

STATE OF MINNESOTA

EIGHTY-FOURTH SESSION — 2006

 NINETY-FOURTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 24, 2006

The House of Representatives convened at 10:00 a.m. and was called to order by Gregory M. Davids, Speaker pro tempore.

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

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

The roll was called and the following members were present:

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

A quorum was present.

Mariani was excused.

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

REPORTS OF CHIEF CLERK

S. F. No. 1040 and H. F. No. 1106, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greiling moved that the rules be so far suspended that S. F. No. 1040 be substituted for H. F. No. 1106 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1287 and H. F. No. 1375, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Severson moved that the rules be so far suspended that S. F. No. 1287 be substituted for H. F. No. 1375 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2002 and H. F. No. 2843, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Kohls moved that the rules be so far suspended that S. F. No. 2002 be substituted for H. F. No. 2843 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2532 and H. F. No. 2810, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Powell moved that S. F. No. 2532 be substituted for H. F. No. 2810 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2840 and H. F. No. 3217, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hansen moved that S. F. No. 2840 be substituted for H. F. No. 3217 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3213 and H. F. No. 3202, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Westerberg moved that the rules be so far suspended that S. F. No. 3213 be substituted for H. F. No. 3202 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3615 and H. F. No. 3944, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Slawik moved that the rules be so far suspended that S. F. No. 3615 be substituted for H. F. No. 3944 and that the House File be indefinitely postponed. The motion prevailed.

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

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Abrams.

PETITIONS AND COMMUNICATIONS

The following communications were received:

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

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2006 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2006</i>	<i>Date Filed 2006</i>
2621		177	3:45 p.m. April 20	April 20
3465		178	3:50 p.m. April 20	April 20
2832		179	3:55 p.m. April 20	April 20

Sincerely,

MARY KIFFMEYER
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 20, 2006

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

Dear Speaker Sviggum:

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

H. F. No. 2994, relating to natural resources; allowing for the replacement and repair of boat storage structures on public waters.

H. F. No. 3310, relating to state government; authorizing advance deposits or payments for boat slip rental.

Sincerely,

TIM PAWLENTY
Governor

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

The Honorable Steve Sviggum
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2006 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2006</i>	<i>Date Filed 2006</i>
	2994	180	3:50 p.m. April 20	April 20
	3310	181	4:00 p.m. April 20	April 20

Sincerely,

MARY KIFFMEYER
Secretary of State

REPORTS OF STANDING COMMITTEES

Krinkie from the Committee on Taxes to which was referred:

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

Reported the same back with the following amendments:

Page 1, line 19, after the period, insert "The tax rates specified in subdivisions 1, 1a, 2, 3, and 4 shall apply for subsequent tax years, unless the commissioner, based on a determination of the projected balance of the health care access fund made on September 1 of an odd-numbered year, reduces the tax rates."

Page 1, line 22, after "each" insert "odd-numbered"

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

The report was adopted.

Krinkie from the Committee on Taxes to which was referred:

H. F. No. 2953, A bill for an act relating to public safety; appropriating money for the courts, public safety, corrections, and other criminal justice agencies; establishing, funding, modifying, and regulating public safety, criminal justice, judiciary, law enforcement, corrections, and crime victim services, policies, programs, duties, activities, or practices; creating crimes; establishing illegal immigration policies and programs; establishing a fire safety account; providing procedures for protection of peace officers exposed to bloodborne pathogens; removing obsolete provisions involving county and municipal courts; modifying emergency communication provisions; establishing a special crimes unit to implement an illegal immigration enforcement strategy; requiring maintenance of immigration data in the Bureau of Criminal Apprehension's criminal history database; requiring employer fines for hiring illegal immigrants; creating computer crimes; requiring the secretary of state to develop and implement an address confidentiality program; modifying financing statement requirements and providing for civil and criminal liability; creating a crime of fraudulent identity documents; requiring studies and reports; imposing criminal and civil penalties; amending Minnesota Statutes 2004, sections 13.82, by adding a subdivision; 13.84, subdivisions 1, 2; 13.87, by adding a subdivision; 43A.08, subdivision 1; 48A.10, subdivision 3; 144.445, subdivision 1; 152.01, subdivision 18; 152.093; 152.18, subdivision 1; 169.13; 169A.24, subdivision 1; 181.973; 219.97, subdivision 13; 237.49; 253B.02, subdivision 2; 260C.163, subdivision 3; 297I.30, by adding a subdivision; 299C.095, subdivision 2; 299C.10, by adding a subdivision; 299E.01, subdivision 2; 299F.011, subdivision 5; 346.09, subdivision 1; 346.155, subdivisions 1, 4, 5, 10, by adding a subdivision; 347.04; 358.41; 358.42; 358.47; 358.50; 359.01, by adding a subdivision; 359.03, subdivision 3, by adding a subdivision; 359.04; 359.05; 359.085; 375A.13, subdivision 1; 383B.65, subdivision 2; 390.20; 390.33, subdivision 2; 403.02, by adding a subdivision; 403.08, subdivision 7; 403.11, subdivisions 3b, 3c; 403.113, subdivision 3; 403.21, subdivisions 2, 7, 9; 403.33; 403.34; 403.36, subdivision 1f; 480.181, subdivisions 1, 2; 480.182; 484.01, subdivision 1; 484.011; 484.012; 484.45; 484.54, subdivision 3; 484.545, subdivision 1; 484.64, subdivision 3; 484.65, subdivision 3; 484.68, subdivision 1; 484.702, subdivision 5; 485.018, subdivision 5; 485.021; 485.11; 488A.03, subdivisions 6, 11; 517.041; 518.157, subdivision 2; 518B.01, by adding a subdivision; 525.9214; 546.27, subdivision 2; 595.02, subdivision 1; 609.101, subdivision 4; 609.102, subdivision 2; 609.11, subdivision 7; 609.2231, subdivisions 4, 6; 609.2242, subdivision 4;

609.233, subdivision 1, by adding a subdivision; 609.341, by adding a subdivision; 609.344, subdivision 1; 609.345, subdivision 1; 609.495, by adding a subdivision; 609.52, subdivision 3; 609.527, by adding a subdivision; 609.535, subdivision 2a; 609.595, subdivisions 1, 1a, 2; 609.652, subdivisions 1, 2, 3; 609.87, subdivisions 1, 11, by adding subdivisions; 609.891, subdivisions 1, 3; 611.14; 611.16; 611.18; 611.25, subdivision 1; 611.26, subdivision 6; 611A.0315; 617.246, by adding a subdivision; 617.247, by adding a subdivision; 624.22, subdivision 8; 626.77, subdivision 3; 629.74; 631.425, subdivision 3; 641.25; Minnesota Statutes 2005 Supplement, sections 171.05, subdivision 2b; 171.055, subdivision 2; 243.166, subdivisions 1b, 4, 4b, 6; 244.052, subdivision 4; 244.055, subdivision 10; 244.10, subdivisions 5, 6, 7; 299A.78; 299C.10, subdivision 1; 299C.11, subdivision 1; 299C.40, subdivision 1; 299C.65, subdivision 2; 403.025, subdivision 7; 403.05, subdivision 3; 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.21, subdivision 8; 403.36, subdivision 1; 485.01; 485.03; 485.05; 518B.01, subdivision 22; 609.02, subdivision 16; 609.1095, subdivision 4; 609.282; 609.283; 609.3455, subdivisions 4, 8, by adding a subdivision; 609.527, subdivision 1; Laws 2002, chapter 266, section 1, as amended; Laws 2005, chapter 136, article 1, sections 10; 13, subdivision 3; article 16, sections 3; 4; 5; 6; proposing coding for new law in Minnesota Statutes, chapters 4; 144; 152; 181; 241; 243; 297I; 299A; 299C; 299F; 340A; 387; 484; 545; 604; 609; 626; proposing coding for new law as Minnesota Statutes, chapter 5B; repealing Minnesota Statutes 2004, sections 152.094; 297I.05, subdivision 6; 403.08, subdivision 8; 403.22; 403.23; 403.24; 403.25; 403.26; 403.28; 403.29, subdivisions 1, 2, 3; 403.30, subdivisions 2, 4; 403.35; 484.013, subdivision 8; 484.545, subdivisions 2, 3; 484.55; 484.68, subdivision 7; 484.75; 485.018, subdivisions 2, 6, 8; 485.12; 487.01; 487.02; 487.03; 487.04; 487.07; 487.10, subdivisions 1, 4; 487.13; 487.14; 487.15; 487.16; 487.17; 487.18; 487.19; 487.191; 487.20, subdivision 1; 487.21, subdivisions 1, 2, 4; 487.23, subdivisions 1, 2, 3, 7a, 7b; 487.24; 487.25, subdivision 6; 487.26, subdivisions 2, 6; 487.27, subdivision 1; 487.28, subdivision 1; 487.29; 487.31, subdivision 1; 487.32, subdivision 3; 487.33, subdivisions 2, 6; 487.34; 487.36; 487.37; 487.38; 487.40, subdivisions 1, 1a; 488A.01, subdivisions 1, 4a, 12, 14, 15; 488A.021; 488A.025; 488A.03, subdivisions 11a, 11b; 488A.035; 488A.04; 488A.08; 488A.09, subdivisions 1, 2, 3, 7; 488A.10, subdivisions 6, 11; 488A.101; 488A.11; 488A.112; 488A.113; 488A.115; 488A.116; 488A.119; 488A.18, subdivisions 1, 4, 14; 488A.19, subdivisions 1, 3; 488A.20, subdivisions 1, 4; 488A.21; 488A.23; 488A.24; 488A.26, subdivisions 1, 2; 488A.27, subdivision 6; 488A.28; 488A.282; 488A.285; 488A.286; 488A.287; 525.011; 525.012; 525.013; 525.014; 525.015; 525.02; 525.03; 525.051; 525.052; 525.053; 525.06; 525.07; 525.08; 525.081; 525.082; 525.09; 525.091; 525.092; 525.095; 525.101; 525.103; 525.11; 525.111; 525.112; 525.113; 542.14; 549.05; 609.108, subdivision 5; 609.109, subdivisions 1, 3; 625.09; Minnesota Statutes 2005 Supplement, sections 353.027; 485.03; 609.108, subdivisions 1, 3, 4, 6, 7; 609.109, subdivisions 2, 4, 5, 6.

