of the state. The resolution must also include a limited waiver of sovereign immunity and consent by the tribal government to the jurisdiction of state court solely to resolve disputes alleging that assets have been transferred from the tribal entity to the tribe in violation of the location contract or other applicable law and limited to any improperly transferred assets; and

(iv) states the intention of the tribal government to ensure that revenues provided to the participating tribal governments from the tribal entity will be distributed between the participating tribal governments in a fair and equitable manner as determined solely by the participating tribal governments.

(c) The location contract shall have no legal effect on the validity of existing tribal-state gaming compacts.

(d) A contract signed with a tribal entity under this section shall run for not more than 20 years and shall be negotiable and renewable every 15 years thereafter. The state, tribal entity, or participating tribal government that intends to not renegotiate and renew the location contract must, if reasonably possible, provide notice of its intent to the other parties at least one year before the location contract expires. A tribal government participating in the tribal entity may opt out of this arrangement as part of the renewal process without affecting the ability of the tribal entity to renew the contract with the participation of the remaining tribal governments.

(e) The contract entered into under this section must provide for the following provisions:

(1) The waiver of sovereign immunity by the tribal entity and the limited waiver of sovereign immunity by the tribal governments consistent with paragraph (b).

(2) Liquidated damages to recover the initial investment by the tribal entity in the event the state, through legislation or constitutional amendment, revokes all or substantially all of the forms of gambling authorized under this section. The liquidated damages may not be greater than the unpaid balance of any debt incurred by the tribal entity after the location contract has been executed and is limited to the debt incurred by the tribal entity for the gaming facility license, initial construction, or acquisition of the gaming facility less the present market value of the property or other assets related to the debt. Any liquidated damages provision must expire within ten years.

(3) The tribal entity, in the construction of the gaming facility, and the subsequent repair and maintenance of the facility, shall make good faith efforts to contract with American Indian and minority-owned businesses.

(4) The tribal entity, in operating the gaming facility, shall make good faith efforts to ensure that American Indians and other minorities are employed in entry level, middle management, and upper management positions.

(5) Payment of a fee to the tribal entity equal to 64 percent of the adjusted gross gaming machine revenue and other lottery games adjusted gross revenue.

(6) All costs associated with managing the day-to-day activity of gaming machines and other lottery games, including, but not limited to, routine and minor service and maintenance, security monitoring, verifying winners, paying winners, collecting money from gaming machines, collecting wagers from the operation of other lottery games, and advertising and marketing of gaming machines and other lottery games shall be borne by the tribal entity.

(7) All costs associated with purchase or lease of gaming machines and costs associated with major maintenance of the gaming machines shall be borne by the lottery.

(8) The tribal entity shall pay to the commissioner of human services an annual amount equal to the lesser of 0.5 percent of adjusted gross gaming machine revenue, other lottery games' adjusted gross income, and nonlottery casino games' adjusted gross revenue or \$2,500,000, for problem and compulsive gambling treatment or programs.

(9) The tribal entity shall pay an annual amount equal to two percent of adjusted gross gaming machine revenue, other lottery games' adjusted gross income, and nonlottery casino games' adjusted gross revenue to the city and county where the gaming facility is located. This payment is in lieu of an obligation to pay any portion of local property taxes attributable to the city and county. The tribal entity is still responsible for payment of the portion of local property taxes attributable to the appropriate school district.

(10) Any controversy or claim between the tribal entity and the director arising out of the location contract may be settled by arbitration except as provided in paragraphs (h) and (i).

(11) The tribal entity must maintain adequate liability and casualty insurance for the gaming facility.

(f) The tribal entity may establish reasonable standards for payment of promotional allowances to players and the proportional allocation of promotional allowances between revenue generated from gaming machines, other lottery games, and nonlottery casino games. Upon approval of the standards for promotional allowances, the director shall reimburse the tribal entity for the cost of promotional allowances paid by the tribal entity.

(g) As part of the location contract, the director may authorize the operation of gaming machines and the conduct of other lottery games at a temporary facility pending completion of a permanent facility and may establish reasonable conditions for the operation. The operation of gaming machines and the conducting of other lottery games at a temporary facility shall be treated in the same manner as if it was conducted in a permanent facility.

(h) The director may by administrative action cancel or suspend the location contract if the director reasonably determines that the tribal entity has materially breached any material provision of the location contract and has failed to cure that breach in a reasonable time, or if the tribal entity's gaming facility license has been suspended or revoked by the commissioner of public safety.

A contract cancellation or suspension under this paragraph is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(i) The director may by administrative action impose a civil penalty, issue correction orders, or resolve in any other manner as determined appropriate by the director, if the director determines that the tribal entity has breached any term of the location contract. The imposition of a civil penalty is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(j) The rights and interests provided by the location contract are specific to the state and the tribal entity and are not transferable without the written approval of the director.

(k) Gaming machines may only be placed and other lottery games may only be conducted at a gaming facility that is owned or leased by the tribal entity.

(l) The contract entered into under this subdivision is not subject to chapter 16C.

(m) The amount paid by the tribal entity to the commissioner of human services pursuant to the location contract under this section is annually appropriated to the commissioner of human services for problem and compulsive gambling treatment or programs, including programs that are designed to address compulsive gambling in American Indian and minority communities.

Subd. 3. [OPERATION.] (a) All gaming machines that are placed at a gaming facility or other lottery games conducted at the gaming facility must be operated and controlled by the director.

(b) Gaming machines must be owned or leased by the director.

(c) Major maintenance of the gaming machines shall be controlled by the director or by a vendor that is under the control and direction of the director.

(d) The director must have a central communications system that monitors activities on each gaming machine.

(e) Equipment used to conduct other lottery games at the gaming facility must be owned or leased by the director.

(f) The director must approve the general security arrangements associated with and relating to the operation of the gaming machines and the conducting of other lottery games at the gaming facility.

(g) Advertising and promotional material produced by the gaming facility relating to gaming machines and the conduct of other lottery games at the gaming facility must be approved by the director in a timely manner.

(h) The director may authorize the tribal entity to manage the day-to-day operation of the gaming machines and the conducting of other lottery games at the gaming facility, provided that the director shall maintain overall control of the operation of the gaming machines and the conducting of other lottery games at the gaming facility.

(i) The costs associated with procuring and maintaining gaming machines and equipment involved in operating other lottery games, and costs associated with acquiring, maintaining, and operating the central system used to monitor the activity of gaming machines, shall be borne by the lottery.

(j) All proceeds from the operation of gaming machines and conduct of other lottery games received by the tribal entity constitute a trust fund until transmitted to the director.

(k) The director may require the tribal entity to deposit in an account in a designated bank all money received by the tribal entity from the operation of gaming machines and the conduct of other lottery games.

(l) If the tribal entity fails to pay any money due the director within the time prescribed by the director, the tribal entity shall pay interest on the amount owed at the rate set for lottery retailers under Minnesota Rules, part 7856.7020.

(m) The director may implement policies, procedures, and other controls that are determined to be necessary by the director for the operation of gaming machines and the conducting of other lottery games pursuant to this section.

Subd. 4. [GAMES.] The director shall specify the games that may be played on a gaming machine and the manner in which other lottery games are conducted at the gaming facility as set forth under section 349A.04.

Subd. 5. [SPECIFICATIONS.] Gaming machines must:

(1) maintain on nonresettable meters a permanent record, capable of being printed out, of all transactions by the machine and all entries into the machine. There must be a reasonable number of gaming machines placed at a gaming facility which afford players the option to receive winnings in the form of either coins or tokens;

(2) be capable of being linked to a central communications system to provide auditing program information as required by the director; and

(3) there must be a reasonable number of gaming machines at the facility which are accessible to individuals with disabilities. For the purposes of this subdivision, "individuals with disabilities" includes any person who has a physical or sensory impairment which materially limits one or more life activities.



Subd. 6. [EXAMINATION OF MACHINES.] The director shall examine prototypes of gaming machines and require that the manufacturer of the machine pay the cost of the examination. The director may contract for the examination of gaming machines. The director may require working models of a gaming machine transported to the locations the director designates for testing, examination, and analysis. The manufacturer shall pay all costs of any testing, examination, analysis, and transportation of the machine model.

Subd. 7. [PRIZES.] A person who plays a gaming machine or plays any other lottery game at the gaming facility agrees to be bound by the rules and game procedures applicable to that particular game. The player acknowledges that the determination of whether the player has won a prize is subject to the rules and game procedures adopted by the director, claim procedures established by the director for that game, and any confidential or public validation tests established by the director for that game. A person under 18 years of age may not claim a prize from the operation of a gaming machine or the conducting of any other lottery game at the gaming facility. A prize claimed from the play of a gaming machine game or the conduct of any other lottery game is not subject to section 349A.08, subdivision 8.

Subd. 8. [PROHIBITIONS.] A person under the age of 18 years may not play a game on a gaming machine or participate in any other lottery game at the gaming facility.

Subd. 9. [COMPULSIVE GAMBLING NOTICE.] The tribal entity shall prominently post, in areas of the gaming facility where gaming machines are located or where other lottery games are conducted, the toll-free telephone number established by the commissioner of human services in connection with the problem and compulsive gambling program. The tribal entity shall establish, with the approval of the director, a proactive plan relating to problem and compulsive gambling.

Subd. 10. [LOCAL LICENSES; LOCAL FEES.] A political subdivision may not require a license to operate a gaming machine or conduct other lottery games or nonlottery casino games as defined under section 299L.094, restrict or regulate the placement of gaming machines or the conducting of other lottery or nonlottery casino games, or impose a tax or fee on the business of operating gaming machines or the conducting of other lottery or nonlottery casino games at the gaming facility.

#### Sec. 14. [LOTTERY BUDGET; GAMING FACILITY.]

The director of the State Lottery shall submit a budget for the operation of gaming machines and for the conduct of other lottery games at a gaming facility as authorized under Minnesota Statutes, section 349A.17, to the commissioner of finance. Notwithstanding Minnesota Statutes, section 349A.10, subdivision 6, the director of the State Lottery may expend amounts necessary to operate gaming at the gaming facility. Amounts expended by the director of the State Lottery for the conducting of gaming at the gaming facility in fiscal years 2006 and 2007 are not subject to the maximum amount set in law for the operation of the lottery.

#### Sec. 15. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

### ARTICLE 3

#### GAMING FACILITY REGULATION

##### Section 1. [299L.09] [GAMING FACILITY.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section and sections 299L.09 to 299L.095, the following terms have the meanings given them.

(a) "Direct financial interest" means ownership or control of at least five percent interest in the tribal entity or management entity, the debt, or other financial interest in the tribal entity or management entity.

(b) "Lottery director" means the director of the Minnesota State Lottery under chapter 349A.

(c) "Tribal entity" is as defined in section 349A.17.

(d) "Management entity" means the entity applying for or holding a management license under section 299L.092.

Subd. 2. [LICENSE REQUIRED.] The tribal entity that will own and operate, whether directly or through another tribal or management entity, a gaming facility under section 349A.17 must obtain a gaming facility license from the commissioner.

Subd. 3. [APPLICATION.] An application for a license under this section must be on a form prescribed by the commissioner. The commissioner may issue a gaming facility license to the tribal entity that will operate the gaming facility.

Subd. 4. [LICENSE FEE.] Upon issuance of the license, the tribal entity must pay a onetime license fee of \$200,000,000 to the commissioner.

Subd. 5. [LICENSE ISSUANCE.] (a) The commissioner shall issue a license under this section unless information obtained from the comprehensive background check establishes that issuance of the license would be adverse to the public interest or to the effective regulation of gaming. If a license application is denied, the tribal entity may reapply for a license.

(b) The commissioner may only issue a gaming facility license to a tribal entity that, through a valid limited waiver of sovereign immunity, is subject to the jurisdiction of the Minnesota state courts and the administrative jurisdiction and regulation of the state.

(c) A license issued under this section may not be transferred without the written approval of the commissioner.

Subd. 6. [BACKGROUND INVESTIGATION.] Before issuing a gaming facility license, the commissioner shall conduct a comprehensive background and financial investigation of the tribal entity, including its officers, directors, managers, supervisory personnel, and persons with a direct financial interest in the tribal entity but does not include the tribal governments that have formed the tribal entity. The commissioner may charge the tribal entity an investigation fee to cover the cost of the investigation. The commissioner may require that fingerprints be taken from officers, directors, managers, supervisory personnel, and persons with a direct financial interest in the tribal entity not including the tribal governments that have formed the tribal entity. The commissioner may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check.

Subd. 7. [LICENSE REFUSAL; SUSPENSION AND REVOCATION.] (a) The commissioner may refuse to issue, or may revoke or suspend, the gaming facility license if the tribal entity or its officers, directors, managers, supervisory personnel, and persons with a direct financial interest in the tribal entity, not including the tribal governments that have formed the tribal entity, has:

(1) engaged in a material violation of law, order, or rule relating to gambling within any jurisdiction;

(2) operated a gaming facility in violation of approved game procedures or an approved security plan, which in the commissioner's opinion adversely and materially affects the public interest of the state in the effective regulation and control of gaming;

(3) made an intentional false statement in a license application related to gaming;

(4) failed to perform material covenants or representations made in a license application; or

(5) failed to notify the commissioner of a material change in the information provided in the application.

(b) The commissioner may not revoke or suspend a license under this subdivision unless the commissioner has given the tribal entity and each participating tribal government express written notice of the reason for the proposed revocation or suspension and has granted the tribal entity a reasonable amount of time to cure the violation giving rise to the proposed revocation or suspension, and, in the commissioner's reasonable judgment, the tribal entity has failed to do so. The commissioner is not required to provide a reasonable time to cure the violation before a license suspension if, in the commissioner's reasonable judgment, the violation cannot be cured by the tribal entity before significant harm will result to the public health, safety, or welfare. The ability to cure may include creation of a reorganized or reformed tribal entity, provided that the reorganized or reformed tribal entity is approved by the commissioner and the lottery director.

(c) A license revocation or suspension under this subdivision is conducted as a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to any other civil, administrative, or criminal penalties imposed for a violation of law or rule.

Subd. 8. [OTHER LICENSE ACTIONS.] (a) The commissioner may not issue the gaming facility license under this section or may by administrative action impose a civil penalty upon the licensee, issue correction orders, or take other administrative action if the commissioner determines that the tribal entity, or officer, director, manager, supervisory personnel, or other person with a direct financial or management interest in the licensee:

(1) has been convicted of a felony or of a crime in another jurisdiction, which would be a felony in Minnesota;

(2) has been convicted of any crime related to gaming;

(3) has been found by a court, the lottery director, the commissioner, or other state or governmental body to have engaged in fraud, misrepresentation, or deceit;

(4) has provided false or misleading information to the commissioner;

(5) has violated or failed to comply with this section or any provision of this chapter or chapter 349A;

(6) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling;

(7) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of \$10,000 or more by a gambling regulator in another state or jurisdiction;

(8) has been the subject of any of the following actions by the commissioner:

(i) has had a license under this chapter denied, suspended, or revoked;

(ii) has been censured or reprimanded, or has paid or been required to pay a monetary penalty or fine; or

(iii) has been the subject of any other discipline by the commissioner; or

(9) based on past activities or criminal record, poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the management of the business and financial arrangements incidental to the conduct of gambling.

(b) Any conduct in violation of this section, or failure by the tribal entity to take reasonable action to cure a violation of this section, may be considered by the commissioner in determining whether to order revocation or suspension of the gaming facility license. Any proposed revocation or suspension is subject to the notice and process requirements of subdivision 7, paragraph (b).

(c) Administrative action, including, but not limited to, imposition of a civil penalty, corrective order, or other administrative action under this paragraph, is a contested case under sections 14.57 to 14.69 and is in addition to any other civil, administrative, or criminal penalties provided for a violation of law or rule.

Subd. 9. [REQUIRED NOTIFICATION.] (a) The tribal entity has the obligation to immediately report to the commissioner any substantial change in its management or ownership. Any change of ownership in the tribal entity shall require approval by the legislature. Any individual who later becomes an officer, director, or other individual with a direct financial or management interest in the tribal entity must undergo a comprehensive background and financial investigation as set forth in subdivision 6. Prior to assuming any duties or responsibilities for the tribal entity the individual must file the appropriate license application information with the commissioner.

(b) Following issuance of a gaming facility license, the licensee must annually certify to the commissioner its compliance with this section.

Subd. 10. [LICENSE REVIEW.] The gaming facility license must be reviewed by the commissioner every five years. An application for review must be on a form prescribed by the commissioner. The commissioner shall review the application and conduct the comprehensive background investigation pursuant to subdivision 6.

Subd. 11. [AUDIT; INVESTIGATION.] (a) The tribal entity shall have an annual certified audit conducted of the tribal entity's operation of the gaming facility in accordance with generally accepted accounting principles. The tribal entity shall file a copy of each audit report with the commissioner.

(b) The commissioner has the right to conduct additional reasonable audits or investigations relating to the operation of the gaming facility. The commissioner shall have access to all information, records, and accounts pertaining to the operation of the gaming facility. The commissioner may recover the reasonable costs of additional audits and investigations from the tribal entity.

Subd. 12. [SALE OF INTOXICATING LIQUOR.] Notwithstanding any other law, local ordinance, or charter provision, the host community shall issue to the tribal entity an on-sale license for the sale of intoxicating liquor at the gaming facility pursuant to chapter 340A. The annual fee for the license issued pursuant to this subdivision shall be set by the host community at an amount comparable to the fee charged by municipalities in the surrounding area for a similar license. Chapter 340A applies to the sale of intoxicating liquor at the gaming facility, except that the licensed premises need not be compact and contiguous if the licensed premises are limited to the interior and grounds of the facility.

Subd. 13. [DETENTION OF SUSPECTS.] (a) The commissioner may designate specific employees of the department, the lottery, or the gaming facility as persons authorized to detain a person if they have probable cause to believe that the person detained has violated section 609.651 or 609.76 while at the gaming facility.

(b) A person authorized to detain an individual under paragraph (a) is not criminally or civilly liable for any detention authorized by this subdivision if the person has a good faith belief that probable cause exists for the detention, and the detention was not conducted with unreasonable force or in bad faith.

(c) A peace officer or person authorized by the commissioner under paragraph (a) may exclude a person from the gaming facility or remove that person from the gaming facility if the person is suspected to have violated section 609.651 or 609.76 or possesses contraband as provided in section 609.762, subdivision 1.

(d) The tribal entity may establish a self-exclusion program by which persons, at their request, may be excluded from the gaming facility.