Reported the same back with the following amendments:

Page 2, delete article 1 and insert:

"ARTICLE 1

PUBLIC SAFETY SUPPLEMENTAL APPROPRIATIONS

Section 1. SUPPLEMENTAL APPROPRIATIONS.

The appropriations in this act are added to or, if shown in parentheses, subtracted from the appropriations enacted into law by the legislature in 2005, or other specified law, to the named agencies and for the specified programs or activities. The sums shown are appropriated from the general fund, or another named fund, to be available for the fiscal years indicated: 2006 is the fiscal year ending June 30, 2006; 2007 is the fiscal year ending June 30, 2007; and the biennium is fiscal years 2006 and 2007. Supplementary appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, are effective the day following final enactment.

Sec. 2. SUPREME COURT

-0-

125.000

In fiscal year 2007, \$125,000 is appropriated from the general fund to the Supreme Court for the first phase of a judicial initiative to more effectively address the increasing numbers of alcohol and other drug (AOD) offenders coming into Minnesota courts, including the increase in methamphetamine offenders. This is a onetime appropriation and is available until June 30, 2007.

Sec. 3. **BOARD OF JUDICIAL STANDARDS**

172,000

-0-

In fiscal year 2006, \$172,000 is appropriated to the Board on Judicial Standards from the general fund for costs of special hearings and an investigation regarding complaints of judicial misconduct. This is a onetime appropriation and is available until June 30, 2007.

Sec. 4. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**

284,000

1,045,000

These appropriations are added to appropriations in Laws 2005, chapter 136, article 1, section 9. The amounts that may be spent from this appropriation for each program are specified in subdivisions 2, 3, and 4.

Subd. 2. **Emergency Management**

284,000

52,000

The fiscal year 2006 appropriation is to provide matching funds for FEMA funds received for natural disaster assistance payments. This appropriation is available on the day after enactment and is available until June 30, 2007. This is a onetime appropriation.

\$52,000 in fiscal year 2007 is for grants to municipalities whose bomb squads provide out-of-area assistance to other jurisdictions under Minnesota Statutes, section 299C.063. Of this amount, \$45,000, in equal amounts of \$15,000 per city, is for grants to the cities of Minneapolis, St. Paul, and Bloomington, and \$7,500 is for a grant to the city of Brainerd and Crow Wing County. This is a onetime appropriation.

Subd. 3. **Criminal Apprehension**

-0-

798,000

\$656,000 is to create the Special Crimes Unit. The commissioner shall develop, and use the unit to implement, an illegal immigration enforcement strategy for state and local law enforcement agencies. The unit shall focus its time and resources on felony-level crimes involving the illegal immigrant community and felony-level crimes that target the immigrant community. The base for this activity shall be \$656,000 in fiscal year 2008 and fiscal year 2009. The commissioner shall consider assigning members of the unit to (1) serve as a training officer and liaison to

local law enforcement; (2) serve on federal immigration and terrorism task forces; (3) investigate crimes involving false identification, fraud, and human trafficking; and (4) work in field offices located in or near communities with large immigrant populations.

\$100,000 is for the enhancement of the predatory offender database to facilitate public notification of noncompliant sex offenders via the Internet. The base for this activity shall be \$116,000 in fiscal year 2008 and fiscal year 2009.

\$42,000 is for the Bureau of Criminal Apprehension to conduct background checks requested by organizations that provide mentoring services. An organization may request a criminal background check on persons volunteering to become a mentor under the organization's supervision.

"Mentoring" means a commitment between an adult and youth focused on developing the character and capabilities of the young person and involving regular, personal, or face-to-face meetings. This is a onetime appropriation and is available until June 30, 2007.

Subd. 4. Office of Justice Programs

-0-

195,000

\$80,000 is for a grant to Ramsey County for implementation of the safe harbor for sexually exploited youth pilot project. The project shall develop a victim services model to address the needs of sexually exploited youth. The project must focus on intervention and prevention methods; training for law enforcement, educators, social services providers, health care workers, advocates, court officials, prosecutors, and public defenders; and programs promoting positive outcomes for victims. The project must include development and implementation of a statewide model protocol for intervention and response methods for professionals, individuals, and agencies that may encounter sexually exploited youth. "Sexually exploited youth" include juvenile runaways, truants, and victims of criminal sexual conduct, prostitution, labor trafficking, sex trafficking, domestic abuse, and assault. This is a onetime appropriation. By January 15, 2008, Ramsey County shall report to the chairs and ranking minority members of the senate and house divisions having jurisdiction over criminal justice funding and policy on the results of the pilot project.

\$40,000 is to be distributed to Victim Intervention Program, Inc. The appropriation is available for the biennium ending June 30, 2007. This is a onetime appropriation.

\$75,000 is to implement Minnesota Statutes, sections 299A.78 to 299A.7955, relating to the human trafficking task force and plan. This is a onetime appropriation.

Sec. 5. **CORRECTIONS**Subdivision 1. **Total Appropriations**5,0004,577,000

These amounts are added to the appropriations in Laws 2005, chapter 136, article 1, section 13.

Subd. 2. **Correctional Institutions**(366,000)3,364,000

\$42,000 in fiscal year 2007 is for the bed impact of article 2, section 12.

Subd. 3. **Community Services**371,0001,213,000

\$300,000 in fiscal year 2007 is for a grant to an organization for implementation of a pilot project that focuses on offender reentry programs. The pilot project must develop a comprehensive statewide model for transitioning offenders from incarceration to the community to reduce recidivism rates. The organization must be licensed by the Department of Human Services to provide chemical dependency treatment and aftercare. The grant recipient shall report to the commissioner by June 30, 2007, on the development of the statewide model. The commissioner shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over public safety by November 1, 2007. The commissioner's report must explain how the grant proceeds were used and evaluate the effectiveness of the pilot project funded by the grant.

\$21,000 in fiscal year 2007 is appropriated from the general fund to the commissioner of corrections for a validation and reliability study of the use of the Static-99, Rapid Risk Assessment for Sexual Offense Recidivism and the Minnesota Sex Offender Screening Tool-Revised in predicting the risk of reoffense among Minnesota offenders sentenced to probation. This appropriation is available for the biennium ending June 30, 2007. This is a onetime appropriation.

The base for community services is increased by \$196,000 beginning in fiscal year 2008 for the addition to the Community Corrections Act of Scott County. The funding shall be distributed according to the community corrections aid formula contained in Minnesota Statutes, section 401.10.

Sec. 6. **SECRETARY OF STATE**-0-50,000

This appropriation is to develop and implement an address confidentiality program.

This is a onetime appropriation.

Sec. 7. Laws 2005, chapter 136, article 1, section 10, is amended to read:

Sec. 10. PEACE OFFICER STANDARDS AND TRAINING BOARD (POST)	4,154,000	4,014,000 <u>4,114,000</u>
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EXCESS AMOUNTS TRANSFERRED. This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of \$4,154,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of ~~\$4,014,000~~ \$4,114,000 must be transferred and credited to the general fund.

TECHNOLOGY IMPROVEMENTS. \$140,000 the first year is for technology improvements.

PEACE OFFICER TRAINING REIMBURSEMENT. ~~\$2,909,000 each year is~~ \$2,909,000 the first year and \$3,009,000 the second year are for reimbursements to local governments for peace officer training costs. The base for this appropriation shall be \$3,626,000 in fiscal year 2008 and fiscal year 2009.

Sec. 8. Laws 2005, chapter 136, article 1, section 13, subdivision 3, is amended to read:

Subd. 3. Community Services	103,556,000	103,369,000
Summary by Fund		
General Fund	103,456,000	103,269,000
Special Revenue	100,000	100,000

SHORT-TERM OFFENDERS. \$1,207,000 each year is for costs associated with the housing and care of short-term offenders. The commissioner may use up to 20 percent of the total amount of the appropriation for inpatient medical care for short-term offenders with less than six months to serve as affected by the changes made to Minnesota Statutes, section 609.105, in 2003. All funds remaining at the end of the fiscal year not expended for inpatient medical care shall be added to and distributed with the housing funds. These funds shall be distributed proportionately based on the total number of days short-term offenders are placed locally, not to exceed \$70 per day. Short-term offenders may be housed in a state correctional facility at the discretion of the commissioner.

The Department of Corrections is exempt from the state contracting process for the purposes of Minnesota Statutes, section 609.105, as amended by Laws 2003, First Special Session chapter 2, article 5, sections 7 to 9.

GPS MONITORING OF SEX OFFENDERS. \$500,000 the first year and \$162,000 the second year are for the acquisition and service of bracelets equipped with tracking devices designed to track and monitor the movement and location of criminal offenders. The commissioner shall use the bracelets to monitor high-risk sex offenders who are on supervised release, conditional release, parole, or probation to help ensure that the offenders do not violate conditions of their release or probation.

END OF CONFINEMENT REVIEWS. \$94,000 each year is for end of confinement reviews.

COMMUNITY SURVEILLANCE AND SUPERVISION. \$1,370,000 each year is to provide housing options to maximize community surveillance and supervision.

INCREASE IN INTENSIVE SUPERVISED RELEASE SERVICES. \$1,800,000 each year is to increase intensive supervised release services.

SEX OFFENDER ASSESSMENT REIMBURSEMENTS. \$350,000 each year is to ~~provide grants to~~ reimburse counties ~~for reimbursements, their designees, or courts~~ for sex offender assessments as required under Minnesota Statutes, section 609.3452, subdivision 1, which is being renumbered as section 609.3457.

SEX OFFENDER TREATMENT AND POLYGRAPHS. \$1,250,000 each year is to provide treatment for sex offenders on community supervision and to pay for polygraph testing.

INCREASED SUPERVISION OF SEX OFFENDERS, DOMESTIC VIOLENCE OFFENDERS, AND OTHER VIOLENT OFFENDERS. \$1,500,000 each year is for the increased supervision of sex offenders and other violent offenders, including those convicted of domestic abuse. These appropriations may not be used to supplant existing state or county probation officer positions.

The commissioner shall distribute \$1,050,000 in grants each year to Community Corrections Act counties and \$450,000 each year to the Department of Corrections Probation and Supervised Release Unit. The commissioner shall distribute the funds to the Community Corrections Act counties according to the formula contained in Minnesota Statutes, section 401.10.

Prior to the distribution of these funds, each Community Corrections Act jurisdiction and the Department of Corrections Probation and Supervised Release Unit shall submit to the commissioner an analysis of need along with a plan to meet their needs and reduce the number of sex offenders and other violent offenders, including domestic abuse offenders, on probation officer caseloads.

COUNTY PROBATION OFFICERS. \$500,000 each year is to increase county probation officer reimbursements.

INTENSIVE SUPERVISION AND AFTERCARE FOR CONTROLLED SUBSTANCES OFFENDERS; REPORT.

\$600,000 each year is for intensive supervision and aftercare services for controlled substances offenders released from prison under Minnesota Statutes, section 244.055. These appropriations are not added to the department's base budget. By January 15, 2008, the commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on how this appropriation was spent.

REPORT ON ELECTRONIC MONITORING OF SEX OFFENDERS.

By March 1, 2006, the commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on implementing an electronic monitoring system for sex offenders who are under community supervision. The report must address the following:

- (1) the advantages and disadvantages in implementing this system, including the impact on public safety;
- (2) the types of sex offenders who should be subject to the monitoring;
- (3) the time period that offenders should be subject to the monitoring;
- (4) the financial costs associated with the monitoring and who should be responsible for these costs; and
- (5) the technology available for the monitoring."

Page 14, after line 27, insert:

"Sec. 4. [325F.695] CUSTOMER SALES OR SERVICE CALL CENTER REQUIREMENTS.

Subdivision 1. Definitions. For purposes of this section, the following terms have the meanings given them.

(1) "Customer sales and service call center" means an entity whose primary purpose includes the initiating or receiving of telephonic communications on behalf of any person for the purpose of initiating telephone solicitations as defined in section 325E.311, subdivision 6.

(2) "Customer service call center" means an entity whose primary purpose includes the initiating or receiving of telephonic communications on behalf of any person for the purposes of providing or receiving services or information necessary in connection with the providing of services or other benefits.

(3) "Customer services employee" means a person employed by or working on behalf of a customer sales call center or a customer service call center.

Subd. 2. **Customers' right to customer sales or customer service call center information.** (a) Any person who receives a telephone call from, or places a telephone call to, a customer sales call center or a customer service call center, upon request, has the right to know the identification of the state or country where the customer service employee is located.

(b) A person who receives a telephone solicitation from, or places a telephone call to, a customer sales call center or a customer service call center located in a foreign country, which requests the person's financial, credit, or identifying information, shall have the right to request an alternative option to contact a customer sales and service center located in the United States before the information is given if the alternative option is available.

Subd. 3. **Violation.** It is fraud under section 325F.69 for a person to willfully violate this section.

Subd. 4. **Application to other remedies.** Nothing in this section changes the remedies currently available under state or federal law or creates additional or new remedies.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to offenses committed on or after that date."

Page 21, line 32, strike "record at the time of sentencing"

Page 34, delete section 30

Page 49, delete section 2

Page 52, after line 15, insert:

"Sec. 10. Minnesota Statutes 2004, section 13.82, is amended by adding a subdivision to read:

Subd. 29. **Juvenile offender photographs.** Notwithstanding section 260B.171, chapter 609A, or other law to the contrary, photographs or electronically produced images of children adjudicated delinquent under chapter 260B shall not be expunged from law enforcement records or databases.

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

Page 62, line 32, after "policies" insert "or commercial nonliability policies"

Page 72, line 25, delete "**The Fire Service**" and insert "From the revenues appropriated from the fire safety account, established under section 297I.06, subdivision 3, the commissioner of public safety shall expend funds for the activities and programs identified by the advisory committee established under subdivision 2 and recommended to the commissioner of public safety. These funds are to be used to provide resources needed for identified activities and programs of the Minnesota fire service and to ensure the State Fire Marshal Division responsibilities are fulfilled."

Page 72, delete lines 26 to 32

Page 73, delete lines 1 to 7

Page 74, line 18, before the period, insert "; August 1, 2008, for all existing single family dwelling units; and August 1, 2009, for all multifamily dwelling units"

Page 75, line 16, before the period, insert "; August 1, 2008, for all existing single family dwelling units; and August 1, 2009, for all multifamily dwelling units"

Page 75, line 24, before the period, insert "; August 1, 2008, for all existing single family dwelling units; and August 1, 2009, for all multifamily dwelling units"

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 1040, 1287, 2002, 2532, 2840, 3213 and 3615 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Hilty, Hausman, Sertich and Walker introduced:

H. F. No. 4161, A bill for an act relating to corporations; providing for incorporation of socially responsible for-profit business corporations; proposing coding for new law as Minnesota Statutes, chapter 304A.

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

Knoblach introduced:

H. F. No. 4162, A bill for an act relating to state government financing; making deficiency and supplemental appropriations.

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Monday, April 24, 2006:

H. F. Nos. 1464 and 3940; S. F. No. 2734; H. F. Nos. 3451, 3525, 1443, 2574 and 2854; S. F. No. 2532; H. F. No. 3477; S. F. No. 3615; and H. F. No. 3383.

The Speaker assumed the Chair.

CALENDAR FOR THE DAY

H. F. No. 1464 was reported to the House.

Dean moved to amend H. F. No. 1464, the fourth engrossment, as follows:

Page 1, lines 11 to 13, delete the new language and insert "who is board certified in emergency medicine or obstetrics and gynecology and currently licensed to practice if the expert is certifying expertise in the areas of emergency medicine or obstetrics and gynecology"

Page 1, after line 20, insert:

"The requirements of this subdivision are in addition to the information that must be identified pursuant to section 604.11."

Amend the title accordingly

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Abeler	Cybart	Garofalo	Knoblach	Paulsen	Soderstrom
Abrams	Davids	Gazelka	Kohls	Penas	Sykora
Anderson, B.	Dean	Gunther	Krinkie	Peppin	Tingelstad
Beard	DeLaForest	Hackbarth	Lanning	Peterson, N.	Urdahl
Blaine	Demmer	Hamilton	Magnus	Powell	Vandever
Bradley	Dempsey	Heidgerken	Marquart	Ruth	Wardlow
Brod	Dorman	Holberg	McNamara	Ruud	Westerberg
Buesgens	Eastlund	Hoppe	Meslow	Samuelson	Westrom
Charron	Erhardt	Howes	Nelson, P.	Seifert	Wilkin
Cornish	Erickson	Johnson, J.	Nornes	Severson	Zellers
Cox	Finstad	Klinzing	Ozment	Simpson	Spk. Sviggum

Those who voted in the negative were:

Anderson, I.	Entenza	Hosch	Lenczewski	Newman	Sertich
Atkins	Fritz	Huntley	Lesch	Olson	Sieben
Bernardy	Goodwin	Jaros	Liebling	Otremba	Simon
Carlson	Greiling	Johnson, R.	Lieder	Paymar	Slawik
Clark	Hansen	Johnson, S.	Lillie	Pelowski	Smith
Davnie	Hausman	Juhnke	Loeffler	Peterson, A.	Solberg
Dill	Haws	Kahn	Mahoney	Peterson, S.	Thao
Dittrich	Hilstrom	Kelliher	Moe	Poppe	Thissen
Dorn	Hilty	Koenen	Mullery	Rukavina	Wagenius
Eken	Hornstein	Larson	Murphy	Sailer	Walker
Emmer	Hortman	Latz	Nelson, M.	Scalze	Welti

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

Powell offered an amendment to H. F. No. 1464, the fourth engrossment.

Moe requested a division of the Powell amendment to H. F. No. 1464, the fourth engrossment.

The first portion of the Powell amendment to H. F. No. 1464, the fourth engrossment, reads as follows:

Page 1, after line 5, insert:

"Section 1. **[144E.20] LIABILITY LIMITS OF NONGOVERNMENT LICENSEES AND MEDICAL DIRECTORS.**

(a) A licensee that is not a unit of government is subject to the same liability limits under chapter 466 as a licensee that is a unit of government.

(b) The medical director of a licensed ambulance service and the medical director's designee are subject to the same liability limits under chapter 466 as a licensee that is a unit of government.

EFFECTIVE DATE; APPLICATION. This section is effective August 1, 2006, and applies to claims arising from incidents occurring on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Powell amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Sertich from voting on the first portion of the Powell amendment to H. F. No. 1464, the fourth engrossment.