Subd. 14. [REIMBURSEMENT OF COSTS.] The commissioner shall require that the tribal entity, on a quarterly basis, reimburse the commissioner for the commissioner's actual costs, including personnel costs of licensing, regulating, enforcement, and oversight of the gaming facility under this section and sections 299L.091 to 299L.094. Money received by the commissioner under this subdivision must be deposited in the state treasury and credited to the commissioner reimbursement account and is annually appropriated to the commissioner to pay the costs of regulating activities at the gaming facility.

Sec. 2. [299L.091] [GAMING MANAGEMENT.]

Subdivision 1. [LICENSE REQUIRED.] The tribal entity, or any entity formed by or engaged by the tribal entity to manage the operations of the gaming facility under section 349A.17, must obtain a gaming management license from the commissioner.

Subd. 2. [APPLICATION.] An application for a license under this section must be on a form prescribed by the commissioner. The commissioner may issue a gaming management license to the management entity that will manage or operate the gaming facility or gaming operations for the tribal entity.

Subd. 3. [LICENSE ISSUANCE.] (a) The commissioner shall issue a license under this section unless information obtained from the comprehensive background check establishes that issuance of the license would be adverse to the public interest or to the effective regulation of gaming.

(b) The commissioner may only issue a gaming management license to an entity that is subject to the jurisdiction of the Minnesota state courts and the administrative jurisdiction and regulation of the state.

(c) Any license issued under this section is nontransferable.

Subd. 4. [BACKGROUND INVESTIGATION.] Before issuing a gaming management license, the commissioner must conduct a comprehensive background and financial investigation of the applicant including its officers, directors, managers, supervisory personnel, and persons with a direct financial interest in the management entity, not including the tribal governments that have an interest in the management entity, provided that if the management entity and the tribal entity are the same, the commissioner shall utilize the background investigation conducted as part of the application for a gaming facility license. The commissioner may require that fingerprints be taken and the commissioner may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check on the officers, directors, managers, supervisory personnel, and persons with a direct financial interest in the management entity, not including the tribal governments that have an interest in the management entity. The commissioner may charge an applicant for a gaming management license a reasonable fee to cover the costs of the investigation. Money received by the commissioner under this subdivision must be deposited in the state treasury and credited to the commissioner reimbursement account and is annually appropriated to the commissioner to pay for costs incurred under this subdivision.

Subd. 5. [LICENSE ACTIONS.] (a) The commissioner may not issue a license under this section, or may by administrative action revoke, suspend, or refuse to renew the gaming management license, impose a civil penalty upon the licensee, or issue correction orders, if the commissioner determines that the management entity, or officer, director, manager, supervisory personnel, other person with a direct financial interest in the management entity, not including the tribal government that have an interest in the management entity financial or management interest in the licensee:

(1) has been convicted of a felony or of a crime in another jurisdiction, which would be a felony in Minnesota;

(2) has been convicted of any crime related to gaming;

(3) has been found by a court, the lottery director, the commissioner, or other state or governmental body to have engaged in fraud, misrepresentation, or deceit;

(4) has provided false or misleading information to the commissioner;

(5) has violated or failed to comply with this chapter or chapter 349A;

(6) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling;

(7) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of \$10,000 or more, by a gambling regulator in another state or jurisdiction; or

(8) has been the subject of any of the following actions by the commissioner:

(i) has had a license under chapter 299L denied, suspended, or revoked;

(ii) has been censured or reprimanded or has paid or been required to pay a monetary penalty or fine; or

(iii) has been the subject of any other discipline by the commissioner;

(9) has engaged in conduct that is contrary to the public health, safety, or welfare, or to the integrity of gambling;

(10) based on past activities or criminal record, poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the management of the business and financial arrangements incidental to the conduct of gambling;

(11) has engaged in a material violation of law, order, or rule relating to gambling within any jurisdiction;

(12) has operated gaming in violation of approved game procedures or an approved security plan, which in the commissioner's opinion adversely and materially affects the public interest of the state in the effective regulation and control of gaming;

(13) has made an intentional false statement in a license application;

(14) has failed to perform material covenants or representations made in a license application; or

(15) has failed to notify the commissioner of a material change in the information provided in a license application.

(b) A license revocation, suspension, or imposition of a civil penalty under this paragraph is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(c) The commissioner shall provide notice of any license revocation, suspension, or imposition of a civil penalty to the tribal entity.

Subd. 6. [REQUIRED NOTIFICATION.] (a) The gaming management licensee has the obligation to immediately report to the commissioner any change in its management or ownership. Any individual who later becomes an officer, director, or other individual with a direct financial or management interest in the licensee must undergo a comprehensive background and financial investigation as set forth in subdivision 4. Prior to assuming any duties or responsibilities for the licensee, the individual must file the appropriate license application information with the commissioner.

(b) Following issuance of a gaming management license, the licensee must annually certify to the commissioner its compliance with this section.

Subd. 7. [LICENSE RENEWAL.] The gaming management license must be renewed every two years. The commissioner must review an application for renewal of a gaming management license in the same manner as set forth in this section for issuance of a license, including the assessment of costs related to the background investigation.

### Sec. 3. [299L.092] [EMPLOYEE LICENSES.]

Subdivision 1. [AUTHORITY.] The commissioner may issue employee licenses for persons employed at the gaming facility. All persons employed at the gaming facility must have the appropriate license issued by the commissioner. The tribal entity must ensure that an employee has a valid employee license before the employee begins work at the gaming facility.

Subd. 2. [APPLICATION INFORMATION.] An application for an employee license must be on a form prescribed by the commissioner and include an affidavit of qualification that the applicant:

(1) does not have a felony conviction of record in a state or federal court and does not have a state or federal felony charge pending;

(2) is not and never has been connected with or engaged in an illegal business;

(3) has never been found guilty of fraud or misrepresentation in connection with gambling; and

(4) has never been found guilty of a violation of law or rule relating to gambling within any jurisdiction.

Subd. 3. [BACKGROUND INVESTIGATIONS.] The commissioner shall investigate each applicant for an employee license to the extent the commissioner deems necessary. The commissioner must require the applicant to be fingerprinted or to furnish the applicant's fingerprints. The commissioner may require the tribal entity to pay the costs of processing employee licenses, renewing employee licenses, and conducting background investigations on the employee. Money received by the commissioner under this subdivision must be deposited in the state treasury and credited to the commissioner reimbursement account and are annually appropriated to the commissioner to pay for costs incurred under this subdivision.

Subd. 4. [LICENSE ISSUANCE AND RENEWAL.] If the commissioner determines that the applicant is qualified for the occupation for which licensing is sought and will not adversely affect the public health, safety, and welfare or the integrity of gambling in Minnesota, the commissioner may issue an employee license to the applicant. If the commissioner makes a similar finding for a renewal of an employee license, the commissioner may renew the license. Employee licenses are effective for one year.

Subd. 5. [REVOCAION AND SUSPENSION.] (a) The commissioner may revoke an employee license for a violation of law or rule which in the commissioner's opinion adversely affects the integrity of gambling in Minnesota, or for an intentional false statement made in a license application. The commissioner may suspend an employee license for up to one year or refuse to renew the license or impose a civil penalty for a violation of law, order, or rule. A license revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule.

(b) The commissioner may summarily suspend an employee license prior to a contested case hearing where it is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days from the close of the hearing record. In all cases involving summary suspension, the commissioner must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Sec. 4. [299L.093] [VENDOR LICENSES.]

Subdivision 1. [ISSUANCE.] The commissioner may issue a vendor license for any person or entity that sells or distributes products or provides services at the gaming facility. No person may sell or distribute products or provide a service at the gaming facility unless the person has obtained a license from the commissioner. All employees of the vendor whose work requires attendance at the gaming facility must obtain an employee license under section 299L.092.

Subd. 2. [APPLICATION INFORMATION.] An application for a vendor license must be on a form prescribed by the commissioner and include an affidavit of qualification that the applicant, and any officer, director, or person with direct financial interest in the applicant:

(1) does not have a felony conviction of record in a state or federal court and does not have a state or federal felony charge pending;

(2) is not and never has been connected with or engaged in an illegal business;

(3) has never been found guilty of fraud or misrepresentation in connection with gambling; and

(4) has never been found guilty of a violation of law or rule relating to gambling within any jurisdiction.

Subd. 3. [BACKGROUND INVESTIGATIONS.] The commissioner shall investigate each applicant for a vendor license to the extent the commissioner deems necessary. The commissioner must require the applicant be fingerprinted or furnish the applicant's fingerprints. The commissioner may require the vendor to pay the costs of processing employee licenses, renewing vendor licenses, and conducting background investigations on the vendor. Money received by the commissioner under this subdivision must be deposited in the state treasury and credited to the commissioner reimbursement account, and are annually appropriated to the commissioner to pay for costs incurred under this subdivision.

Subd. 4. [LICENSE ISSUANCE AND RENEWAL.] If the commissioner determines that the applicant is qualified and the issuance of the license will not adversely affect the public health, safety, and welfare or the integrity of gambling in Minnesota, the commissioner may issue a vendor license to the applicant. If the commissioner makes a similar finding for a renewal of a vendor license, the commissioner may renew the license. Vendor licenses are effective for one year.



Subd. 5. [REVOCAION AND SUSPENSION.] (a) The commissioner may revoke a vendor license for a violation of law or rule that, in the commissioner's opinion, adversely affects the integrity of gambling in Minnesota, or for an intentional false statement made in a license application. The commissioner may suspend a vendor license for up to one year or refuse to renew the license or impose a civil penalty for a violation of law, order, or rule. A license revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act and is in addition to criminal penalties imposed for a violation of law or rule.