There were 78 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gunther	Klinzing	Ozment	Simpson
Anderson, B.	DeLaForest	Hackbarth	Knoblach	Paulsen	Soderstrom
Anderson, I.	Demmer	Hamilton	Kohls	Penas	Sykora
Beard	Dempsey	Haws	Krinkie	Peppin	Tingelstad
Blaine	Dittrich	Heidgerken	Lanning	Peterson, A.	Urdahl
Bradley	Dorman	Holberg	Lieder	Peterson, N.	Vandever
Brod	Eastlund	Hoppe	Magnus	Powell	Wardlow
Buesgens	Eken	Hortman	Marquart	Rukavina	Welti
Charron	Erhardt	Hosch	Moe	Ruth	Westerberg
Cornish	Erickson	Howes	Murphy	Sailer	Westrom
Cox	Finstad	Johnson, J.	Nelson, P.	Samuelson	Wilkin
Cybart	Garofalo	Juhnke	Nornes	Seifert	Zellers
Davids	Gazelka	Kahn	Olson	Severson	Spk. Sviggum

Those who voted in the negative were:

Abrams	Emmer	Hornstein	Lenczewski	Nelson, M.	Sieben
Atkins	Entenza	Huntley	Lesch	Newman	Simon
Bernardy	Fritz	Jaros	Liebling	Otremba	Slawik
Carlson	Goodwin	Johnson, R.	Lillie	Paymar	Smith
Clark	Greiling	Johnson, S.	Loeffler	Pelowski	Solberg
Davnie	Hansen	Kelliher	Mahoney	Peterson, S.	Thao
Dill	Hausman	Koenen	McNamara	Poppe	Thissen
Dorn	Hilstrom	Larson	Meslow	Ruud	Wagenius
Ellison	Hilty	Latz	Mullery	Scalze	Walker

The motion prevailed and the first portion of the Powell amendment was adopted.

The Speaker called Abrams to the Chair.

The second portion of the Powell amendment to H. F. No. 1464, the fourth engrossment, as amended, reads as follows:

Page 1, after line 20, insert:

"Sec. 3. **[604.111] EMERGENCY HEALTH CARE AND OB/GYN ACTIONS; LIMITS ON DAMAGES.**

Subdivision 1. Definitions. (a) For the purposes of this section, the terms in paragraphs (b) to (d) have the meanings given them.

(b) "Economic loss" means all harm for which damages are recoverable, other than noneconomic losses.

(c) "Health care provider" has the meaning given in section 541.076, paragraph (a), except that health care provider also includes a physician assistant registered under chapter 147A and ambulance services, medical directors, and personnel regulated under chapter 144E.

(d) "Noneconomic loss" means all nonpecuniary harm for which damages are recoverable, including, but not limited to, pain, disability, disfigurement, embarrassment, emotional distress, and loss of consortium.

Subd. 2. **Limitation.** (a) In an action for injury or death against a health care provider alleging malpractice, error, mistake, or failure to cure, whether based in contract or tort, in which the health care services at issue were provided for:

(1) pregnancy or labor and delivery, including the immediate postpartum period; or

(2) emergency care in the emergency room of a hospital; the amount of damages awarded for noneconomic losses must not exceed \$300,000, regardless of the number of parties against whom the action is brought or the number of separate claims or actions brought with respect to the same occurrence.

(b) The limitation imposed by this subdivision must not be disclosed to the trier of fact by any person at trial.

Subd. 3. **Findings.** (a) A court in an action tried without a jury shall make a finding as to noneconomic loss without regard to the limit under subdivision 2. If noneconomic loss in excess of the limit is found, the court shall make any reduction required under this section and shall award as damages for noneconomic loss the lesser of the reduced amount or the limit.

(b) If an action is before a jury, the jury shall make a finding as to noneconomic loss without regard to the limit under subdivision 2. If the jury finds that noneconomic loss exceeds the limit, the court shall make any reduction required under this section and shall award as damages for noneconomic loss the lesser of the reduced amount or the limit.

Subd. 4. **Intentional discriminatory denial of treatment.** Except for the purposes of subdivision 5, an action described in subdivision 2 shall not be construed to include any claim in a civil action that is based solely on intentional denial of medical treatment that a patient is otherwise qualified to receive, against the wishes of a patient, or, if the patient is incompetent, against the wishes of the patient's guardian, on the basis of the patient's present or predicted age, disability, degree of medical dependency, or quality of life.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to causes of actions arising from incidents occurring on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Liebling moved to amend the second portion of the Powell amendment to H. F. No. 1464, the fourth engrossment, as amended, as follows:

Page 2, delete lines 20 to 25

A roll call was requested and properly seconded.

The question was taken on the Liebling amendment to the second portion of the Powell amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Sertich from voting on the Liebling amendment to the second portion of the Powell amendment to H. F. No. 1464, the fourth engrossment, as amended.

There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Entenza	Jaros	Lieder	Pelowski	Solberg
Atkins	Fritz	Johnson, R.	Lillie	Peterson, A.	Thao
Bernardy	Goodwin	Johnson, S.	Loeffler	Peterson, S.	Thissen
Carlson	Greiling	Juhnke	Mahoney	Poppe	Wagenius
Clark	Hansen	Kahn	Moe	Rukavina	Walker
Davnie	Hausman	Kelliher	Mullery	Ruud	Welti
Dill	Hilstrom	Koenen	Murphy	Sailer	
Dittrich	Hilty	Larson	Nelson, M.	Scalze	
Dorn	Hornstein	Latz	Newman	Sieben	
Eken	Hortman	Lesch	Otremba	Simon	
Ellison	Huntley	Liebling	Paymar	Slawik	

Those who voted in the negative were:

Abeler	Davids	Gazelka	Knoblach	Ozment	Soderstrom
Abrams	Dean	Gunther	Kohls	Paulsen	Sykora
Anderson, B.	DeLaForest	Hackbarth	Krinkie	Penas	Tingelstad
Beard	Demmer	Hamilton	Lanning	Peppin	Urdahl
Blaine	Dempsey	Haws	Lenczewski	Peterson, N.	Vandever
Bradley	Dorman	Heidgerken	Magnus	Powell	Wardlow
Brod	Eastlund	Holberg	Marquart	Ruth	Westerberg
Buesgens	Emmer	Hoppe	McNamara	Samuelson	Westrom
Charron	Erhardt	Hosch	Meslow	Seifert	Wilkin
Cornish	Erickson	Howes	Nelson, P.	Severson	Zellers
Cox	Finstad	Johnson, J.	Nornes	Simpson	Spk. Sviggum
Cybart	Garofalo	Klinzing	Olson	Smith	

The motion did not prevail and the Liebling amendment to the second portion of the Powell amendment was not adopted.

The question recurred on the second portion of the Powell amendment and the roll was called.

Pursuant to rule 2.05, the Speaker excused Sertich from voting on the second portion of the Powell amendment to H. F. No. 1464, the fourth engrossment, as amended.

There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauids	Gunther	Lanning	Peppin	Vandevveer
Anderson, B.	Dean	Hackbarth	Magnus	Peterson, N.	Wardlow
Beard	DeLaForest	Hamilton	Marquart	Powell	Westerberg
Blaine	Demmer	Heidgerken	McNamara	Ruth	Westrom
Bradley	Dorman	Holberg	Meslow	Samuelson	Wilkin
Brod	Eastlund	Hoppe	Nelson, P.	Seifert	Zellers
Buesgens	Erhardt	Howes	Nornes	Severson	Spk. Sviggum
Charron	Erickson	Johnson, J.	Olson	Simpson	
Cornish	Finstad	Klinzing	Ozment	Soderstrom	
Cox	Garofalo	Kohls	Paulsen	Sykora	
Cybart	Gazelka	Krinkie	Penas	Urdahl	

Those who voted in the negative were:

Abeler	Ellison	Hortman	Latz	Newman	Simon
Anderson, I.	Emmer	Hosch	Lenczewski	Otremba	Slawik
Atkins	Entenza	Huntley	Lesch	Paymar	Smith
Bernardy	Fritz	Jaros	Liebling	Pelowski	Solberg
Carlson	Goodwin	Johnson, R.	Lieder	Peterson, A.	Thao
Clark	Greiling	Johnson, S.	Lillie	Peterson, S.	Thissen
Davnie	Hansen	Juhnke	Loeffler	Poppe	Tingelstad
Dempsey	Hausman	Kahn	Mahoney	Rukavina	Wagenius
Dill	Haws	Kelliher	Moe	Ruud	Walker
Dittrich	Hilstrom	Knoblach	Mullery	Sailer	Walti
Dorn	Hilty	Koenen	Murphy	Scalze	
Eken	Hornstein	Larson	Nelson, M.	Sieben	

The motion did not prevail and the second portion of the Powell amendment was not adopted.

Atkins moved to amend H. F. No. 1464, the fourth engrossment, as amended, as follows:

Page 1, after line 10 of the Powell amendment, insert:

"(c) Insurance medical liability premiums for ambulance services must be reduced by one-third of the original cost to reflect the cap on damages under this section."

A roll call was requested and properly seconded.

Dean moved that H. F. No. 1464, the fourth engrossment, as amended, be continued on the Calendar for the Day. The motion prevailed.

H. F. No. 3940 was reported to the House.

Thissen and Hoppe moved to amend H. F. No. 3940, the first engrossment, as follows:

Page 5, after line 21, insert:

"(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision."

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Lanning; Hoppe; Zellers; Johnson, J.; Murphy and Marquart moved to amend H. F. No. 3940, the first engrossment, as amended, as follows:

Page 8, after line 20, insert:

"Sec. 14. **[340A.706] ALCOHOL WITHOUT LIQUID DEVICES PROHIBITED.**

Subdivision 1. **Definition.** For purposes of this section, an "alcohol without liquid device" is a device, machine, apparatus, or appliance that mixes an alcoholic beverage with pure or diluted oxygen to produce an alcohol vapor that may be inhaled by an individual. An "alcohol without liquid device" does not include an inhaler, nebulizer, atomizer, or other device that is designed and intended specifically for medical purposes to dispense prescribed or over-the-counter medications.

Subd. 2. **Prohibition.** (a) Except as provided in subdivision 3, it is unlawful for any person or business establishment to possess, purchase, sell, offer to sell, or use an alcohol without liquid device.

(b) Except as provided in subdivision 3, it is unlawful for any person or business establishment to utilize a nebulizer, inhaler, or atomizer or other device as described in subdivision 1, for the purposes of inhaling alcoholic beverages.

Subd. 3. **Research exemption.** This section does not apply to a hospital that operates primarily for the purpose of conducting scientific research, a state institution conducting bona fide research, a private college or university conducting bona fide research, or to a pharmaceutical company or biotechnology company conducting bona fide research."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 3940, A bill for an act relating to liquor; allowing Minnesota farm wineries to produce certain fortified wines; authorizing certain local on-sale licenses; modifying and establishing licensing provisions; clarifying sale hours; prohibiting alcohol without liquid devices; amending Minnesota Statutes 2004, sections 340A.101, subdivision 11, by adding a subdivision; 340A.315, subdivisions 1, 2, 3, 4; 340A.404, subdivision 5; 340A.414, subdivision 2; 340A.504, subdivision 6; Minnesota Statutes 2005 Supplement, sections 340A.301, subdivision 6; 340A.404, subdivision 2; 340A.412, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler	DeLaForest	Greiling	Krinkie	Peppin	Vandever
Anderson, B.	Eastlund	Hackbarth	Olson	Smith	

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

H. F. No. 3925, A bill for an act relating to local government; modifying municipal boundary adjustment provisions; establishing the municipal boundary adjustment task force; authorizing use of remaining committee funds; amending Minnesota Statutes 2004, sections 414.01, subdivision 1a; 414.02, by adding a subdivision; 414.031, subdivision 4, by adding a subdivision; 414.0325, subdivision 1, by adding a subdivision; 414.033, subdivisions 2, 12; 414.036; 414.061, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 414.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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.

MOTIONS AND RESOLUTIONS

Powell moved that the name of Cox be shown as chief author on H. F. No. 1087. The motion prevailed.

Seifert moved that the names of Blaine and Peppin be added as authors on H. F. No. 2833. The motion prevailed.

Clark moved that the name of Mullery be added as an author on H. F. No. 3204. The motion prevailed.

Tingelstad moved that H. F. No. 3764 be recalled from the Committee on State Government Finance and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Emmer moved that H. F. No. 1443, now on the Calendar for the Day, be re-referred to the Committee on Ways and Means. The motion prevailed.

Ozment moved that S. F. No. 762 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Agriculture, Environment and Natural Resources Finance. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Krinkie from the Committee on Taxes to which was referred:

H. F. No. 2480, A bill for an act relating to a ballpark for major league baseball; providing for the financing, construction, operation, and maintenance of the ballpark and related facilities; establishing the Minnesota Ballpark Authority; defining members of the authority as public officials; providing powers and duties of the authority; providing a community ownership option upon sale of the team; authorizing Hennepin County to issue bonds and to contribute to ballpark costs and to engage in ballpark and related activities; authorizing local sales and use taxes and revenues; authorizing expenditures of tax revenues for youth activities and amateur sports and the extension of library hours; requiring actions by the state, the city of Minneapolis, and the Hennepin County Regional Railroad Authority; amending Minnesota Statutes 2004, sections 10A.01, subdivision 35; 297A.71, by adding a subdivision; repealing Minnesota Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; 473I.13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Minnesota Technology, Inc.; ~~or~~

(17) member of the board of directors or executive director of the Minnesota State High School League; or

(18) member of the Minnesota Ballpark Authority established in section 7.

Sec. 2. Minnesota Statutes 2004, section 297A.70, subdivision 11, is amended to read:

Subd. 11. **School tickets or admissions.** Tickets or admissions to regular season school games, events, and activities, and to games, events, and activities sponsored by the Minnesota State High School League under chapter 128C, are exempt. For purposes of this subdivision, "school" has the meaning given it in section 120A.22, subdivision 4.

EFFECTIVE DATE. This section is effective for sales after June 30, 2006.

Sec. 3. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision to read:

Subd. 37. **Building materials; exemption.** Materials and supplies used or consumed in, and equipment incorporated into, the construction or improvement of the ballpark and public infrastructure constructed pursuant to sections 6 to 15 are exempt. This subdivision expires one year after the date that the first major league baseball game is played in the ballpark for materials, supplies, and equipment used in the ballpark, and five years after the issuance of the first bonds under section 9 for materials, supplies, and equipment used in the public infrastructure.

Sec. 4. Minnesota Statutes 2004, section 297A.71, is amended by adding a subdivision to read:

Subd. 38. **Local government; building materials exemption.** Materials and supplies used or consumed in, and equipment incorporated into the construction or improvement of a building or other capital project by a local government when the building or project will be for public purposes is exempt.

EFFECTIVE DATE. This section is effective for purchases made after June 30, 2009.

Sec. 5. **HIGH SCHOOL LEAGUE; FUNDS TRANSFER.**

Beginning July 1, 2007, the Minnesota State High School League shall annually determine the sales tax savings attributable to Minnesota Statutes, section 297A.70, subdivision 11, and annually transfer that amount to a nonprofit charitable foundation created for the purpose of promoting high school extracurricular activities. The funds must be used by the foundation to make grants to fund, assist, recognize, or promote high school students' participation in extracurricular activities. This section expires June 30, 2017.

Sec. 6. **CONSTRUCTION AND FINANCING OF MAJOR LEAGUE BALLPARK.**

Subdivision 1. **Purpose; findings.** The purpose of this act is to provide for the construction, financing, and long-term use of a ballpark primarily as a venue for major league baseball. It is hereby found and declared that the expenditure of public funds for this purpose is necessary and serves a public purpose. It is further found and declared that any provision in a lease or use agreement with a major league team, that requires the team to play its home games in such a ballpark for the duration of the lease or use agreement, serves a unique public purpose for which the remedies of specific performance and injunctive relief are essential to its enforcement. It is further found and declared that government assistance to facilitate the presence of major league baseball provides to Hennepin County, the state of Minnesota, and its citizens highly valued intangible benefits that are virtually impossible to quantify and, therefore, not recoverable even if the government receives monetary damages in the event of a team's breach of contract. Minnesota courts are, therefore, charged with protecting those benefits through the use of specific performance and injunctive relief as provided herein and in the lease and use agreements.

Subd. 2. **Definitions.** As used in this act, the following terms have the meanings given in this subdivision:

(a) "Authority" means the Minnesota Ballpark Authority established under section 7.

(b) "Ballpark" means the stadium suitable for major league baseball to be constructed and financed under this act.

(c) "Ballpark costs" means, unless the context otherwise indicates, the cost of designing, constructing, and equipping a ballpark suitable for major league baseball. "Ballpark costs" excludes the cost of land acquisition, site improvements, utilities, site demolition, environmental remediation, railroad crash wall, site furnishings, landscaping, railroad right-of-way development, district energy, site graphics and artwork and other site improvements identified by the authority, public infrastructure, capital improvement reserves, bond reserves, capitalized interest, and financing costs.

(d) "County" means Hennepin County.

(e) "Development area" means the area in the city of Minneapolis bounded by marked Interstate Highway 394, vacated Holden Street, the Burlington Northern right-of-way, Seventh Street North, Sixth Avenue North, Fifth Street North, the Burlington Northern right-of-way, and the Interstate Highway 94 exit ramp.

(f) "Public infrastructure" means all property, facilities, and improvements determined by the authority or the county to facilitate the development and use of the ballpark, including but not limited to property and improvements for drainage, environmental remediation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle paths, and transit improvements to facilitate public access to the ballpark, lighting, landscaping, utilities, streets, and streetscapes.

(g) "Streetscape" means improvements to streets and sidewalks or other public right-of-way for the purpose of enhancing the movement, safety, convenience, or enjoyment of ballpark patrons and other pedestrians, including decorative lighting and surfaces, plantings, display and exhibit space, adornments, seating, and transit and bus shelters, which are designated as streetscape by the county.

(h) "Team" means the owner and operator of the baseball team currently known as the Minnesota Twins or any team owned and operated by someone who purchases or otherwise takes ownership or control of or reconstitutes the baseball team currently known as the Minnesota Twins.

Subd. 3. **Location.** The ballpark must be located in the city of Minneapolis at a site within the development area.

Subd. 4. **Property tax exemption; special assessments.** Any real or personal property acquired, owned, leased, controlled, used, or occupied by the authority or county for any of the purposes of this act is declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and is exempt from ad valorem taxation by the state or any political subdivision of the state; provided that the properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any of the properties in any manner different from their use under this act at the time may be considered in determining the special benefit received by the properties. Notwithstanding Minnesota Statutes, section 272.01, subdivision 2, or 273.19, real or personal property subject to a lease or use agreement between the authority or county and another person for uses related to the purposes of this act, including the operation of the ballpark and related parking facilities, is exempt from taxation regardless of the length of the lease or use agreement. This subdivision, insofar as it provides an exemption or special treatment, does not apply to any real property that is leased for residential, business, or commercial development or other purposes different from those contemplated in this act.

Sec. 7. **MINNESOTA BALLPARK AUTHORITY.**

Subdivision 1. **Establishment.** To achieve the purposes of this act, the Minnesota Ballpark Authority is established as a public body, corporate and politic, and political subdivision of the state. The authority is not a joint powers entity or an agency or instrumentality of the county.

Subd. 2. **Composition.** (a) The Minnesota Ballpark Authority shall be governed by a commission consisting of:

(1) two members appointed by the governor;

(2) two members, including the chair, appointed by the county board; and

(3) one member appointed by the governing body of the city of Minneapolis.

(b) All members appointed under paragraph (a), clause (1), serve at the pleasure of the governor. All members appointed under paragraph (a), clause (2), serve at the pleasure of the county board. The member appointed under paragraph (a), clause (3), serves at the pleasure of the governing body of the city of Minneapolis.

(c) Compensation of members appointed under paragraph (a) is governed by Minnesota Statutes, section 15.0575.

(d) One member appointed under paragraph (a), clause (1), must be a resident of a county other than Hennepin. All other members appointed under paragraph (a) must be residents of Hennepin County.