(b) The commissioner may summarily suspend a vendor license for not more than 90 days prior to a contested case hearing where it is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days from the close of the hearing record. In all cases involving summary suspension, the commissioner must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Sec. 5. [299L.094] [NONLOTTERY CASINO GAMES.]

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

(b) "Nonlottery casino games" means any game authorized by the commissioner to be conducted by the tribal entity at the gaming facility that is not a gaming machine or other lottery game as defined by section 349A.01.

(c) "Nonlottery casino games' adjusted gross revenue" means the sum of all money received from the operation of nonlottery casino games, less the amounts paid out to players in prizes or winnings and promotional allowances approved by the lottery director under section 349A.17 in the nonlottery casino games.

Subd. 2. [OPERATION.] Nonlottery casino games may be operated by the tribal entity in conformance with a plan of operation approved by the commissioner. The plan of operation must include, at a minimum:

(1) specifying and defining all nonlottery games to be played, including all governing aspects of each nonlottery casino game;

(2) arrangements to ensure the security of nonlottery casino gaming;

(3) internal control systems for play of nonlottery casino games; and

(4) a plan for the training of nonlottery casino games personnel in identification of problem gamblers and appropriate action to prevent or control problem gambling.

Subd. 3. [PLAN AMENDMENT.] The plan of operation may be amended only with the approval of the commissioner.

Subd. 4. [ACTIONS.] The commissioner may revoke, suspend, refuse to renew, or impose a civil penalty upon the tribal entity or the gaming management licensee for violation of the plan of operation. An action under this subdivision shall be conducted as a contested case under sections 14.57 to 14.69 of the Administrative Procedures Act and is in addition to criminal penalties imposed for violation of the plan of operation.

Subd. 5. [PRIZES.] A person who plays a nonlottery casino game at the gaming facility agrees to be bound by the rules and game procedures applicable to that particular game. The player acknowledges that the determination of whether the player has won a prize is subject to the rules and game procedures adopted by the plan of operation.

claim procedures established by the plan of operation for that game, and any confidential or public validation tests established by the plan of operation for that game. A person under 18 years of age may not claim a prize from a nonlottery casino game at the gaming facility.

Sec. 6. [299L.095] [EMPLOYMENT RESTRICTIONS; CIVIL PENALTY.]

(a) The lottery director, the commissioner, or any manager, director, or supervisor employed by the lottery or the Department of Public Safety whose job responsibilities include the oversight, audit, investigation, or regulation of gaming at a gaming facility licensed by the commissioner must not, while employed with or within one year after leaving employment, receive compensation directly or indirectly from, or enter into a contractual relationship with the tribal entity or any management entity licensed by the commissioner pursuant to section 299L.09 or 299L.091.

(b) The tribal entity or management entity licensed by the commissioner must not negotiate with or offer to employ or compensate the lottery director; commissioner; or any manager, director, or supervisor employed by the lottery or the Department of Public Safety whose job responsibilities include the oversight, audit, investigation, or regulation of gaming at a gaming facility licensed by the commissioner pursuant to section 299L.09 or 299L.091 while the person is employed by the lottery or the Department of Public Safety or within one year after the person's employment has ended.

(c) A state employee who violates this section is subject to a civil penalty not to exceed \$10,000 for each violation. The attorney general may bring an action in district court to pursue a violation of this section.

(d) The commissioner may take administrative action in relation to the gaming facility license or management license for a violation of this section by a tribal entity or management entity.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

#### ARTICLE 4

#### GAMING TRANSACTION FEE

Section 1. [297A.651] [GAMING FACILITY.]

(a) The State Lottery must, on or before the 20th day of each month, transmit to the commissioner an amount equal to the adjusted gross gaming machine revenue and other lottery games' adjusted gross revenue, as defined in section 349A.01, for the previous month multiplied by 26 percent.

(b) A gaming transaction fee is imposed on nonlottery casino games at the gaming facility authorized under section 299L.094 at the rate of 14 percent of nonlottery casino games' adjusted gross revenue, as defined in section 299L.094. The tribal entity authorized to conduct nonlottery casino games at the gaming facility must make the payments due under this paragraph to the commissioner on or before the 20th day of each month for the adjusted gross revenue received for the previous month.

(c) The commissioner shall deposit the money transmitted under this section in the state treasury to be credited as provided in section 297A.94.

(d) The payments imposed by this section are in lieu of the tax imposed by section 297A.62 relating to wagering at the gaming facility and any local taxes relating to wagering at the gaming facility and local license fees relating to wagering at the gaming facility.

Sec. 2. Minnesota Statutes 2004, section 297A.94, is amended to read:

297A.94 [DEPOSIT OF REVENUES.]

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

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

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

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

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

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

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

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

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

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

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

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

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

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

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

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

(g) The commissioner must deposit revenues, including interest and penalties, transmitted to the commissioner under section 297A.651 into the gaming facility proceeds fund established in section 297A.941.

Sec. 3. [297A.941] [GAMING FACILITY PROCEEDS FUND.]

A gaming facility proceeds fund is established in the state treasury, consisting of money deposited in the fund under section 297A.94, paragraph (g), and any other money credited to the fund by law. Money in the fund is appropriated as follows:

(1) ten percent of the receipts is annually appropriated to the community assets account; and

(2) the remaining 90 percent of the receipts shall be transferred to the general fund.

Sec. 4. [297A.942] [COMMUNITY ASSETS ACCOUNT.]

A community assets account is established in the state treasury, consisting of money deposited in the account under section 297A.941 and interest earned thereon. Money in the account may be spent, as appropriated by law, to help finance capital projects that provide for facilities which provide a public benefit to the state and local communities. Projects that may be financed through an appropriation from this account include, but are not limited to, the following: stadiums and other athletic facilities for professional, college, and amateur sports; museums, theaters, and other facilities for the arts; recreational facilities; planetariums; and zoos.

Sec. 5. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 5

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 2004, section 299L.07, subdivision 2, is amended to read:

Subd. 2. [EXCLUSIONS.] Notwithstanding subdivision 1, a gambling device:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2004, section 340A.410, subdivision 5, is amended to read:

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

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

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

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

(e) Gambling devices may be operated and gambling permitted at a gaming facility as authorized by chapter 299L and 349A.

Sec. 4. Minnesota Statutes 2004, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, purchase of gaming machine plays as authorized under chapter 349A, conduct of any lottery or nonlottery casino games at a gaming facility as authorized under chapters 299L and 349A, or gambling authorized under chapters 349 and 349A.

Sec. 5. Minnesota Statutes 2004, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to: (1) pari-mutuel wagering conducted under a license issued pursuant to chapter 240; (2) purchase of tickets in the state lottery or other wagering authorized under chapter 299L or 349A; (3) gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.; or (4) lawful gambling activities permitted under chapter 349.

Sec. 6. Minnesota Statutes 2004, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

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

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

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

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

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

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

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

(8) The purchase and sale of state lottery tickets under chapter 349A.

(9) Plays on a gaming machine, or purchase or participating in any lottery or nonlottery casino game at a gaming facility authorized under chapter 299L or 349A.

Sec. 7. Minnesota Statutes 2004, section 609.761, is amended by adding a subdivision to read:

Subd. 6. [GAMING FACILITY.] Sections 609.755 and 609.76 do not prohibit the manufacture, possession, sale, or operation of a gaming machine at a gaming facility under chapter 349A, or the conduct of any other lottery or nonlottery casino game at a gaming facility under chapters 299L and 349A.

Sec. 8. [SEVERABILITY; SAVINGS.]

If any part of this act is found to be invalid because it is in conflict with a provision of the Constitution of the State of Minnesota or the Constitution of the United States, or for any other reason, all other provisions of this act shall remain valid and any rights, remedies, and privileges that have been otherwise accrued by this act, shall remain in effect and may be proceeded with and concluded under the provisions of this act.

Sec. 9. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to gambling; providing for the operation of lottery gaming machines and the conduct of lottery and nonlottery games at a gaming facility; licensing the gaming facility and imposing a license fee; imposing a gaming transaction fee on gaming at the gaming facility; amending Minnesota Statutes 2004, sections 297A.94; 299L.07, subdivisions 2, 2a; 340A.410, subdivision 5; 349A.01, subdivision 10, by adding subdivisions; 349A.04; 349A.10, subdivisions 3, 6; 349A.13; 541.20; 541.21; 609.75, subdivision 3; 609.761, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 297A; 299L; 349A."

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

The report was adopted.

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

H. F. No. 1859, A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2004, sections 176.011, subdivision 9; 176.041, by adding a subdivision; 176.081, subdivision 1; 176.092, subdivision 1a; 176.102, subdivision 3a; 176.106, subdivision 1; 176.129, subdivisions 1b, 2a, 13; 176.135, subdivisions 1, 7; 176.1351, subdivision 5; 176.1812, subdivision 1; 176.185, subdivisions 1, 7, by adding a subdivision; 176.231, subdivision 5; 176.238, subdivision 10; 176.391, subdivision 2; repealing Minnesota Statutes 2004, section 176.1812, subdivision 6.

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.

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

H. F. No. 1875, A bill for an act relating to human services; making agency technical amendments; changing provisions related to children and family services, health care, and continuing care programs; amending Minnesota Statutes 2004, sections 13.319, subdivision 3; 13.461, by adding a subdivision; 119B.02, subdivision 5; 119B.035, subdivision 1; 119B.074; 119B.08, subdivision 1; 119B.09, subdivision 1; 119B.26; 245.463, subdivision 2; 245.464, subdivision 1; 245.465, subdivision 1; 245.466, subdivisions 1, 5; 245.4661, subdivision 7; 245.483, subdivisions 1, 3; 245.4872, subdivision 2; 245.4873, subdivision 5; 245.4874; 245.4875, subdivisions 1, 5; 245A.16, subdivision 6; 252.24, subdivision 5; 252.282, subdivision 2; 252.46, subdivision 10; 256.045, subdivisions 3, 6, 7; 256B.04, subdivision 14; 256B.056, subdivision 1c; 256B.0625, subdivisions 5, 27; 256B.0911, subdivision 6; 256B.0913, subdivision 13; 256B.092, subdivision 1f; 256B.094, subdivision 8; 256B.0943, subdivisions 6, 12, 13; 256B.503; 256B.75; 256D.03, subdivision 3; 256G.01, subdivision 3; 256J.13, subdivision 2; 256J.21, subdivision 2; 256J.24, subdivision 5; 256J.561, subdivision 3; 256J.74, subdivision 1; 256J.751, subdivision 2; 256J.95, subdivisions 2, 6, 11, 18, 19; 256L.01, subdivision 3a; 256L.04, by adding a subdivision; 256M.30, subdivision 2; 260C.212, subdivision 12; 275.62, subdivision 4; 518.6111, subdivision 7; 626.557, subdivision 12b; 626.5571, subdivision 2; Laws 1997, chapter 245, article 2, section 11, as amended; repealing Minnesota Statutes 2004, sections 119A.01, subdivision 3; 119A.20; 119A.21; 119A.22; 119A.35; 119B.21, subdivision 11; 245.713, subdivisions 2, 4; 245.716; 256.014, subdivision 3; 256.045, subdivision 3c; 256B.0629, subdivisions 1, 2, 4; 256J.95, subdivision 20; 256K.35; 626.5551, subdivision 4; Laws 1998, chapter 407, article 4, section 63.

Reported the same back with the following amendments:

Pages 20 and 21, delete section 25

Page 43, line 35, after the first semicolon, insert "and" and delete "; and 256K.35"

Amend the title as follows:

Page 1, line 37, delete "256K.35;"

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

The report was adopted.

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

H. F. No. 1889, A bill for an act relating to human services; implementing child protection, child care, and child and family support provisions; amending Minnesota Statutes 2004, sections 119A.43, subdivision 2; 119B.025, subdivision 1; 119B.03, subdivision 6; 119B.09, subdivisions 4, 9; 144D.025; 256.978, subdivision 2; 256D.02, subdivision 17; 256D.051, subdivision 6c; 256I.04, subdivision 2a; 256I.05, by adding a subdivision; 256J.626, subdivisions 6, 7, 8; 256J.751, subdivisions 2, 5; 257.85, subdivisions 2, 3; 259.23, subdivisions 1, 2; 259.41, subdivision 3; 259.75, subdivision 1; 259.79, subdivision 1; 259.85, subdivision 1; 260.012; 260C.001, subdivision 3; 260C.007, subdivision 8; 260C.151, subdivision 6; 260C.178; 260C.201, subdivisions 1, 10, 11; 260C.312; 260C.317, subdivision 3; 518.551, subdivision 5; 518.68, subdivision 2; 548.091, subdivision 1a; 626.556, subdivisions 1, 2, 3, 10, 10b, 10e, 10f, 10i, 11, 11c, by adding subdivisions; repealing Minnesota Statutes 2004, sections 626.5551, subdivisions 1, 2, 3, 4, 5; Minnesota Rules, parts 9500.1206, subparts 20, 26d, 27; 9560.0220, subpart 6, item B; 9560.0230, subpart 2.

Reported the same back with the following amendments:



Page 95, line 5, delete "2005" and insert "2006"

Page 95, line 10, delete "2005" and insert "2006" and delete "county or"

Page 96, line 27, strike everything after "(4)"

Page 96, strike line 28

Page 96, line 29, strike "(5)"

Page 96, line 30, strike "(6)" and insert "(5)"

Page 96, line 31, strike "(7)" and insert "(6)"

Page 97, line 7, strike "(8)" and insert "(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.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 1896, A bill for an act relating to traffic regulations; redefining recreational vehicle combination to include certain combinations hauling horse trailers and related vehicles; increasing maximum gross weight for certain vehicles and combinations hauling livestock on noninterstate highways; requiring a permit; amending Minnesota Statutes 2004, sections 169.01, subdivision 78; 169.81, subdivision 3c; 169.824, subdivision 2; 169.86, subdivision 5.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Transportation Finance without further recommendation.

The report was adopted.

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

H. F. No. 1921, A bill for an act relating to health; modifying consent requirements for medical treatment of minors; permitting parental access to minor's medical records; providing for minor consent agreements; amending Minnesota Statutes 2004, sections 121A.22, subdivision 2; 144.335, subdivision 1; 144.343, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2004, section 144.3441.

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. 1931, A bill for an act relating to civil liability; defining the responsibilities of ski area operators and skiers; defining the rights and liabilities between skiers and between a skier and a ski area operator; prohibiting actions for injuries resulting from the inherent dangers and risks of skiing; proposing coding for new law in Minnesota Statutes, chapter 604A.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety Policy and Finance without further recommendation.

The report was adopted.

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

H. F. No. 1988, A bill for an act relating to building plan review; providing an exemption from plan review for certain biotechnology manufacturing firms when plans meet designated specifications; directing the commissioner of labor and industry to study procedures for supervision of installation of biotechnology piping systems; requiring a report to the legislature.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [EXEMPTION FROM PLAN REVIEW.]

Installation of high pressure steam, low pressure steam, gas, oil, refrigeration and process piping systems by biotechnology manufacturing firms shall be exempt from plan review by any city in Ramsey or Hennepin County if such system plans are drawn to the following American Society of Mechanical Engineers (ASME) requirements: ASME BPE - 2002 (bioprocessing equipment), ASME BPVC section II, part C, ASME BPVC section V, ASME BPVC section VIII, ASME BPVC section IX, ASME B31.3, and AWS D18.2. This section expires on January 1, 2008.

Sec. 2. [WORKING GROUP TO BE CONVENED.]

The commissioner of labor and industry will convene a working group to consist of one member from each of the Departments of Labor and Industry, Employment and Economic Development, and Administration; two members who are mechanical contractors; two members who are installers of piping systems; two members who are biotechnology manufacturers; and two representatives of cities who have process piping expertise, one of whom represents a city of the first class and one of whom represents a city other than a city of the first class. The working group will study procedures for supervision of installation of biotechnology piping systems through plan review and inspection. The commissioner of labor and industry will report the results of the study to the chairs of the committees in the house and senate with relevant jurisdiction no later than February 1, 2006."

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

The report was adopted.

Tingelstad from the Committee on Governmental Operations and Veterans Affairs 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 recommendation that the bill pass and be re-referred to the Committee on Local Government.

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 2035, A bill for an act relating to motor vehicles; authorizing commissioner of public safety to remove from department records certain old liens on passenger automobiles; amending Minnesota Statutes 2004, section 168A.20, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 2042, A bill for an act relating to natural resources; eliminating the Project Riverbend Board; amending Minnesota Statutes 2004, sections 103F.387; 103F.389, subdivision 2; 103F.391; repealing Minnesota Statutes 2004, sections 103F.383, subdivisions 1, 2; 103F.385; 103F.389, subdivisions 3, 4; 103F.393.

Reported the same back with the following amendments:

Page 2, after line 35, insert:

"Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

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

The report was adopted.

Erhardt from the Committee on Transportation to which was referred:

H. F. No. 2058, A bill for an act relating to motor vehicles; authorizing Knights of Columbus special license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

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. 2116, A bill for an act relating to elections; campaign finance; increasing disclosure requirements; limiting contributions to political committees, political funds, and political party units; releasing a candidate from spending limits in case of certain independent expenditures; limiting independent expenditures by political party units; amending Minnesota Statutes 2004, sections 10A.01, by adding a subdivision; 10A.14, subdivision 1; 10A.20, by adding subdivisions; 10A.25, by adding a subdivision; 10A.28, subdivision 2; 10A.322, subdivisions 2, 4, by adding a subdivision; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A.

Reported the same back with the following amendments:

Page 4, line 19, delete "\$500" and insert "ten percent of the spending limits specified by section 10A.25, subdivision 2, for the office sought"

Page 4, line 25, delete everything after "the"

Page 4, line 26, delete everything before the period and insert "candidate's spending limits are increased to 125 percent of the spending limits specified by section 10A.25, subdivision 2, for the office sought and the candidate remains eligible for a public subsidy"

Page 5, line 14, delete "is released from"

Page 5, line 15, delete everything before the period and insert "has spending limits increased to 125 percent of the spending limits specified by section 10A.25, subdivision 2, for the office sought and remains eligible for a public subsidy"

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.

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

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.

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

The report was adopted.

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

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.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

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.

Reported the same back with the following amendments:

Page 4, after line 2, insert:

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

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

The report was adopted.

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

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.

Reported the same back with the following amendments:

Page 3, line 29, delete "Environmental Innovations"

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.

Johnson, J., from the Committee on Civil Law and Elections 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 recommendation that the bill pass.