(e) The legislature intends that the ballpark be constructed to be operational for the team and the public no later than the opening of the 2010 season. Accordingly, the appointing authorities must make their appointments to the authority within 30 days of enactment of this act, and if the governing bodies of the city of Minneapolis or the county should fail to do so, the governor may appoint an interim member to serve until the authorized appointment is made. The first meeting of the members shall take place at the direction of the chair within 45 days of enactment of this act. Further, the authority must proceed with due speed in all of its official organizing activities and in making decisions with respect to the development agreement and lease or use agreement authorized by this act or any other agreements or matters as necessary to meet the timetables set forth in this act. Any three members shall constitute a quorum for the conduct of business and action may be taken upon the vote of a majority of members present at a meeting duly called and held.

Subd. 3. **Chair.** The chair shall preside at all meetings of the commission, if present, and shall perform all other assigned duties and functions. The commission may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair.

Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision shall be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities Commission pursuant to Minnesota Statutes, section 473.553.

Subd. 5. **Executive director.** The commission shall appoint an executive director to serve as the chief executive officer of the authority, which appointment shall be made within 30 days of the first meeting of the members.

Subd. 6. **Web site.** The authority shall establish a Web site for purposes of providing information to the public concerning all actions taken by the authority. At a minimum, the Web site must contain a current version of the authority's bylaws, notices of upcoming meetings, minutes of the authority's meetings, and contact telephone and facsimile numbers for public comments.

Sec. 8. **POWERS OF AUTHORITY.**

Subdivision 1. **Actions.** The authority may sue and be sued. The authority is a public body and the ballpark and public infrastructure are public improvements within the meaning of Minnesota Statutes, chapter 562. The authority is a municipality within the meaning of Minnesota Statutes, chapter 466.

Subd. 2. **Acquisition of property.** The authority may acquire from any public or private entity by lease, purchase, gift, or devise all necessary right, title, and interest in and to real property, air rights, and personal property deemed necessary to the purposes contemplated by this act.

Subd. 3. **Data practices; open meetings.** Except as otherwise provided in this act, the authority is subject to Minnesota Statutes, chapters 13 and 13D.

Subd. 4. **Facility operation.** The authority may equip, improve, operate, manage, maintain, and control the ballpark and related facilities constructed, remodeled, or acquired under this act as smoke-free facilities, subject to the rights and obligations transferred to and assumed by the team or other user under the terms of a lease or use agreement, but in no case may a lease or use agreement permit smoking in the ballpark.

Subd. 5. **Disposition of property.** The authority may sell, lease, or otherwise dispose of any real or personal property acquired by it that is no longer required for accomplishment of its purposes. The property may be sold in accordance with the procedures provided by Minnesota Statutes, section 469.065, except subdivisions 6 and 7, to the extent the authority deems it to be practical and consistent with this act. Title to the ballpark shall not be transferred or sold prior to the effective date of enactment of any legislation approving such transfer or sale.

Subd. 6. **Employees; contracts for services.** The authority may employ persons and contract for services necessary to carry out its functions, including the utilization of employees and consultants retained by other governmental entities. The authority may employ on the terms it deems advisable persons or firms to provide peace officers to direct traffic on property under the control of the authority and on the city streets in the general area of the property controlled by the authority.

Subd. 7. **Gifts and grants.** The authority may accept monetary contributions, property, services, and grants or loans of money or other property from the United States, the state, any subdivision of the state, any agency of those entities, or any person for any of its purposes, and may enter into any agreement required in connection with them. The authority shall hold, use, and dispose of the money, property, or services according to the terms of the monetary contributions, grant, loan, or agreement.

Subd. 8. **Research.** The authority may conduct research studies and programs; collect and analyze data; prepare reports, maps, charts, and tables; and conduct all necessary hearings and investigations in connection with its functions.

Subd. 9. **Use agreements.** The authority may lease, license, or enter into use agreements and may fix, alter, charge, and collect rentals, fees, and charges for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial, or other entertainment, instruction, or activity for the citizens of Minnesota and visitors. Any such use agreement may provide that the other contracting party has exclusive use of the premises at the times agreed upon, as well as the right to retain some or all revenues from ticket sales, suite licenses, concessions, advertising, naming rights, and other revenues derived from the ballpark. The lease or use agreement with a team shall provide for the payment by the team of operating and maintenance costs and expenses and provide other terms the authority and team agree to.

Subd. 10. **Insurance.** The authority may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it considers necessary against liability of the authority or its officers and employees for personal injury or death and property damage or destruction, consistent with Minnesota Statutes, chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 11. **Exemption from council review; business subsidy act.** The acquisition and betterment of a ballpark by the authority must be conducted pursuant to this act and are not subject to Minnesota Statutes, sections 473.165 and 473.173. Minnesota Statutes, section 116J.994, does not apply to any transactions of the county, the authority, or other governmental entity related to the ballpark or public infrastructure, or to any tenant or other users of them.

Subd. 12. **Contracts.** The authority may enter into a development agreement with the team, the county, or any other entity relating to the construction, financing, and use of the ballpark and related facilities and public infrastructure. The authority may contract for materials, supplies, and equipment in accordance with Minnesota Statutes, section 471.345, except that the authority, with the consent of the county, may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, or construction manager with respect to all or any part of the ballpark and public infrastructure. Alternatively, at the request of the team and with the consent of the county, the authority shall authorize the team to provide for the design and construction of the ballpark, subject to terms of this act. The construction manager may enter into contracts with contractors for labor, materials, supplies, and equipment for the construction of the ballpark through the process of public bidding, except that the construction manager may, with the consent of the authority or the team:

(1) narrow the listing of eligible bidders to those which the construction manager determines to possess sufficient expertise to perform the intended functions;

(2) award contracts to the contractors that the construction manager determines provide the best value, which are not required to be the lowest responsible bidder; and

(3) for work the construction manager determines to be critical to the completion schedule, award contracts on the basis of competitive proposals or perform work with its own forces without soliciting competitive bids if the construction manager provides evidence of competitive pricing.

The authority may require that the construction manager shall certify, before the contract is finally signed, a fixed and stipulated construction price and completion date to the authority and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred in excess of the certified price, including but not limited to costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date. The authority may secure surety bonds as provided in Minnesota Statutes,

section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in Minnesota Statutes, sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the authority under the provisions of Minnesota Statutes, sections 514.01 to 514.16. Contracts for construction and operation of the ballpark must include programs to provide for participation by small, local, women, and minority businesses, and the inclusion of women and people of color in the workforces of contractors and ballpark operators. The construction of the ballpark is a "project" as that term is defined in Minnesota Statutes 2004, section 177.42, subdivision 2, and is subject to the prevailing wage law under Minnesota Statutes 2004, sections 177.41 to 177.43.

Subd. 13. **Incidental powers.** In addition to the powers expressly granted in this act, the authority has all powers necessary or incidental thereto.

Subd. 14. **Review of ballpark design.** The authority must review and approve the ballpark implementation committee's recommendations as they relate to the design and construction of the ballpark, after the recommendations are approved by the city council as provided in section 10.

Sec. 9. **COUNTY ACTIVITIES; BONDS; TAXES.**

Subdivision 1. **Activities; contracts.** The county may authorize, by resolution, and make one or more grants to the authority for ballpark development and construction, public infrastructure, reserves for capital improvements, and other purposes related to the ballpark on the terms and conditions agreed to by the county and the authority.

The amount that the county may grant or expend for ballpark costs shall not exceed \$260,000,000. The amount of any grant for capital improvement reserves shall not exceed \$1,000,000 annually, subject to annual increases according to an inflation index acceptable to the county. The amount of grants or expenditures for land, site improvements, and public infrastructure or other costs incidental and necessary to further the purposes of this act shall not exceed \$90,000,000, except that the authority to spend money for land, site improvements, and public infrastructure is limited to payment of amounts incurred or for construction contracts entered into during the five-year period beginning on the date of the issuance of the initial series of bonds under this act. Such agreements are valid and enforceable notwithstanding that they involve payments in future years and they do not constitute a debt of the county within the meaning of any constitutional or statutory limitation or for which a referendum is required. The county may acquire by purchase, eminent domain, or gift, land, air rights, and other property interests within the development area for the ballpark site and public infrastructure and convey it to the authority with or without consideration, prepare a site for development as a ballpark, and acquire and construct any related public infrastructure. The purchase of property and development of public infrastructure financed with revenues under this section is limited to infrastructure within the development area or within 1,000 feet of the border of the development area. The public infrastructure may include the construction and operation of parking facilities within the development area notwithstanding any law imposing limits on county parking facilities in the city of Minneapolis. The county may acquire and construct property, facilities, and improvements within the stated geographical limits for the purpose of drainage and environmental remediation for property within the development area, walkways and a pedestrian bridge to link the ballpark to Third Avenue distributor ramps, street and road improvements and access easements for the purpose of providing access to the ballpark, streetscapes, connections to transit facilities and bicycle trails, and any utility modifications which are incidental to any utility modifications within the development area. To the extent property parcels or interests acquired are more extensive than the public infrastructure requirements, the county may sell or otherwise dispose of the excess. The proceeds from sales of excess property must be deposited in the debt service reserve fund. The county may review and approve ballpark designs, plans, and specifications to the extent provided in a grant agreement and in order to ensure that the public purposes of the grant are carried out. The county board may delegate responsibility for implementing the terms of an approved grant agreement to the county administrator or other designated officers. Public infrastructure designs must optimize area transit and bicycle opportunities, including connections to existing trails, as determined by the county board. The county may enforce the provisions of any grant agreement by specific performance. Except to require compliance

with the conditions of the grant or as may be mutually agreed to by the county and the authority, the county has no interest in or claim to any assets or revenues of the authority. The county may initiate or continue an environmental impact statement as the responsible governmental unit under Minnesota Statutes, section 116D.04, pay for any costs in connection with the environmental impact statement or reimburse others for such costs, and conduct other studies and tests necessary to evaluate the suitability of the ballpark site. The county has all powers necessary or convenient for those purposes and may enter into any contract for those purposes. The county may make expenditures or grants for other costs incidental and necessary to further the purposes of this act and may by agreement, reimburse in whole or in part, any entity that has granted, loaned, or advanced funds to the county to further the purposes of this act. The county shall reimburse a local governmental entity within its jurisdiction or make a grant to such a governmental unit for site acquisition, preparation of the site for ballpark development, and public infrastructure. Amounts expended by a local governmental unit with the proceeds of a grant or under an agreement that provides for reimbursement by the county shall not be deemed an expenditure or other use of local governmental resources by the governmental unit within the meaning of any law or charter limitation. Exercise by the county of its powers under this section shall not affect the amounts that the county is otherwise eligible to spend, borrow, tax, or receive under any law.