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 215, 436, 665, 1172, 1747, 1921 and 2126 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. No. 607 was read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Klinzing introduced:

H. F. No. 2227, A bill for an act relating to retirement; Independent School District No. 625, St. Paul; requiring the restoration of postretirement health insurance coverage for certain retired teachers.

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

Abrams and Lenczewski introduced:

H. F. No. 2228, A bill for an act relating to taxation; recodifying and clarifying the powers of the commissioner of revenue; recodifying a criminal penalty; appropriating money; amending Minnesota Statutes 2004, sections 16D.08, subdivision 2; 115B.49, subdivision 4; 239.785, subdivision 4; 256.9657, subdivision 7; 256.9792, subdivision 8; 273.11, subdivision 5; 287.37; 289A.35; 289A.42, subdivision 1; 289A.60, subdivision 13; 295.57, subdivision 1; 295.60, subdivision 7; 297A.64, subdivision 3; 297B.11; 297H.10, subdivision 1; 297I.10, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 270C; repealing Minnesota Statutes 2004, sections 270.01; 270.02; 270.021; 270.022; 270.04; 270.05; 270.052; 270.058; 270.059; 270.06; 270.0601; 270.0602; 270.0603; 270.0604; 270.0605; 270.061; 270.062; 270.063; 270.064; 270.065; 270.066; 270.0665; 270.067; 270.068; 270.0681; 270.0682; 270.069; 270.07; 270.084; 270.09; 270.10; 270.101; 270.102; 270.11, subdivisions 2, 3, 4, 5, 6, 7; 270.13; 270.14; 270.15; 270.16; 270.17; 270.18; 270.19; 270.20; 270.21; 270.22; 270.23; 270.24; 270.25; 270.26; 270.27; 270.271; 270.272; 270.273; 270.274; 270.275; 270.276; 270.277; 270.278; 270.30; 270.485; 270.494; 270.60; 270.65; 270.652; 270.66; 270.67; 270.68; 270.69; 270.691; 270.70; 270.7001; 270.7002; 270.701; 270.702; 270.703; 270.704; 270.705; 270.706; 270.707; 270.708; 270.709; 270.71; 270.72; 270.721; 270.73; 270.74; 270.75; 270.76; 270.771; 270.78; 270.79; 287.39; 289A.07; 289A.13; 289A.31, subdivisions 3, 4, 6; 289A.36; 289A.37, subdivisions 1, 3, 4, 5; 289A.38, subdivision 13; 289A.43; 289A.65; 290.48, subdivisions 3, 4; 290.92, subdivisions 6b, 22, 23; 290.97; 296A.20; 296A.201; 296A.25; 297A.86; 297A.93; 297D.14; 297E.08; 297E.09; 297E.12, subdivision 10; 297E.15; 297F.15, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 297F.16; 297F.22; 297G.14, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 297G.15; 297G.21; 297I.45; 297I.50; 297I.55; 297I.95.

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

Clark; Bradley; Nelson, M.; Slawik; Gunther; Ruth and Garofalo introduced:

H. F. No. 2229, A bill for an act relating to human services; changing the requirement for employment services for participants with children under 12 weeks old; amending Minnesota Statutes 2004, section 256J.561, subdivision 3.

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

Peterson, N., introduced:

H. F. No. 2230, A bill for an act relating to retirement; statewide and major local retirement plans; modifying the manner for dividing public pension benefits as marital property in a marriage dissolution action; amending Minnesota Statutes 2004, sections 356.20, subdivision 4; 356.215, subdivision 13; 518.58, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 356.

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

Loeffler, Mullery and Ellison introduced:

H. F. No. 2231, A bill for an act relating to capital improvements; appropriating money for bridge crossing Mississippi River in Hennepin County; authorizing issuance of general obligation bonds.

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

Ellison and Hilstrom introduced:

H. F. No. 2232, A bill for an act relating to taxation; increasing the tax on alcoholic beverages; dedicating the proceeds of the increase to provide grants to counties to provide probation supervision and treatment services for certain offenders; appropriating money; amending Minnesota Statutes 2004, sections 254B.01, subdivisions 1, 3; 254B.02, subdivisions 1, 4; 254B.03, subdivisions 1, 2, 5; 254B.04, subdivision 1; 297G.03, subdivisions 1, 2; 297G.04, subdivisions 1, 2; 297G.10; 297G.12, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 254B; 401; repealing Minnesota Statutes 2004, sections 254B.02, subdivisions 2, 3; 254B.03, subdivision 4.

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

Seifert; Sviggum; Nornes; Paulsen; Peterson, A.; Eastlund; Johnson, J.; Finstad; Krinkie; Urdahl; Buesgens; Nelson, P.; Soderstrom; Koenen; Newman; Magnus; Hamilton; Heidgerken and Erickson introduced:

H. F. No. 2233, A bill for an act relating to public safety; permitting the commissioner of corrections to house inmates in private prisons; establishing a pilot project to house up to 400 short-term offenders; issuing a request for proposals; amending Minnesota Statutes 2004, section 241.01, subdivision 3a.

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

Liebling, Poppe and Welti introduced:

H. F. No. 2234, A bill for an act relating to health; establishing a prescription drug bulk purchasing program; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Hansen; Mariani; Mahoney; Nelson, M.; Clark; Rukavina; Atkins; Sieben; Johnson, S.; Koenen and Fritz introduced:

H. F. No. 2235, A bill for an act relating to labor relations; establishing certain rights for workers in the meatpacking industry; proposing coding for new law in Minnesota Statutes, chapter 179.

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

Abeler and Thissen introduced:

H. F. No. 2236, A bill for an act relating to human services; establishing a performance reporting and quality improvement payment system for public health care programs; amending Minnesota Statutes 2004, sections 256B.69, subdivision 5a; 256L.12, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Abeler introduced:

H. F. No. 2237, A bill for an act relating to local government; expanding the North Suburban Hospital District; authorizing the hospital district to levy taxes and issue bonds.

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

Abeler, Goodwin and Samuelson introduced:

H. F. No. 2238, A bill for an act relating to local government; permitting arrangements in which political subdivisions may jointly arrange for the voluntary purchase of long-term care insurance by their employees; amending Minnesota Statutes 2004, sections 123A.21, subdivision 7; 471.61, by adding a subdivision.

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

Samuelson, Cox, Bernardy, Hackbarth, Goodwin and Abeler introduced:

H. F. No. 2239, 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.

Vandever introduced:

H. F. No. 2240, A bill for an act relating to commerce; providing an expedited process for the judicial review of financing statements; establishing civil and criminal liability for fraudulent or otherwise improper financing statements; amending Minnesota Statutes 2004, section 609.749, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 545; 604; 609.

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



Lieder and Larson introduced:

H. F. No. 2241, A bill for an act relating to appropriations; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for general contingent accounts and tort claims; authorizing issuance of trunk highway bonds; modifying provision for handling state mail; modifying vehicle registration tax and fee provisions; increasing fees for motor vehicle transfers and driver and vehicle services; establishing and modifying accounts; abolishing statewide bicycle registration program; proposing an amendment to the Minnesota Constitution, article XIV; authorizing street utility fees and assessments; providing for road signs; establishing multimodal transportation fund; increasing and indexing tax on motor fuels and allocating proceeds of the increase; reapportioning highway state-aid money to counties; expanding authority for county wheelage tax; changing vehicle registration tax rates; allocating proceeds of sales tax on motor vehicles; authorizing local transportation sales and excise tax; requiring a report; making technical and clarifying revisions; amending Minnesota Statutes 2004, sections 16B.49; 115A.908, subdivision 1; 161.04, by adding a subdivision; 161.081, subdivision 3; 162.06, subdivision 2; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, by adding a subdivision; 168.013, subdivisions 1a, 8; 168.09, subdivision 7; 168.105, subdivisions 2, 3, 5; 168.12; 168.123; 168.1235; 168.124; 168.125; 168.1255; 168.127, subdivision 6; 168.128; 168.129; 168.1291; 168.1293; 168.1296; 168.1297; 168.27, subdivision 11; 168.33; 168.345, subdivisions 1, 2; 168.381; 168.54, subdivisions 4, 5; 168A.152, subdivision 2; 168A.29; 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; 171.20, subdivision 4; 171.26; 171.29, subdivision 2; 171.36; 296A.07, subdivision 3, by adding a subdivision; 296A.08, subdivision 2, by adding a subdivision; 297B.09, subdivision 1; 446A.085, subdivisions 3, 8, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16A; 160; 161; 168; 297A; 299A; repealing Minnesota Statutes 2004, sections 168.012, subdivision 12; 168.041, subdivision 11; 168.105, subdivision 6; 168.231; 168.345, subdivisions 3, 4; 168C.01; 168C.02; 168C.03; 168C.04; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.10; 168C.11; 168C.12; 168C.13; 170.23; 171.12, subdivision 8; 171.185; Minnesota Rules, parts 7407.0100; 7407.0200; 7407.0300; 7407.0400; 7407.0500; 7407.0600; 7407.0700; 7407.0800; 7407.0900; 7407.1000; 7407.1100; 7407.1200; 7407.1300.