It is the intent of the legislature that, except as expressly limited herein, the county has the authority to acquire and develop a site for the ballpark, to enter into contracts with the authority and other governmental or nongovernmental entities, to appropriate funds, and to make employees, consultants, and other revenues available for those purposes.

Subd. 2. **County revenue bonds.** The county may, by resolution, authorize, sell, and issue revenue bonds to provide funds to make a grant or grants to the authority and to finance all or a portion of the costs of site acquisition, site improvements, and other activities necessary to prepare a site for development of a ballpark, to construct, improve, and maintain the ballpark and to establish and fund any capital improvement reserves, and to acquire and construct any related parking facilities and other public infrastructure and for other costs incidental and necessary to further the purposes of this act. The county may also, by resolution, issue bonds to refund the bonds issued pursuant to this section. The bonds must be limited obligations, payable solely from or secured by taxes levied under subdivision 3, and any other revenues to become available under this act. The bonds may be issued in one or more series and sold without an election. The bonds shall be sold in the manner provided by Minnesota Statutes, section 475.60. The bonds shall be secured, bear the interest rate or rates or a variable rate, have the rank or priority, be executed in the manner, be payable in the manner, mature, and be subject to the defaults, redemptions, repurchases, tender options, or other terms, as the county may determine. The county may enter into and perform all contracts deemed necessary or desirable by it to issue and secure the bonds, including an indenture of trust with a trustee within or without the state. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the county. Subject to this subdivision, the bonds must be issued and sold in the manner provided in Minnesota Statutes, chapter 475. The bonds shall recite that they are issued under this act and the recital shall be conclusive as to the validity of the bonds and the imposition and pledge of the taxes levied for their payment. In anticipation of the issuance of the bonds authorized under this subdivision and the collection of taxes levied under subdivision 3, the county may provide funds for the purposes authorized by this act through temporary interfund loans from other available funds of the county which shall be repaid with interest.

Subd. 3. **Sales and use tax.** (a) Notwithstanding Minnesota Statutes, section 477A.016, or other law, the governing body of the county may by ordinance, impose a sales and use tax at the rate of 0.15 percent for the purposes listed in this section. The provisions of Minnesota Statutes, section 297A.99, except for subdivisions 2 and 3, apply to the imposition, administration, collection, and enforcement of this tax.

(b) The tax imposed under this section is not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, or in determining a tax that may be imposed under any other limitations.

Subd. 4. **Uses of tax.** (a) Revenues received from the tax imposed under subdivision 3 may be used:

(1) to pay costs of collection;

(2) to pay or reimburse or secure the payment of any principal of, premium, or interest on bonds issued in accordance with this act;

(3) to pay costs and make expenditures and grants described in subdivision 1, including financing costs related to them;

(4) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the county; and

(5) to pay for operating costs of the ballpark authority other than the cost of operating or maintaining the ballpark;

and for no other purpose.

(b) Revenues from the tax designated for use under paragraph (a), clause (5), must be deposited in the operating fund of the ballpark authority.

(c) After completion of the ballpark and public infrastructure, the tax revenues not required for current payments of the expenditures described in clauses (1) to (5) shall be used to (i) redeem or defease the bonds and (ii) prepay or establish a fund for payment of future obligations under grants or other commitments for future expenditures which are permitted by subdivision 1. Upon the redemption or defeasance of the bonds and the establishment of reserves adequate to meet such future obligations, the taxes shall terminate and shall not be reimposed.

Sec. 10. IMPLEMENTATION.

Subdivision 1. **Environmental review.** The county shall be the responsible governmental unit for any environmental impact statement for the ballpark and public infrastructure prepared under Minnesota Statutes, section 116D.04. Notwithstanding Minnesota Statutes, section 116D.04, subdivision 2b, and implementing rules:

(a) the environmental impact statement shall not be required to consider alternative ballpark sites; and

(b) the environmental impact statement must be determined to be adequate before commencing work on the foundation of the ballpark, but the ballpark and public infrastructure may otherwise be started and all preliminary and final government decisions and actions may be made and taken, including but not limited to acquiring land, obtaining financing, imposing the tax under section 9, granting permits or other land use approvals, entering into grant, lease, or use agreements, or preparing the site or related public infrastructure prior to a determination of the adequacy of the environmental impact statement.

Subd. 2. **Ballpark implementation committee.** A ballpark implementation committee shall be established to advise the authority and the county and make recommendations on the design and construction of the ballpark and the public infrastructure, including street vacation, parking, roadways, walkways, skyways, pedestrian bridges, bicycle paths, transit improvements to facilitate public street access to the ballpark and integration into the transportation plan for downtown and the region, lighting, landscaping, utilities, streets, drainage, and environmental remediation. The ballpark implementation committee shall consist of an equal number of members appointed by the county and by the city of Minneapolis, the precise number of members to be mutually determined by the county and the city. The county board and the city council of Minneapolis shall make their respective appointments to the ballpark implementation committee within 30 days of enactment. Recommendations of the committee shall be forwarded to the city of Minneapolis planning department for an advisory recommendation and then to the city council for approval or disapproval.

Subd. 3. Site approval; land use jurisdiction. It is hereby found and declared that the development area is the ballpark location and that construction of a ballpark within the development area is a permitted use and is consistent with the comprehensive plan of the city of Minneapolis and the adopted area plan. The legislature further declares that the public purpose served by the ballpark and the speed required for construction of the ballpark and public infrastructure does not allow for application of Minnesota Statutes, sections 462.351 to 462.361. The exercise by the authority and the county of the powers provided in this act shall not be subject to regulation by or the jurisdiction of the city of Minneapolis and are not subject to Minnesota Statutes, sections 15.99, 462.351 to 462.361, Minneapolis City Charter, chapter 13, section 4, or municipal zoning ordinances, except as specifically provided in this act.

Subd. 4. Public hearing. The authority and the county shall each hold a public hearing on the preliminary design plans for the ballpark and public infrastructure. Such hearings may be held separately or jointly by the authority and the county. At least ten days' published notice of the hearing shall be given in the official newspaper of the county and a newspaper of general circulation in the county. The authority or county, as applicable, shall maintain a record of the hearing, including any written statements submitted.

Subd. 5. City review. At least 20 days before the hearing, the applicable preliminary design plans shall be submitted to the planning department of the city of Minneapolis together with a statement generally describing any aspects of the plans which do not conform to implementation committee recommendations which have been approved by the city council. In addition to the preliminary design plans, there shall be submitted any other information generally required by the city of Minneapolis on the standard land use application worksheet and checklist. The city may hold a public hearing if it does so within 30 days of the submission. Within 20 days after a hearing under subdivision 4, the city shall review and approve or disapprove the preliminary design plans on which the hearing was held. If the city disapproves the plans, it shall describe specific amendments or conditions to the plans that, if adopted, would cause the city to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 30 days after the hearing in subdivision 4 is deemed to be approval, unless an extension of time is agreed to by the city, county, and the authority. If the city disapproves of the plans, the authority and the county shall conduct such further reviews as each deem necessary in its sole discretion prior to continuing the planning and design process.

Subd. 6. Amendments; final design. The authority must approve final design plans for the ballpark or adopt amendments or conditions to the design plans at its sole discretion. The county must approve final design plans for the public infrastructure or adopt amendments or conditions to the design plans at its sole discretion.

Subd. 7. Subdivision requirements. Any subdivision required in the development area shall be subject to the jurisdiction and review procedures of the city of Minneapolis established pursuant to Minnesota Statutes, section 462.358, except that the city shall not deny or withhold excavation or building permits for the ballpark on the grounds that subdivision review and approval has not occurred within the project construction timetable.

Sec. 11. **CRITERIA AND CONDITIONS.**

Subdivision 1. Binding and enforceable. In developing the ballpark and entering into related contracts, the authority must follow and enforce the criteria and conditions in subdivisions 2 to 13, provided that a determination by the authority that those criteria or conditions have been met under any agreement or otherwise shall be conclusive.

Subd. 2. Team contributions. The team must agree to contribute \$130,000,000 toward ballpark costs, less a proportionate share of any amount by which actual ballpark costs may be less than a budgeted amount of \$390,000,000. The team contributions must be funded in cash during the construction period. The team shall deposit \$45,000,000 to the construction fund to pay for the first ballpark costs. The balance of the team's contribution must be used to pay the last costs of the ballpark construction. In addition to any other team contribution, the team must agree to assume and pay when due all cost overruns for the ballpark costs that exceed the budget.

Subd. 3. **Reserve for capital improvements.** The authority shall require that a reserve fund for capital improvements to the ballpark be established and funded with annual payments of \$2,000,000, with the team's share of those payments to be approximately \$1,000,000, as determined by agreement of the team and county. The annual payments shall increase according to an inflation index determined by the authority, provided that any portion of the team's contribution that has already been reduced to present value shall not increase according to an inflation index. The authority may accept contributions from the county or other source for the portion of the funding not required to be provided by the team.

Subd. 4. **Lease or use agreements.** The authority must agree to a long-term lease or use agreement with the team for its use of the ballpark. The team must agree to play all regularly scheduled and postseason home games at the ballpark. Preseason games may also be scheduled and played at the ballpark. The lease or use agreement must be for a term of at least 30 years from the date of ballpark completion. The lease or use agreement must include terms for default, termination, and breach of the agreement. Recognizing that the presence of major league baseball provides to Hennepin County, the state of Minnesota, and its citizens highly valued, intangible benefits that are virtually impossible to quantify and, therefore, not recoverable in the event of a team owner's breach of contract, the lease and use agreements must provide for specific performance and injunctive relief to enforce provisions relating to use of the ballpark for major league baseball and must not include escape clauses or buyout provisions. The team must not enter into or accept any agreement or requirement with or from Major League Baseball or any other entity that is inconsistent with the team's binding commitment to the 30-year term of the lease or use agreement or that would in any manner dilute, interfere with, or negate the provisions of the lease or use agreement, or of any grant agreement under section 9 that includes a specific performance clause, providing for specific performance or injunctive relief. The legislature conclusively determines, as a matter of public policy, that the lease or use agreement, and any grant agreement under section 9 that includes a specific performance clause: (a) explicitly authorize specific performance as a remedy for breach; (b) are made for adequate consideration and upon terms which are otherwise fair and reasonable; (c) have not been included through sharp practice, misrepresentation, or mistake; (d) if specifically enforced, do not cause unreasonable or disproportionate hardship or loss to the team or to third parties; and (e) involve performance in such a manner and the rendering of services of such a nature and under such circumstances that the beneficiary cannot be adequately compensated in damages.

Subd. 5. **Notice requirement for certain events.** Until 30 years from the date of ballpark completion, the team must provide written notice to the authority not less than 90 days prior to any action, including any action imposed upon the team by Major League Baseball, which would result in a breach or default of provisions of the lease or use agreements required to be included under subdivision 4. If this notice provision is violated and the team has already breached or been in default under the required provisions, the authority, the county, or the state of Minnesota is authorized to specifically enforce the lease or use agreement, and Minnesota courts are authorized and directed to fashion equitable remedies so that the team may fulfill the conditions of the lease and use agreements, including, but not limited to, remedies against major league baseball.

Subd. 6. **Enforceable financial commitments.** The authority must determine before ballpark construction begins that all public and private funding sources for construction of the ballpark are included in written agreements. The committed funds must be adequate to design, construct, furnish, and equip the ballpark.

Subd. 7. **Environmental requirements.** The authority must comply with all environmental requirements imposed by regulatory agencies for the ballpark, site, and structure, except as provided by section 10, subdivision 1.

Subd. 8. **Public share upon sale of team.** The lease or use agreement must provide that, if the team is sold after the effective date of this act, a portion of the sale price must be paid to the authority and deposited in a reserve fund for improvements to the ballpark or expended as the authority may otherwise direct. The portion required to be so paid to the authority is 18 percent of the gross sale price, declining to zero ten years after commencement of ballpark construction in increments of 1.8 percent each year. The agreement shall provide exceptions for sales to members of the owner's family and entities and trusts beneficially owned by family members, sales to employees of equity interests aggregating up to ten percent, and sales related to capital infusions not distributed to the owners.

Subd. 9. **Access to books and records.** The lease or use agreement must provide the authority access to annual audited financial statements of the team and other financial books and records that the authority deems necessary to determine compliance by the team with this act and to enforce the terms of any lease or use agreements entered into under this act. Any financial information obtained by the authority under this subdivision is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9.

Subd. 10. **Affordable access.** To the extent determined by the authority or required by a grant agreement, any lease or use agreement must provide for affordable access to the professional sporting events held in the ballpark.

Subd. 11. **No strikes; lockouts.** The authority must negotiate a public sector project labor agreement or other agreement to prevent strikes and lockouts that would halt, delay, or impede construction of the ballpark and related facilities.

Subd. 12. **Youth and amateur sports.** The lease or use agreement must require that the team provide or cause to be provided \$250,000 annually for the term of the agreement for youth activities and amateur sports without reducing the amounts otherwise normally provided for and on behalf of the team for those purposes. The amounts shall increase according to an inflation factor not to exceed 2.5 percent annually and may be subject to a condition that the county fund grants for similar purposes.

Subd. 13. **Name retention.** The lease or use agreement must provide that the team and league will transfer to the state of Minnesota the Minnesota Twins' heritage and records, including the name, logo, colors, history, playing records, trophies, and memorabilia in the event of any dissolution or relocation of the Twins franchise.

Sec. 12. **METROPOLITAN SPORTS FACILITIES COMMISSION.**

The Metropolitan Sports Facilities Commission may authorize, by resolution, technical, professional, or financial assistance to the county and authority for the development and operation of the ballpark upon such terms and conditions as the county or authority and the Metropolitan Sports Facilities Commission may agree, including reimbursement of financial assistance from the proceeds of the bonds authorized in this chapter. Without limiting the foregoing permissive powers, the Metropolitan Sports Facilities Commission shall transfer \$300,000 from its cash reserves to the county on or prior to January 1, 2007, for use in connection with preliminary ballpark and public infrastructure costs, which amount shall be repaid by the county from collections of the tax authorized by section 9, if any.

Sec. 13. **CITY REQUIREMENTS.**

Subdivision 1. **Land conveyance.** At the request of the authority or county, the city of Minneapolis shall convey to the authority or county, as applicable, at fair market value all real property it owns that is located in the development area and is not currently used for road, sidewalk, or utility purposes and that the authority or county determines to be necessary for ballpark or public infrastructure purposes.

Subd. 2. **Liquor licenses.** At the request of the authority, the city of Minneapolis shall issue intoxicating liquor licenses that are reasonably requested for the premises of the ballpark. These licenses are in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized under this subdivision.

Subd. 3. **Charter limitations.** Actions taken by the city of Minneapolis under this act in a planning or regulatory capacity, actions for which fair market value reimbursement is provided or for which standard fees are collected, and any tax exemptions established under this act shall not be deemed to be an expenditure or other use of city resources within the meaning of any charter limitation.

Sec. 14. **LOCAL TAXES.**

No local unit of government shall impose a new or additional tax on sales or uses of any item that is not in effect for the ballpark site on the date of enactment of this act, except the taxes authorized by section 9 and other taxes generally applicable throughout the jurisdiction. Sales of tickets and admissions to baseball events at the ballpark are exempt from local taxes, including the admission and amusement tax imposed by the city of Minneapolis pursuant to Laws 1969, chapter 1092, but excluding a general sales tax imposed on sales and uses taxable under Minnesota Statutes, chapter 297A.

Sec. 15. **COMMUNITY OWNERSHIP.**

Subdivision 1. **Purpose.** The legislature determines that:

(1) a professional baseball franchise is an important asset to the state of Minnesota and ensuring that a franchise remains in Minnesota is an important public purpose;

(2) providing broad-based local ownership of a major league baseball franchise develops trust among fans, taxpayers, and the team, and helps ensure this important asset will remain in the state;

(3) providing community ownership of a professional baseball franchise ensures that the financial benefits of any increased value of the franchise will accrue to those members of the community who own the franchise; and

(4) enacting legislation providing for community ownership indicates to major league baseball continuing support for professional baseball in Minnesota.

Subd. 2. **Acquisition.** Subject to the rules of major league baseball, the governor and the Metropolitan Sports Facilities Commission must attempt to facilitate the formation of a corporation to acquire the baseball franchise and to identify an individual private managing owner of the corporation. The corporation formed to acquire the franchise shall have a capital structure in compliance with all of the following provisions:

(1) there may be two classes of capital stock: common stock and preferred stock. Both classes of stock must give holders voting rights with respect to any relocation or voluntary contraction of the franchise;

(2) the private managing owner must own no less than 25 percent and no more than 35 percent of the common stock. For purposes of this restriction, shares of common stock owned by the private managing owner include shares of common stock owned by any related taxpayer as defined in section 1313(c) of the Internal Revenue Code of 1986, as amended. Other than the rights of all other holders of common stock and preferred stock with respect to relocation or voluntary contraction of the franchise, the private managing owner must control all aspects of the operation of the corporation;

(3) other than the private managing owner, no individual or entity may own more than five percent of the common stock of the corporation;

(4) at least 50 percent of the ownership of the common stock must be sold to members of the general public in a general solicitation and a person or entity must not own more than one percent of common stock of the corporation; and

(5) the articles of incorporation, bylaws, and other governing documents must provide that the franchise may not move outside of the state or agree to voluntary contraction without approval of at least 75 percent of the shares of common stock and at least 75 percent of the shares of preferred stock. Notwithstanding any law to the contrary, these 75 percent approval requirements shall not be amended by the shareholders or by any other means.

Except as specifically provided by this act, no state agency may spend money from any state fund for the purpose of generating revenue under this subdivision or for the purpose of providing operating support or defraying operating losses of a professional baseball franchise.

Sec. 16. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall codify the provisions of this act in the next edition of Minnesota Statutes.

Sec. 17. **REPEALER.**

Minnesota Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; and 473I.13, are repealed.

Sec. 18. **EFFECTIVE DATE.**

Sections 1, 3, and 6 to 17 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to a ballpark for major league baseball; providing for the financing, construction, operation, and maintenance of the ballpark and related facilities; establishing the Minnesota Ballpark Authority; providing powers and duties of the authority; providing a community ownership option; authorizing Hennepin County to issue bonds and to contribute to ballpark costs and to engage in ballpark and related activities; authorizing local sales and use taxes and revenues; exempting Minnesota State High School League events from sales taxes; requiring the Minnesota State High School League to transfer tax savings to a foundation to promote extracurricular activities; exempting building materials used for certain local government projects from certain taxes; amending Minnesota Statutes 2004, sections 297A.70, subdivision 11; 297A.71, by adding subdivisions; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35; repealing Minnesota Statutes 2004, sections 473I.01; 473I.02; 473I.03; 473I.04; 473I.05; 473I.06; 473I.07; 473I.08; 473I.09; 473I.10; 473I.11; 473I.12; 473I.13."

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

The report was adopted.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 9:00 a.m., Tuesday, April 25, 2006. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Tuesday, April 25, 2006.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