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

Lieder and Eken introduced:

H. F. No. 2242, A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 2609, Win-E-Mac.

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

Seifert, Tingelstad, Zellers, Kohls, Meslow and Kahn introduced:

H. F. No. 2243, A bill for an act relating to state government; creating an Office of Enterprise Technology; appropriating money; amending Minnesota Statutes 2004, sections 16B.04, subdivision 2; 16B.48, subdivisions 4, 5; 16E.01, subdivisions 1, 3; 16E.02; 16E.03, subdivisions 1, 2, 3, 7; 16E.04; 16E.0465, subdivision 2; 16E.055; 16E.07, subdivision 8; 299C.65, subdivisions 1, 2; 403.36, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16E; repealing Minnesota Statutes 2004, sections 16B.48, subdivision 3; 16E.0465, subdivision 3.

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

Abeler introduced:

H. F. No. 2244, A bill for an act relating to retirement; abolishing payment of postretirement benefit costs; repealing Minnesota Statutes 2004, section 480.1811.

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

Cybart, Powell, Wardlow, Lillie and Nelson, P., introduced:

H. F. No. 2245, A bill for an act relating to crime prevention; prohibiting speed contests; prohibiting individuals from being spectators at speed contests; imposing criminal penalties; amending Minnesota Statutes 2004, section 169.13, by adding a subdivision.

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

Cornish introduced:

H. F. No. 2246, A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 2071, Lake Crystal-Wellcome Memorial.

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

Cornish introduced:

H. F. No. 2247, A bill for an act relating to taxation; imposing a tax on the transfer of certain major league sports franchises; proposing coding for new law as Minnesota Statutes, chapter 290D.

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

Penas and Hackbarth introduced:

H. F. No. 2248, A bill for an act relating to natural resources; providing for disposition of fees from metal traction device stickers; appropriating money.

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

Penas introduced:

H. F. No. 2249, A bill for an act relating to agriculture; extending the existence of the Organic Advisory Task Force; amending Minnesota Statutes 2004, section 31.94.

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

Moe introduced:

H. F. No. 2250, A bill for an act relating to taxation; abatement; authorizing the city of Bemidji to extend the duration of an economic development abatement.

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

Krinkie; Holberg; Anderson, B., and Abrams introduced:

H. F. No. 2251, A bill for an act relating to transportation; requiring study of center loading and shoulder loading of transit passengers on freeways; appropriating money.

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

Opatz introduced:

H. F. No. 2252, A bill for an act relating to local government; requiring the state auditor to study and report on the feasibility of consolidating counties or altering county boundaries in central Minnesota.

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

Latz and Carlson introduced:

H. F. No. 2253, A bill for an act relating to local government; authorizing meetings to be held by telephone or other electronic means, setting conditions; proposing coding for new law in Minnesota Statutes, chapter 13D.

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

Slawik and Powell introduced:

H. F. No. 2254, A bill for an act relating to operation of state government; establishing the Minnesota False Claims Act; assessing penalties; proposing coding for new law as Minnesota Statutes, chapter 12A.

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

Severson introduced:

H. F. No. 2255, A bill for an act relating to motor vehicles; requiring insurance companies to report information; creating vehicle insurance verification program and special revenue account; requiring preparation of database to identify uninsured motorists; requiring commissioner of public safety to discontinue insurance verification sampling program; declaring charges for violations of sampling program laws to be void; reinstating certain drivers' licenses; authorizing rulemaking; requiring report; imposing criminal penalty; appropriating money; amending Minnesota Statutes 2004, sections 168.013, by adding a subdivision; 169.09, subdivision 13; 169.795; 169.796, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B; 169; repealing Minnesota Statutes 2004, section 169.796, subdivision 3.

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

Solberg introduced:

H. F. No. 2256, A bill for an act relating to traffic regulations; exempting first hauls of manufactured wood products from certain highway weight restrictions; amending Minnesota Statutes 2004, section 169.8261.

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

Welti; Johnson, R.; Marquart; Heidgerken; Poppe; Eken and Urdahl introduced:

H. F. No. 2257, A bill for an act relating to taxation; providing an individual income and corporate franchise tax credit for the cost of technical and engineering assistance for compliance with feedlot environmental standards and permits; amending Minnesota Statutes 2004, section 290.06, by adding a subdivision.

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

Goodwin and Thissen introduced:

H. F. No. 2258, A bill for an act relating to health; requiring provider payment disclosure; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

Goodwin, Bernardy and Thissen introduced:

H. F. No. 2259, A bill for an act relating to telecommunications; requiring clear statement of expiration dates on phone cards and their outer packaging; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Goodwin introduced:

H. F. No. 2260, 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.

Seifert introduced:

H. F. No. 2261, A bill for an act relating to elections; campaign finance; modifying the definition of major political party for purposes of the public subsidy program; amending Minnesota Statutes 2004, section 10A.01, subdivision 23.

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

Welti; Johnson, R.; Cox; Hansen; Wagenius; Nelson, M.; Hornstein; Liebling and Hoppe introduced:

H. F. No. 2262, A bill for an act relating to state government; providing incentives for employee energy savings suggestions; proposing coding for new law in Minnesota Statutes, chapter 16C.

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

Knoblach introduced:

H. F. No. 2263, A bill for an act relating to state government; updating Finance Department provisions; amending Minnesota Statutes 2004, sections 16A.1286, subdivisions 2, 3; 16A.152, subdivision 2; 16A.1522, subdivision 1; repealing Minnesota Statutes 2004, section 16A.30.

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

Knoblach introduced:

H. F. No. 2264, A bill for an act relating to retirement; Minneapolis Teachers Retirement Fund Association; requiring the investment of state aid to the retirement fund by the State Board of Investment; revising the administrative expense surcharge; requiring additional funding by members and recipients in the event of investment underperformance; amending Minnesota Statutes 2004, sections 354A.08; 354A.12, subdivisions 3a, 3b, 3d, by adding a subdivision; 354A.28, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 354A.

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

Knoblach introduced:

H. F. No. 2265, A bill for an act relating to health; providing for health coverage for Minnesota children with special health needs; reinstating certain rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Poppe introduced:

H. F. No. 2266, A bill for an act relating to Mower County; authorizing the county to allow towns to use additional publications for certain required notices.

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

Jaros introduced:

H. F. No. 2267, A bill for an act relating to St. Louis County; authorizing the county board to convey an easement.

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

Knoblach introduced:

H. F. No. 2268, A bill for an act relating to elections; local government referenda on bonding and levy questions; requiring such questions to be placed before the voters only at the general election for the jurisdiction presenting the question; regulating certain information about such ballot questions; requiring certain reports to be filed in connection with spending on such questions; amending Minnesota Statutes 2004, sections 205.02, subdivision 2; 205.10, subdivision 1; 205A.05, subdivision 1; 211A.02, subdivision 2, by adding a subdivision; 297A.99, subdivision 3; 373.40, subdivision 2; 375.20; 458.40; 469.053, subdivision 5; 469.0724; 469.190, subdivision 5; 475.58, subdivisions 1, 1a, by adding a subdivision; 475.59; proposing coding for new law in Minnesota Statutes, chapter 211B.

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

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 933, A bill for an act relating to motor vehicles; recodifying the Motor Vehicle Retail Installment Sales Act.

H. F. No. 997, A bill for an act relating to financial institutions; authorizing a detached facility in Burns Township under certain conditions.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 1625, 1452 and 255.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 1625, A bill for an act relating to the military; providing for pay and allowances for certain retired national guard personnel who are ordered to active duty; amending Minnesota Statutes 2004, section 192.19.

The bill was read for the first time.

Cybart moved that S. F. No. 1625 and H. F. No. 1779, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1452, A bill for an act relating to corrections; authorizing the commissioner of corrections to appoint individuals to the Advisory Council on Interstate Adult Offender Supervision; repealing the law requiring collection of data on interstate offenders; amending Minnesota Statutes 2004, section 243.1606, subdivision 1; repealing Minnesota Statutes 2004, section 243.162.

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

S. F. No. 255, A bill for an act relating to MinnesotaCare; modifying covered health services; repealing the limited benefits for certain single adults and households without children; amending Minnesota Statutes 2004, sections 256L.03, subdivision 1; 256L.12, subdivision 6; repealing Minnesota Statutes 2004, section 256L.035.

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

### CONSENT CALENDAR

H. F. No. 1650, A bill for an act relating to cosmetology; providing for the transfer of regulatory oversight; modifying regulatory provisions; providing conforming changes; amending Minnesota Statutes 2004, sections 154.18; 154.22; 155A.03, subdivision 4a; 155A.04; 155A.045, subdivision 1; 155A.08, subdivision 1; 155A.135; repealing Minnesota Statutes 2004, sections 155A.03, subdivision 13; 155A.06; Minnesota Rules, part 2100.9300, subpart 1.

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

The question was taken on the passage of the bill and the roll was called. There were 114 yeas and 18 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Eken	Hosch	Koenen	Olson	Paymar
Bernardy	Hansen	Juhnke	Larson	Opatz	Rukavina
Dittrich	Hilty	Kelliher	Marquart	Otremba	Thao

The bill was passed and its title agreed to.

H. F. No. 1820, A bill for an act relating to the Cambridge State Hospital; naming a cemetery; proposing coding for new law in Minnesota Statutes, chapter 246.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Thursday, March 31, 2005:

H. F. No. 6; S. F. No. 633; and H. F. Nos. 915, 42 and 466.



**CALENDAR FOR THE DAY**

H. F. No. 6 was reported to the House.

Larson moved to amend H. F. No. 6, the second engrossment, as follows:

Page 1, line 12, delete "or its legal"

Page 1, line 13, delete "equivalent"

Page 1, line 19, delete "or its legal equivalent"

A roll call was requested and properly seconded.

The question was taken on the Larson amendment and the roll was called. There were 62 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Entenza	Huntley	Liebling	Opatz	Slawik
Atkins	Erhardt	Jaros	Lieder	Paymar	Solberg
Bernardy	Goodwin	Johnson, R.	Lillie	Peterson, S.	Thao
Carlson	Greiling	Johnson, S.	Loeffler	Poppe	Thissen
Clark	Hansen	Juhnke	Mahoney	Rukavina	Wagenius
Davnie	Hausman	Kahn	Mariani	Ruud	Walker
Dill	Hilstrom	Kelliher	Meslow	Sailer	Welti
Dittrich	Hilty	Larson	Moe	Scalze	
Dorman	Hornstein	Latz	Mullery	Sertich	
Dorn	Hortman	Lenczewski	Murphy	Sieben	
Ellison	Hosch	Lesch	Nelson, M.	Simon	

Those who voted in the negative were:

Abeler	Dean	Gunther	Krinkie	Pelowski	Soderstrom
Anderson, B.	DeLaForest	Hackbarth	Lanning	Penas	Sykora
Beard	Demmer	Hamilton	Magnus	Peppin	Tingelstad
Blaine	Dempsey	Heidgerken	Marquart	Peterson, A.	Urdahl
Bradley	Eastlund	Holberg	McNamara	Peterson, N.	Vandever
Brod	Eken	Hoppe	Nelson, P.	Powell	Wardlow
Buesgens	Emmer	Howes	Newman	Ruth	Westerberg
Charron	Erickson	Johnson, J.	Nornes	Samuelson	Westrom
Cornish	Finstad	Klinzing	Olson	Seifert	Wilkin
Cox	Fritz	Knoblach	Otremba	Severson	Zellers
Cybart	Garofalo	Koenen	Ozment	Simpson	Spk. Sviggum
Davids	Gazelka	Kohls	Paulsen	Smith	

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

Goodwin moved to amend H. F. No. 6, the second engrossment, as follows:

Page 1, line 10, after "woman" insert "for life"

Page 1, line 20, after "woman" insert "for life"

A roll call was requested and properly seconded.

The question was taken on the Goodwin amendment and the roll was called. There were 12 yeas and 121 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Erhardt	Jaros	Liebling	Poppe	Thao
Clark	Goodwin	Johnson, R.	Lieder	Severson	Walker

Those who voted in the negative were:

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

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

H. F. No. 6 was read for the third time.

#### CALL OF THE HOUSE

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

Abeler	Atkins	Blaine	Carlson	Cornish	Davids
Anderson, B.	Beard	Bradley	Charron	Cox	Davnie
Anderson, I.	Bernardy	Buesgens	Clark	Cybart	Dean

DeLaForest	Hackbarth	Kahn	Meslow	Peterson, S.	Thao
Demmer	Hamilton	Kelliher	Moe	Poppe	Thissen
Dempsey	Hansen	Klinzing	Mullery	Powell	Tingelstad
Dill	Hausman	Knoblach	Murphy	Rukavina	Urdahl
Dittrich	Heidgerken	Koenen	Nelson, M.	Ruth	Vandever
Dorn	Hilstrom	Kohls	Nelson, P.	Ruud	Wagenius
Eastlund	Hilty	Lanning	Newman	Sailer	Walker
Eken	Holberg	Larson	Nornes	Samuelson	Wardlow
Ellison	Hoppe	Latz	Olson	Scalze	Welti
Emmer	Hornstein	Lenczewski	Opatz	Seifert	Westerberg
Entenza	Hortman	Lesch	Otremba	Sertich	Westrom
Erhardt	Hosch	Liebling	Ozment	Severson	Wilkin
Erickson	Howes	Lieder	Paulsen	Sieben	Zellers
Finstad	Huntley	Lillie	Paymar	Simon	Spk. Sviggum
Fritz	Jaros	Loeffler	Pelowski	Simpson	
Garofalo	Johnson, J.	Magnus	Penas	Slawik	
Gazelka	Johnson, R.	Mahoney	Peppin	Smith	
Goodwin	Johnson, S.	Marquart	Peterson, A.	Solberg	
Greiling	Juhnke	McNamara	Peterson, N.	Sykora	

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

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.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 77 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gunther	Kohls	Paulsen	Smith
Anderson, B.	Dempsey	Hackbarth	Krinkie	Pelowski	Soderstrom
Beard	Dill	Hamilton	Lanning	Penas	Sykora
Blaine	Dittrich	Heidgerken	Lieder	Peppin	Tingelstad
Bradley	Dorman	Holberg	Magnus	Peterson, A.	Urdahl
Brod	Eastlund	Hoppe	Marquart	Peterson, N.	Vandever
Buesgens	Eken	Hosch	McNamara	Powell	Wardlow
Charron	Emmer	Howes	Nelson, P.	Ruth	Westerberg
Cornish	Erickson	Johnson, J.	Newman	Samuelson	Westrom
Cybart	Finstad	Juhnke	Nornes	Scalze	Wilkin
Davids	Fritz	Klinzing	Olson	Seifert	Zellers
Dean	Garofalo	Knoblach	Otremba	Severson	Spk. Sviggum
DeLaForest	Gazelka	Koenen	Ozment	Simpson	

Those who voted in the negative were:

Anderson, I.	Clark	Ellison	Greiling	Hilty	Jaros
Atkins	Cox	Entenza	Hansen	Hornstein	Johnson, R.
Bernardy	Davnie	Erhardt	Hausman	Hortman	Johnson, S.
Carlson	Dorn	Goodwin	Hilstrom	Huntley	Kahn

Kelliher	Lillie	Mullery	Poppe	Simon	Walker
Larson	Loeffler	Murphy	Rukavina	Slawik	Welti
Latz	Mahoney	Nelson, M.	Ruud	Solberg	
Lenczewski	Mariani	Opatz	Sailer	Thao	
Lesch	Meslow	Paymar	Sertich	Thissen	
Liebling	Moe	Peterson, S.	Sieben	Wagenius	

The bill was passed and its title agreed to.

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

There being no objection, the order of business reverted to Reports of Standing Committees.

### REPORTS OF STANDING COMMITTEES

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

H. F. No. 2086, A bill for an act relating to the Metropolitan Airports Commission; requiring senate confirmation for certain appointments; providing term limits for certain members; requiring commissioners to have aviation experience and knowledge; creating a nominating committee; modifying a reporting requirement; amending Minnesota Statutes 2004, sections 473.604, subdivision 1; 473.621, subdivision 1b.

Reported the same back with the following amendments:

Page 1, line 17, after "governor" insert ", one"

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

The report was adopted.

### MOTIONS AND RESOLUTIONS

Lanning moved that the name of Ruth be added as an author on H. F. No. 214. The motion prevailed.

Garofalo moved that the name of Ruth be added as an author on H. F. No. 1034. The motion prevailed.

Hamilton moved that the name of Ruth be added as an author on H. F. No. 1126. The motion prevailed.

Seifert moved that the name of Ruth be added as an author on H. F. No. 1651. The motion prevailed.

Krinkie moved that the names of Erhardt and Westrom be added as authors on H. F. No. 1713. The motion prevailed.

Demmer moved that the name of Dean be added as an author on H. F. No. 1718. The motion prevailed.

Otremba moved that the name of Westerberg be added as an author on H. F. No. 1795. The motion prevailed.

Otremba moved that the name of Paulsen be added as an author on H. F. No. 1797. The motion prevailed.

Ellison moved that the name of Sieben be added as an author on H. F. No. 1923. The motion prevailed.

Lillie moved that his name be stricken as an author on H. F. No. 1948. The motion prevailed.

Johnson, J., moved that the name of Paulsen be added as an author on H. F. No. 2099. The motion prevailed.

Davids moved that the name of Abeler be added as an author on H. F. No. 2125. The motion prevailed.

Otremba moved that the name of Lenczewski be added as an author on H. F. No. 2134. The motion prevailed.

Ellison moved that the name of Lenczewski be added as an author on H. F. No. 2140. The motion prevailed.

Marquart moved that the name of Ruth be added as an author on H. F. No. 2180. The motion prevailed.

Cox moved that the name of Ruud be added as an author on H. F. No. 2193. The motion prevailed.

Johnson, R., moved that the name of Kahn be added as an author on H. F. No. 2199. The motion prevailed.

Tingelstad moved that the name of Juhnke be added as an author on H. F. No. 2212. The motion prevailed.

Seifert moved that H. F. No. 1172, now on the General Register, be re-referred to the Committee on State Government Finance. The motion prevailed.

Ruth moved that H. F. No. 1272 be recalled from the Committee on Commerce and Financial Institutions and be re-referred to the Committee on Health Policy and Finance. The motion prevailed.

Sykora moved that H. F. No. 1323 be recalled from the Committee on Education Policy and Reform and be re-referred to the Committee on Education Finance. The motion prevailed.

Wilkin moved that H. F. No. 1859 be recalled from the Committee on Jobs and Economic Opportunity Policy and Finance and be re-referred to the Committee on Ways and Means. The motion prevailed.

Seifert moved that H. F. No. 1953, now on the General Register, be re-referred to the Committee on State Government Finance. The motion prevailed.

Seifert moved that H. F. No. 1964, now on the General Register, be re-referred to the Committee on State Government Finance. The motion prevailed.

#### CALL OF THE HOUSE LIFTED

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

## ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 3:00 p.m., Monday, April 4, 2005. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Monday, April 4, 2005.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives