

STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2007

 THIRTY-FOURTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 22, 2007

The House of Representatives convened at 10:00 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by Pastor Tim Johnson, Cherokee Park United Church, St. Paul, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dettmer	Haws	Lenczewski	Olin	Slocum
Anderson, B.	Dill	Heidgerken	Liebling	Otremba	Smith
Anderson, S.	Dittrich	Hilstrom	Lieder	Ozment	Solberg
Anzelc	Dominguez	Hilty	Lillie	Paymar	Sviggum
Atkins	Doty	Holberg	Loeffler	Pelowski	Swails
Beard	Eastlund	Hoppe	Madore	Peppin	Thao
Benson	Eken	Hornstein	Magnus	Peterson, A.	Thissen
Berns	Emmer	Hortman	Mahoney	Peterson, N.	Tillberry
Bigham	Erhardt	Hosch	Mariani	Peterson, S.	Tingelstad
Bly	Erickson	Howes	Marquart	Poppe	Tschumper
Brod	Faust	Huntley	Masin	Rukavina	Urdahl
Brown	Finstad	Jaros	McFarlane	Ruth	Wagenius
Brynaert	Fritz	Johnson	McNamara	Ruud	Walker
Buesgens	Gardner	Juhnke	Moe	Sailer	Ward
Bunn	Garofalo	Kahn	Morgan	Scalze	Wardlow
Carlson	Gottwalt	Kalin	Morrow	Seifert	Welti
Clark	Greiling	Knuth	Mullery	Sertich	Westrom
Cornish	Gunther	Koenen	Murphy, E.	Severson	Winkler
Davnie	Hackbarth	Kohls	Murphy, M.	Shimanski	Wollschlager
Dean	Hamilton	Kranz	Nelson	Simon	Zellers
DeLaForest	Hansen	Laine	Nornes	Simpson	Spk. Kelliher
Demmer	Hausman	Lanning	Norton	Slawik	

A quorum was present.

Lesch, Olson and Paulsen were excused.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 86, A bill for an act relating to energy; designating Elk River as Minnesota's energy city; proposing coding for new law in Minnesota Statutes, chapter 1.

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

The report was adopted.

Thissen from the Committee on Health and Human Services to which was referred:

H. F. No. 202, A bill for an act relating to human services; expanding eligibility for the chemical dependency treatment fund; amending Minnesota Statutes 2006, section 254B.04, subdivision 1.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 267, A bill for an act relating to local government; extending the municipal boundary adjustment advisory task force; amending Laws 2006, chapter 270, article 2, section 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 414.0325, subdivision 1b, is amended to read:

Subd. 1b. **Notice of intent to designate an area.** At least ten days before the municipality or township adopts an orderly annexation agreement, a notice of the intent to include property in an orderly annexation area must be published in a newspaper of general circulation in both the township and municipality. The notice must clearly identify the boundaries of the area proposed to be included in the orderly annexation agreement and the date, time, and place of the public informational meeting to be held as provided in section 414.0333. The cost of providing notice must be equally divided between the municipality and the township, unless otherwise agreed upon by the municipality and the township. This subdivision applies only to the initial designation to include property in an orderly annexation area subject to the orderly annexation agreement and not to any subsequent annexation of any property from within the designated orderly annexation area. This subdivision also does not apply when the orderly annexation agreement only designates for immediate annexation property for which all of the property owners have petitioned to be annexed.

Sec. 2. Minnesota Statutes 2006, section 414.033, subdivision 2, is amended to read:

Subd. 2. **Conditions.** A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

- (1) the land is owned by the municipality;
- (2) the land is completely surrounded by land within the municipal limits;

(3) the land abuts the municipality and the area to be annexed is 120 acres or less, and the area to be annexed is not presently served by public wastewater facilities or public wastewater facilities are not otherwise available, and the municipality receives a petition for annexation from all the property owners of the land. Except as provided for by an orderly annexation agreement, ~~the director must not accept a petition from a property owner for more than one annexation per year of this clause may not be used to annex any property contiguous to the parcel any property previously annexed under this clause within the preceding 12 months if the property is owned by the same owners and annexation would cumulatively exceed 120 acres; or~~

(4) the land has been approved after August 1, 1995, by a preliminary plat or final plat for subdivision to provide residential lots that average 21,780 square feet or less in area and the land is located within two miles of the municipal limits.

Sec. 3. Minnesota Statutes 2006, section 414.033, subdivision 13, is amended to read:

Subd. 13. **Electric utility service notice; cost impact.** ~~At least 60 days before a petition is filed under section 414.0325 or this section, the petitioner must notify the municipality that the petitioner intends to file a petition for annexation.~~ At least 30 days before a petition is filed for annexation, the municipality may adopt an ordinance under subdivision 2, clause (2), (3), or (4), the petitioner must be notified by the municipality that the cost of electric utility service to the petitioner may change if the land is annexed to the municipality. The notice must include an estimate of the cost impact of any change in electric utility services, including rate changes and assessments, resulting from the annexation.

Sec. 4. Laws 2006, chapter 270, article 2, section 1, is amended to read:

Section 1. **MUNICIPAL BOUNDARY ADJUSTMENT ADVISORY TASK FORCE ESTABLISHED.**

Subdivision 1. **Membership.** An advisory task force on municipal boundary adjustments is established to study and make recommendations on what, if any, changes should be made to the law governing municipal boundary adjustments. The task force shall develop recommendations regarding best practices annexation training for city and township officials to better communicate and jointly plan potential annexations. The task force is comprised of the following members:

- (1) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;
- (2) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;
- (3) three representatives of city interests, appointed by the League of Minnesota Cities in consultation with the Association of Metropolitan Municipalities, the Coalition of Greater Minnesota Cities, and the Minnesota Association of Small Cities;
- (4) three representatives of township interests, appointed by the Minnesota Association of Townships; and
- (5) one person appointed jointly by the senate majority leader and the speaker of the house of representatives to serve as chair of the task force, selected based on knowledge and experience in municipal boundary adjustment issues and who could serve without bias towards either side of the issue of annexation. The chair must convene the first meeting of the task force no later than August 1, 2007.

All appointing authorities must make the appointments to the task force within 30 days of the effective date of this section and shall provide for balance of geographic areas of the state and city and town interests.

Subd. 2. **Report by January 2007 2008.** The task force shall report its recommendations to the chairs and members of the house of representatives and senate committees with jurisdiction over municipal boundary adjustments by January ~~15, 2007~~ 2008. The task force shall also provide a copy of its recommendations to the Legislative Reference Library.

Subd. 3. **Funds available.** ~~Any funds remaining in the committee budgets for the house local government committee or the senate state and local government operations committee as of the 2006 adjournment of the legislature will be available to~~ The appropriate committees of the house of representatives and the senate with jurisdiction over local boundary adjustment matters shall pay in equal shares from their respective committee budgets for the administrative expenses of the task force, including per diems and expenses of members, preparation of the report, and the services of a facilitator from the management analysis division of the Department of Administration.

EFFECTIVE DATE. This section is effective the day following final enactment. The Municipal Boundary Adjustment Advisory Task Force expires on June 30, 2008.

Sec. 5. **REPEALER.**

Laws 2006, chapter 270, article 2, section 8, the effective date, is repealed effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government; modifying municipal boundary adjustment provisions; extending the Municipal Boundary Adjustment Advisory Task Force; amending Minnesota Statutes 2006, sections 414.0325, subdivision 1b; 414.033, subdivisions 2, 13; Laws 2006, chapter 270, article 2, section 1; repealing Laws 2006, chapter 270, article 2, section 8."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 270, A bill for an act relating to habitual truants; removing a provision relating to termination of jurisdiction; amending Minnesota Statutes 2006, section 260C.193, subdivision 6.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 611, A bill for an act relating to labor; protecting certain communication in the workplace between labor organizations and employees; prohibiting certain employer conduct; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Page 1, line 16, after "means" insert "pertaining to union business or labor organizing as provided under state or federal law"

Page 1, line 23, delete "their" and insert "the employee's"

Page 1, line 24, delete "their" and insert "the employee's" and delete everything after "computer" and insert ". Reasonable rules concerning the quantity of the communications, political or other inappropriate content of the communications, attachments to electronic communications, and appropriate nonwork times for review of these types of communications are permitted. An employer may discipline or discharge an employee for violations of these rules in accordance with the employer's personnel policies or union contract."

Page 1, delete line 25

Page 2, delete lines 1 and 2

Page 2, line 3, delete "either"

Page 2, line 4, delete everything after "procedure" and insert a period

Page 2, delete line 5

Page 2, line 6, delete the comma and insert a period

Page 2, delete lines 7 to 9

With the recommendation that when so amended the bill pass.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 635, A bill for an act relating to telecommunications; enacting the Minnesota Wireless Telephone Consumer Protection Act; changing certain existing requirements; amending Minnesota Statutes 2006, section 237.665; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 2006, section 325F.695.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[325F.696] MINNESOTA WIRELESS TELEPHONE CONSUMER PROTECTION ACT.**

Subdivision 1. Definitions. (a) The definitions in this subdivision apply to this section.

(b) "Government-mandated charges and taxes" means any taxes, fees, and other charges that a wireless carrier is legally required to collect directly from consumers and to remit to federal, state, or local governments, or to third parties authorized by such governments, for the administration of government programs. "Government-mandated charges and taxes" does not include discretionary charges authorized, but not required by, government action.

(c) "Wireless carrier" means a provider of wireless telecommunications service.

(d) "Wireless telecommunications service" means commercial mobile radio service as defined in Code of Federal Regulations, title 47, part 20.

Subd. 2. **Required disclosures.** (a) Wireless carriers providing wireless telecommunications service in the state must:

(1) provide the customer, at the time of sale, with a coverage map that accurately depicts the area where service is provided and that identifies areas where any domestic roaming or additional charges would apply to the customer's service;

(2) make accurate coverage maps available to prospective and existing customers at any location where the wireless carrier's wireless telecommunications service is offered for sale and make those maps available electronically at the carrier's Web site;

(3) clearly and conspicuously disclose at the time of sale the price for the service being purchased by the customer, including the monthly access fee or base charge, the amount of any activation or initiation fee, any charges for domestic roaming, any charge for domestic long distance, any charge for exceeding the number of minutes or usage included in any allowance, and any other charges collected and retained by the carrier and disclose a good faith estimate of the amount or range of all applicable government-mandated or authorized charges and taxes;

(4) clearly and conspicuously disclose to the customer at the time of sale, in at least 12-point font in written materials: (i) that the price is not guaranteed to remain the same for the minimum term of the contract if a contract provision allows the wireless carrier to change the price of the service during the minimum term, and (ii) any early termination fee that applies if service is terminated during the minimum term; and

(5) prior to the execution of a contract for wireless telephone service, provide the customer the terms of the contract, and after execution of the contract provide the customer with a copy of the writing or writings constituting the contract, at the time of sale and thereafter upon the customer's request.

(b) With regard to any early termination fee provisions or provisions allowing the wireless carrier to change the price of the service during the minimum contract term, the wireless carrier must obtain a specific acknowledgement from the customer that the customer has read and understands the provisions.

Subd. 3. **Billing; listing of government taxes and fees.** All bills for wireless telecommunications services must list government-mandated charges and taxes in a section of the bill separate from the section or sections listing the price and any other charges for the wireless telecommunications service. The wireless carrier must include a brief, easy-to-understand description of each charge included in the bill. The wireless carrier must not represent, expressly or by implication, that discretionary cost recovery fees or charges are government-mandated charges and taxes.

Subd. 4. **Billing for third-party goods and services.** (a) A wireless carrier must not include on a customer's bill a charge for goods or services that the carrier bills on behalf of a third party unless the third party or wireless carrier has obtained the customer's prior express authorization to include those charges on the customer's bill issued by the wireless carrier.

(b) If a customer of a wireless carrier disputes any third party charge appearing on that customer's wireless bill, the customer shall not be obligated to pay the disputed charge until the wireless carrier or third party provides evidence of the customer's prior express authorization to include such charge. Evidence of the customer's prior express authorization must be produced to the customer within 14 calendar days after the customer notifies the wireless carrier that the charge is disputed. A customer shall be permitted to dispute any charges that a wireless carrier bills on behalf of a third party for up to six months after the charge appears on the customer's wireless bill. If the wireless carrier cannot produce evidence that the customer authorized the third party charge, the wireless carrier must remove the charge from the customer's wireless bill and credit the customer for the unauthorized third party charges incurred during the previous six months.

(c) A wireless carrier or third party meets the prior express authorization requirements of this subdivision only if it obtains or receives:

(1) written authorization from the customer containing clear, unambiguous, and separate authorizations for each third party good or service to be included on the customer's bill;

(2) a customer's oral authorization if the customer subsequently opts in by an e-mail or text message exchange with the third party or wireless carrier; or

(3) a customer's affirmative authorization via an interactive voice response system or via an electronic communication, such as through the Internet, by e-mail, or by text message, if the customer subsequently opts in by e-mail or by text message.

(d) For direct-dialed calls, where the call itself represents the service for which the charge is placed on a customer's wireless telephone bill, evidence that the call was placed from the number that is subject to the wireless telephone bill is sufficient evidence of authorization for that call for billing authorization purposes established in this subdivision. Nothing in this subdivision may be construed to change obligations or affect rights under section 325F.692.

(e) This subdivision does not apply to charges for collect calls.

(f) All wireless carriers must provide a means by which customers may restrict access to third party charges on the customer's wireless bill.

(g) Nothing in this subdivision restricts the right of a wireless carrier to seek to recover from a third party unauthorized charges credited to the customer by the wireless carrier.

Subd. 5. Extensions in contract length. If a customer requests a new good or service in connection with, or a change in a term of, an existing wireless service contract, and the new good, service, or change will result in an extension of the minimum term of the wireless service contract, the wireless carrier must specifically disclose to the customer that the requested change will result in an extension of the minimum term, the length of the extension, and the new minimum term period.

Subd. 6. Remedies; penalties, enforcement. A violation of this section is a violation of a law referred to in section 8.31, subdivision 1.

Subd. 7. Severability. Each of the provisions of this section, and each application of a provision to particular circumstances, is severable. If a provision or application is found to be contrary to law and unenforceable, it is the intention of the legislature that the remaining provisions and applications of this section remain valid and enforceable to the full extent possible under section 645.20.

Sec. 2. **REPEALER.**

Minnesota Statutes 2006, section 325F.695, is repealed.

Sec. 3. **EFFECTIVE DATE.**

Section 1 is effective August 1, 2007, except that subdivision 4 is effective March 1, 2008."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 822, A bill for an act relating to economic development; requiring a neighborhood revitalization policy board to study and report on continued needs for funding.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 886, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; appropriating money; amending Laws 2006, chapter 258, sections 4, subdivision 4; 7, subdivision 11.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column marked "appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the bond proceeds fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of the capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j). Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

<u>University of Minnesota</u>	<u>\$36,400,000</u>
<u>Minnesota State Colleges and Universities</u>	<u>34,520,000</u>

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<u>Education</u>	30,300,000
<u>Natural Resources</u>	10,127,000
<u>Pollution Control Agency</u>	2,500,000
<u>Board of Water and Soil Resources</u>	8,165,000
<u>Zoological Garden</u>	1,526,000
<u>Administration</u>	27,990,000
<u>Public Safety</u>	2,500,000
<u>Transportation</u>	34,923,000
<u>Metropolitan Council</u>	39,300,000
<u>Human Services</u>	150,000
<u>Corrections</u>	6,117,000
<u>Employment and Economic Development</u>	60,282,000
<u>Bond Sale Expenses</u>	167,000
<u>CANCELLATIONS</u>	<u>(5,282,000)</u>
<u>TOTAL</u>	<u>\$255,000,000</u>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	140,282,000
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	1,265,000
<u>Maximum Effort School Loan Fund</u>	30,000,000
<u>Trunk Highway Bond Proceeds Account</u>	33,420,000
<u>General Fund</u>	120,000,000
<u>Bond Proceeds Cancellations</u>	5,282,000

APPROPRIATIONS

Sec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. Total Appropriation

\$36,400,000

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

APPROPRIATIONS

Subd. 2. Higher Education Asset Preservation and Replacement **22,000,000**

To be spent in accordance with Minnesota Statutes, section 135A.046.

Subd. 3. 717 Delaware **14,400,000**

To renovate the building at 717 Delaware for use as a biomedical science research facility. This appropriation is intended to cover approximately 80 percent of the cost of the project. The remaining costs must be paid from university sources.

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation **\$34,520,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section.

Subd. 2. Higher Education Asset Preservation And Replacement **30,720,000**

This appropriation is for the purposes specified in Minnesota Statutes, section 135A.046. Of this, \$720,000 is for HVAC replacement and asbestos removal at the Brooklyn Park campus of Hennepin Technical College.

Subd. 3. Bemidji State University **2,000,000**

To acquire property adjacent to Bemidji State University.

Subd. 4. Fond du Lac Tribal and Community College **1,800,000**

To purchase from willing sellers approximately 3.9 acres in six residential properties adjacent to the Fond du Lac Tribal and Community College.

Subd. 5. Debt Service

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement, except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

APPROPRIATIONS

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

Subd. 6. Unspent Appropriations

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Trustees must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

(b) The unspent portion of an appropriation for a project in this section that is complete, is available for higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 5 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. MINNESOTA DEPARTMENT OF EDUCATION**Subdivision 1. Total Appropriation****\$30,300,000**

To the commissioner of education for the purposes specified in this section.

Subd. 2. Independent School District No. 11, Anoka-Hennepin**300,000**

For a grant to Independent School District No. 11, Anoka-Hennepin, to acquire land adjacent to Riverview Elementary School and for improvements of a capital nature to develop and restore wetland and native prairie habitat on the land.

APPROPRIATIONS**Subd. 3. Independent School District No. 38, Red Lake****30,000,000**

This appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, renovate, furnish, and equip school facilities, and for health and safety capital improvements at the Red Lake School District. This appropriation is to first complete the education spaces in the high school-middle school. Unexpended funds remaining after completion of the high school-middle school may be used for the Red Lake Elementary School project.

Sec. 5. NATURAL RESOURCES**Subdivision 1. Total Appropriation****\$10,127,000**

To the commissioner of natural resources for the purposes specified in this section.

The appropriations in this section are subject to the requirements of the natural resources capital improvement program set forth in new Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than section 86A.12.

Subd. 2. Stillwater Flood Control Phase III**200,000**

This appropriation is from the general fund for a grant under Minnesota Statutes, section 103F.161, to the city of Stillwater to predesign, design, and begin construction of Phase III of the Stillwater flood control project, including flood control structures and pumping stations. This appropriation is not available until the commissioner has determined that at least \$2,000,000 has been committed from nonstate sources.

Subd. 3. Canisteo Mine**2,500,000**

For a grant to the Western Mesabi Mine Planning Board to construct siphons, a conveyance system, and other improvements to accommodate water level and outflow control of the water level in the Canisteo mine pit in Itasca County. This appropriation does not require a local match. The commissioner of natural resources shall be responsible to maintain the improvements after completion of the project.

Subd. 4. Springbrook Nature Center**2,000,000**

For a grant to the city of Fridley to predesign, design, redevelop, and expand the Springbrook Nature Center.

APPROPRIATIONS**Subd. 5. Big Bog State Recreation Area**1,000,000

To upgrade the contact station, make improvements in the recreation area, and forest restoration and interpretation at the Big Bog State Recreation Area.

Subd. 6. Fort Snelling Upper Bluff500,000

This appropriation is from the general fund for a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation is not available until the commissioner of finance has determined that Hennepin County has entered into appropriate agreements to use Sentence to Serve labor for the project that will train Sentence to Serve laborers in the skills needed for the work.

Subd. 7. Red River Basin Digital Elevation Model600,000

This appropriation is from the general fund to develop and implement a high resolution digital elevation model for the Red River basin.

Subd. 8. Flood Hazard Mitigation Grant2,093,000

For flood hazard mitigation grants under Minnesota Statutes, section 103F.161, for:

(a) the city of Roseau, for the state share of land acquisition, engineering, design, and construction costs for the U.S. Army Corps of Engineers Flood Control Project, which will protect the city of Roseau from recurring flooding; and

(b) flood hazard mitigation projects in Browns Valley.

To the extent that the cost of the project in Roseau and Browns Valley exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Subd. 9. Cuyuna Country State Recreation Area125,000

This appropriation is from the general fund to develop a natural surface multiuse trail in the Cuyuna Country State Recreation Area.

APPROPRIATIONS**Subd. 10. Gateway Trail Tunnel**650,000

This appropriation is from the general fund to replace an at-grade crossing of the Gateway Trail at Highway 120 with a tunnel.

Subd. 11. Luce Line Trail209,000

This appropriation is from the general fund to acquire land for, develop, and rehabilitate the Luce Line Trail, under Minnesota Statutes, section 85.015.

Subd. 12. Browns Creek Nature Preserve250,000

This appropriation is from the general fund for acquisition of the Browns Creek segment of the Willard Munger Trail System.

Sec. 6. POLLUTION CONTROL AGENCY**\$2,500,000**

This appropriation is from the general fund to the Pollution Control Agency for a grant to the city of Albert Lea for construction costs of remedial systems at the Albert Lea landfill. This includes relocating and incorporating waste from the former Albert Lea dump owned by the city of Albert Lea pursuant to Minnesota Statutes, section 115B.403, which action may be taken by the Pollution Control Agency notwithstanding the provisions of Minnesota Statutes, section 115B.403, paragraphs (a) and (b).

The appropriation in this section is added to the amounts for the city of Albert Lea landfill funding in Laws 2006, chapter 258, section 8, subdivision 2.

Sec. 7. BOARD OF WATER AND SOIL RESOURCES**Subdivision 1. Total Appropriation****\$8,165,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

Subd. 2. RIM Conservation Reserve8,000,000

This appropriation is from the general fund to acquire conservation easements from landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, sections 103F.501 to 103F.535. Of this, \$1,200,000 is to implement the program. The board must submit to the legislative committees with jurisdiction over environment finance and capital investment an interim report on this program by October 1, 2007, and a final report by February 1, 2008.

APPROPRIATIONS**Subd. 3. Lake Titlow Watershed Improvements**165,000

For a grant to the city of Gaylord to predesign and design holding ponds upstream from Lake Titlow. The design must include the best location for the ponds, an estimate of the cost of land acquisition or easements, construction costs of the holding ponds, and the estimated expense of maintaining the structures and who will be responsible for the expense. The city must also coordinate with state and county conservation officials to ensure correct conservation practices and improvements in the watershed district.

Of this, \$15,000 is from the general fund to purchase open intake tile covers or cones that limit soil erosion and chemicals from entering the water ditch systems and waterways of the Lake Titlow watershed. These water control devices must be provided at low cost to landowners to promote conservation improvement and clean up groundwater. Volunteers from the city of Gaylord and local clubs and high school students must be used to install the water control devices at no cost to the landowner.

The criteria, limitations, and assessment requirements in Minnesota Statutes, sections 103D.701, 103D.705, and 103D.901 do not apply to this subdivision.

Sec. 8. MINNESOTA ZOOLOGICAL GARDEN**\$1,526,000****Inflow and Infiltration Emergency Abatement**

This appropriation is from the general fund to the Minnesota Zoological Garden for design and construction of improvements to its water management system. The project must be designed to address inflow and infiltration problems associated with the Minnesota Zoo's water discharge flow to the city of Eagan.

Sec. 9. ADMINISTRATION**Subdivision 1. Total Appropriation****\$27,990,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. Exterior Repair of Transportation Building12,715,000

This appropriation is from the bond proceeds account in the trunk highway fund to repair and renovate the exterior of the Department of Transportation Building at 395 John Ireland Boulevard in St. Paul.

APPROPRIATIONS**Subd. 3. Property Acquisition****2,325,000**

This appropriation is from the general fund to acquire property at 639 Jackson Street in St. Paul adjacent to the Harold E. Stassen Building, to demolish existing structures on the property, and to develop temporary parking on the site and adjacent areas.

Subd. 4. Veterans Memorial, Eden Prairie**200,000**

This appropriation is from the general fund for a grant to the city of Eden Prairie to design and construct improvements of a capital nature for a veterans memorial in Purgatory Creek Recreation Area in the city of Eden Prairie.

Subd. 5. Noncommercial Television**9,750,000**

This appropriation is from the general fund for the biennium ending June 30, 2009, for grants to noncommercial television stations to assist with the continued conversion to a digital broadcast signal as mandated by the federal government. This appropriation must be used to assist each station to complete its digital production facilities and interconnect with other Minnesota public television stations. In order to qualify for these grants, a station must meet the criteria established for grants in Minnesota Statutes, section 129D.12, subdivision 2.

Subd. 6. Minnesota Public Radio**3,000,000**

This appropriation is from the general fund for the fiscal year beginning July 1, 2007, for grants to Minnesota Public Radio to assist with conversion to a digital broadcast signal.

Sec. 10. PUBLIC SAFETY**\$2,500,000**

This appropriation is from the general fund to the commissioner of public safety for a grant to Anoka County to construct, furnish, and equip a regional forensic laboratory at Anoka County's public safety facility.

Sec. 11. TRANSPORTATION**Subdivision 1. Total Appropriation****\$34,923,000**

To the commissioner of transportation for the purposes specified in this section.

APPROPRIATIONS**Subd. 2. Local Bridge Replacement and Rehabilitation**10,000,000

This appropriation is from the general fund for the state transportation fund provided in Minnesota Statutes, section 174.50, to match federal money and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

(3) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made; and

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost efficient than the replacement of the existing bridge.

Subd. 3. Port Development Assistance1,500,000

\$1,001,000 of this appropriation is from the general fund for grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 4. Mankato District Headquarters20,673,000

This appropriation is from the bond proceeds account in the trunk highway fund to design, construct, furnish, and equip a new Department of Transportation district headquarters facility in Mankato.

Subd. 5. High-Speed Rail Line2,000,000

For the state's share of a high-speed rail line between St. Paul and Chicago. No part of this appropriation may be spent to acquire or better capital improvements that are located outside the state of Minnesota, that may be used from time to time outside the state of Minnesota, or that are part of a rail corridor that is not designated by the Midwest Interstate Passenger Rail Compact.

APPROPRIATIONS**Subd. 6. Commuter Rail Extension**250,000

For a grant to the Northstar Corridor Development Authority to fund advanced preliminary engineering, updated environmental documentation, property appraisals, and negotiations with the railroad to extend commuter rail service on the Burlington Northern Santa Fe rail line between Big Lake and Rice.

Subd. 7. North Shore Express Intercity Rail Initiative500,000

For a grant to St. Louis and Lake County Regional Rail Authority for railroad acquisition and track restoration, environmental impact studies, advanced corridor planning, preliminary design and preliminary engineering, station design, analysis of railroad capacity, and easement costs for intercity and passenger rail service between the city of Duluth and the cities of Minneapolis and St. Paul.

Sec. 12. METROPOLITAN COUNCIL**Subdivision 1. Total Appropriation****\$39,300,000**

To the Metropolitan Council for the purposes specified in this section.

Subd. 2. Central Corridor Transit Way30,000,000

For preliminary engineering, preliminary design, final design, and construction of the central corridor transit way between downtown Minneapolis and downtown St. Paul, terminating in downtown St. Paul at the Union Depot.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Subd. 3. Union Depot3,000,000

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and environmental work to revitalize Union Depot for use as a multimodal transit center in St. Paul.

Subd. 4. Rush Line500,000

For a grant to the Ramsey County Regional Railroad Authority to acquire land for, design, and construct park-and-ride or park-and-pool lots located along the Rush Line Corridor along I-35E/I-35W and Highway 61 from the Union Depot in downtown St. Paul to Hinckley.

APPROPRIATIONS**Subd. 5. Red Rock Corridor Transit Way**500,000

To design, construct, and furnish park-and-ride lots for the Red Rock Corridor transit way between Hastings and Minneapolis via St. Paul, and any extension between Hastings and Red Wing.

Subd. 6. Southwest Transit Way Corridor500,000

For a grant to the Hennepin County Regional Rail Authority to prepare a draft environmental impact statement (DEIS) and for preliminary engineering for the Southwest Transit Way Corridor, from the Hiawatha light rail in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie.

Subd. 7. I-494 Transit Options Study500,000

This appropriation is from the general fund for a feasibility study, environmental studies, and preliminary engineering of transit options for an Interstate 494 corridor transit way, along a corridor on or near marked Interstate Highway 494, from Minneapolis-St. Paul International Airport to a transit station on the proposed southwest transit way, and other transit corridors in the metropolitan area.

Subd. 8. I-94 Transit Way500,000

For a grant to Washington County for predesign and preliminary engineering of transportation and transit improvements, including busways or rail transit in the marked Interstate Highway 94 Corridor between the Union Depot Concourse Multimodal Transit Hub, located in downtown St. Paul in the area south of Kellogg Boulevard and east of Jackson Street, extending eastward through Washington County to the Minnesota-Wisconsin border, to terminate in St. Croix County, Wisconsin. No part of this appropriation may be spent to acquire or better capital improvements that are located outside the state of Minnesota.

Subd. 9. Metropolitan Regional Parks Capital Improvements3,800,000

This appropriation is from the general fund for a grant to the city of St. Paul to construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

APPROPRIATIONSSec. 13. **HUMAN SERVICES****\$150,000**

This appropriation is from the general fund to the commissioner of administration to predesign a multicounty regional secured treatment facility in west central Minnesota. The commissioner of human services shall prepare a report to the legislature assessing the need for and the viability of the facility and the benefits derived from a coordinated multicounty, regional approach to local chemical dependency needs in west central Minnesota. The report is due to the legislature by February 1, 2008.

Sec. 14. **CORRECTIONS**Subdivision 1. **Total Appropriation****\$6,117,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Minnesota Correctional Facility - Oak Park Heights**(a) **Perimeter System Renovation****3,875,000**

This appropriation is from the general fund to renovate the perimeter system at the Oak Park Heights Correctional Facility by replacing the security fence system for the inside wall of the main prison yard and exterior fence, replacing the perimeter lighting system and the security razor ribbon, and installing cameras and lighting to correspond to the perimeter system's added security zones.

(b) **Ventilation System Renovation****2,242,000**

This appropriation is from the general fund to renovate the ventilation system at the Oak Park Heights Correctional Facility by demolishing sections of existing ductwork, installing new ductwork, installing an ultraviolet lighting system, installing system air controls and electronics, and cleaning or otherwise renovating sections of existing ductwork.

Sec. 15. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**Subdivision 1. **Total Appropriation****\$60,282,000**

To the commissioner of employment and economic development or other named agency for the purposes specified in this section.

APPROPRIATIONS**Subd. 2. DECC Arena**30,000,000

This appropriation is from the general fund for a grant to the Duluth Entertainment and Convention Center Authority to design, construct, furnish, and equip capital improvements and renovations to the Duluth Entertainment and Convention Center. The capital improvements and renovations must include an approximately 217,446 square foot arena with an ice sheet of at least 200 feet by 85 feet; trade show and concert space; seating capacity of at least 6,630 with suites, club seats, and concessions; state-of-the-art locker and training facilities; and accessible and expanded media space. Notwithstanding any law to the contrary, the authority may adopt a design and construction procurement process as determined by the authority, in its discretion, to be in the public interest in connection with the Duluth Entertainment and Convention Center improvements.

Subd. 3. Itasca County Infrastructure20,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County. Grant money may be used by Itasca County to acquire rights-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads and rail lines, and, in cooperation with municipal public utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems.

Subd. 4. Mayo Civic Center Complex2,500,000

For a grant to the city of Rochester to design the renovation and expansion of the Mayo Civic Center Complex.

Subd. 5. Wildlife Rehabilitation Center500,000

This appropriation is from the general fund for a grant to the Wildlife Rehabilitation Center of Minnesota to retire loans incurred by the center for construction of its facility in the city of Roseville, and for completion of educational technology infrastructure at the center.

Subd. 6. Rice Street Bridge2,000,000

For a grant to Ramsey County for the preliminary planning, design, and engineering of the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County.

APPROPRIATIONSSec. 16. **BOND SALE EXPENSES****\$167,000**

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 17. **BOND SALE SCHEDULE**

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2009, no more than \$918,620,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 18. **BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$110,282,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$30,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Subd. 3. **Trunk highway bonds.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue trunk highway bonds in an amount up to \$33,420,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

Sec. 19. **BOND SALE AUTHORIZATION REDUCTIONS.**

The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by \$2,000,000.

The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by \$3,282,000.

Sec. 20. Minnesota Statutes 2006, section 16A.695, subdivision 2, is amended to read:

Subd. 2. **Leases and management contracts.** (a) A public officer or agency that is authorized by law to lease or enter into a management contract with respect to state bond financed property shall comply with this subdivision.

(b) The lease or management contract may be entered into for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the contracting public officer or agency, in accordance with orders of the commissioner intended to ensure the legality and tax-exempt status of bonds issued to finance the property, and with the approval of the commissioner. A lease or management contract, including any renewals that are solely at the option of the lessee, must be for a term substantially less than the useful life of the property, but may allow renewal beyond that term ~~upon a determination by the lessee provided that the lessee demonstrates to~~ the lessor that the use continues to carry out the governmental program. In the event that the lessor and lessee do not renew the lease or management contract and if the lessee has contributed to the land and the capital improvements on the state bond financed property, the lessor may agree to reimburse the lessee for its investment in the land and capital improvements by purchasing the lessee's interest in the property or otherwise, which amount may be paid, at the option of the lessor and lessee, at the time of nonrenewal without a requirement of a prior escrow for funds or at such later date and additional terms as are agreed to by the lessor and the lessee. A lease or management contract must be terminable by the contracting public officer or agency if the other contracting party defaults under the contract or if the governmental program is terminated or changed, and must provide for program oversight by the contracting public officer or agency. Money received by the public officer or agency under the lease or management contract that is not needed to pay and not authorized to be used to pay operating costs of the property, or to pay the principal, interest, redemption premiums, and other expenses when due on debt related to the property other than state bonds, must be:

(1) paid to the commissioner in the same proportion as the state bond financing is to the total public debt financing for the property, excluding debt issued by a unit of government for which it has no financial liability;

(2) deposited in the state bond fund; and

(3) used to pay or redeem or defease bonds issued to finance the property in accordance with the commissioner's order authorizing their issuance.

The money paid to the commissioner is appropriated for this purpose.

(c) With the approval of the commissioner, a lease or management contract between a city and a nonprofit corporation under section 471.191, subdivision 1, need not require the lessee to pay rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to state bonds issued to acquire and better the facilities.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to lease or management agreements entered into on or after that date.

Sec. 21. Minnesota Statutes 2006, section 16A.695, subdivision 3, is amended to read:

Subd. 3. **Sale of property.** A public officer or agency shall not sell any state bond financed property unless the public officer or agency determines by official action that the property is no longer usable or needed by the public officer or agency to carry out the governmental program for which it was acquired or constructed, the sale is made as authorized by law, the sale is made for fair market value, and the sale is approved by the commissioner. If any state bonds issued to purchase or better the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of sale must be applied as follows:

(1) if the state bond financed property was acquired and bettered solely with state bond proceeds, the net proceeds of sale must be paid to the commissioner, deposited in the state bond fund, and used to pay or redeem or defease the outstanding state bonds in accordance with the commissioner's order authorizing their issuance, and the proceeds are appropriated for this purpose; or

(2) if the state bond financed property was acquired or bettered partly with state bond proceeds and partly with other money, the net proceeds of sale must be used: first, to pay to the state the amount of state bond proceeds used to acquire or better the property; second, to pay in full any outstanding public or private debt incurred to acquire or better the property; ~~and third, to pay interested public and private entities, other than any private lender already paid in full, the amount of money contributed to the acquisition or betterment of the property; and fourth,~~ any excess over the amount needed for those purposes must be divided in proportion to the shares contributed to the acquisition or betterment of the property and paid to the interested public and private entities, other than any private lender already paid in full, and the proceeds are appropriated for this purpose. In calculating the share contributed by each entity, the amount to be attributed to the owner of the property shall be the fair market value of the property that was bettered by state bond proceeds at the time the betterment began.

When all of the net proceeds of sale have been applied as provided in this subdivision, this section no longer applies to the property.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to lease or management agreements entered into on or after that date.

Sec. 22. Minnesota Statutes 2006, section 16A.695, is amended by adding a subdivision to read:

Subd. 6. Match requirements. Recipients of grants from money appropriated from the bond proceeds fund may be required to demonstrate a commitment of funds from nonstate sources. These matching funds may be pledged payments that have been deposited into a segregated account and/or multiyear pledges that are converted into cash or cash equivalent through a loan or irrevocable letter of credit from a financial institution. The loan or irrevocable letter of credit may be secured by a lien on the state bond financed property.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to lease or management agreements entered into on or after that date.

Sec. 23. Minnesota Statutes 2006, section 16A.695, is amended by adding a subdivision to read:

Subd. 7. Leased state bond financed property. A public officer or agency may lease real property and improvements which are to be acquired or improved with state bond proceeds. The lease shall be for a term equal to or longer than the useful life of the property. The expiration of the lease upon the end of its term shall not require that the state be repaid or that the property be sold and upon such expiration the real property and improvements shall no longer be state bond financed property.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to lease or management agreements entered into on or after that date.

Sec. 24. Minnesota Statutes 2006, section 16A.86, subdivision 3, is amended to read:

Subd. 3. Evaluation. (a) The commissioner shall evaluate all requests from political subdivisions for state assistance based on the following criteria:

(1) the political subdivision has provided for local, private, and user financing for the project to the maximum extent possible;

- (2) the project helps fulfill an important state mission;
- (3) the project is of regional or statewide significance;
- (4) the project will ~~not require new or any additional state operating subsidies~~ meet or exceed sustainable building guidelines established under section 16B.325;
- (5) the project will ~~not expand the state's role in a new policy area~~ use sustainable building designs to the extent possible;
- (6) state funding for the project will not create significant inequities among local jurisdictions;
- (7) the project will not compete with other facilities in such a manner that they lose a significant number of users to the new project;
- (8) the governing bodies of those political subdivisions primarily benefiting from the project have passed resolutions in support of the project and have established priorities for all projects within their jurisdictions for which bonding appropriations are requested when submitting multiple requests; and
- (9) if a predesign that meets the requirements of section 16B.335 has been completed and is available at the time the project request is submitted to the commissioner of finance, the applicant has submitted the project predesign to the commissioner of administration.

(b) The commissioner's evaluation of each request, including whether it meets each of the criteria in paragraph (a), must be submitted to the legislature along with the governor's recommendations under section 16A.11, subdivision 1, whether or not the governor recommends that the request be funded.

Sec. 25. Minnesota Statutes 2006, section 116R.01, subdivision 6, is amended to read:

Subd. 6. **Project.** "Project" means the facilities or any property described in section 116R.02, subdivision 5 ~~or 6, as applicable.~~

Sec. 26. Minnesota Statutes 2006, section 116R.02, subdivision 1, is amended to read:

Subdivision 1. **Sale authorization.** The commissioner of finance, upon the request of the governor, may issue and sell revenue bonds as provided under sections 116R.01 to ~~116R.16~~ 116R.15 in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to \$350,000,000, except for refunding bonds. Proceeds of the bonds and investment income on the proceeds are appropriated in the amounts and for the purposes specified in subdivisions 2, and 5, ~~and 6~~ and section 116R.04.

Sec. 27. Minnesota Statutes 2006, section 116R.02, subdivision 2, is amended to read:

Subd. 2. **Loan, lease, and revenue agreements.** (a) The commissioner may loan the proceeds of the bonds, make other loans or enter into lease agreements or other revenue agreements for the ~~projects~~ project described in ~~subdivisions 5 and 6~~ subdivision 5. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amounts of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The commissioner shall seek to obtain the best available terms and security for the loans or agreements. The terms and security must be reasonably determined by the commissioner to be adequate and of the kind and degree which would be required by an investment banking or other financial institution. The facilities described in ~~subdivisions 5 and 6~~ subdivision 5 must be pledged as collateral for the loans made and bonds issued under sections 116R.01 to ~~116R.16~~ 116R.15.

(b) To reduce the risk that state general funds will be needed to pay debt service on the state guaranteed bonds, the commissioner must require that the financing arrangements include a coverage test satisfactory to the commissioner so that the sum of the value of the assets and other security pledged to the payment of bonds or the rent due under any lease of the project and taken into account by the commissioner is no less than 125 percent of the difference between the outstanding state guaranteed bonds, and any cash collateral held in a debt service reserve account and pledged to the payment of principal and interest for the state guaranteed bonds and no other bonds. Assets and other security that may be taken into account include (1) net unencumbered value of the project and any collateral or third party guaranty, including a letter of credit, pledged or otherwise furnished by a user of the project or by a benefited airline company as security for the payment of rent, (2) bond proceeds, including earnings thereon, and (3) prepayments of rent, after making such adjustments the commissioner determines to be appropriate to take into account any outstanding bonds secured by a lien on the project or rent that is prior to the lien securing the state guaranteed bonds, but excluding any cash collateral deducted from the outstanding state guaranteed bonds in applying the coverage test. The commissioner may adopt the method of valuing the assets and other security as the commissioner determines to be appropriate, including valuation of the project at its original cost less depreciation.

Sec. 28. Minnesota Statutes 2006, section 116R.02, subdivision 4, is amended to read:

Subd. 4. **Security.** (a) If so provided in the commissioner's order or any indenture authorizing the applicable series of bonds, up to \$125,000,000 principal amount of bonds for the facility described in subdivision 5, ~~up to \$50,000,000 principal amount of bonds for the facility described in subdivision 6,~~ and any bonds issued to refund these bonds may be secured by either of the following methods:

(1) upon the occurrence of any deficiency in a debt service reserve fund for a series of bonds as provided in section 116R.13, subdivision 3, the commissioner shall issue and sell deficiency bonds in a principal amount not to exceed ~~(i)~~ \$125,000,000 for facilities described in subdivision 5 ~~and (ii) \$50,000,000 for the facilities described in subdivision 6;~~ or

(2) the bonds may be directly secured by a pledge of the full faith, credit, and taxing power of the state and issued as general obligation revenue bonds of the state in accordance with the Minnesota Constitution, article XI, sections 4 to 7. In no event may the security provided by this paragraph extend in whole or part to any series of bonds other than the initial series of bonds so secured and any series of bonds issued to refund these bonds.

Deficiency bonds and bonds issued under clause (2) must be issued in accordance with and subject to sections 16A.641, 16A.66, 16A.672, and 16A.675, except for section 16A.641, subdivision 5, except as otherwise provided in Laws 1991, chapter 350, article 1, and except that the bonds may be sold at public or private sale at a price or prices determined by the commissioner as provided in section 116R.13, subdivision 3.

(b) The commissioner may request St. Louis County to pay or secure payment of principal and interest due on up to \$12,600,000 principal amount of revenue bonds for the facility described in subdivision 5 ~~and principal and interest due on up to \$15,000,000 principal amount of revenue bonds for the facility described in subdivision 6.~~ At the request of the commissioner, St. Louis County shall, by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on the principal amount or amounts requested by the commissioner. The general obligation and pledge of St. Louis County are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the St. Louis County general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation or to the bonds secured by the general obligation.

(c) The commissioner may request the city of Duluth to pay or secure payment of principal and interest due on up to \$47,600,000 principal amount of revenue bonds for the facility described in subdivision 5. At the request of the commissioner, the city of Duluth shall pledge specified revenues of the city, as provided in Laws 1991, chapter 350, article 1, section 24, to pay principal and interest due on the principal amount requested by the commissioner.

(d) Bonds and deficiency bonds issued under sections 116R.01 to ~~116R.16~~ 116R.15 and any indenture entered into in connection with the issuance of the bonds are not subject to section 16B.06.

Sec. 29. Minnesota Statutes 2006, section 116R.02, subdivision 5, is amended to read:

Subd. 5. **Use of proceeds; aircraft maintenance facility.** The proceeds of the bonds issued in a principal amount not to exceed \$250,000,000 may be used to finance the costs related to the planning, construction, improvement, or equipping of a heavy maintenance facility for aircraft and facilities subordinate and related to the facility to be located at the Duluth International Airport and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision. ~~The facility may be owned by the Metropolitan Airports Commission and leased for the benefit of one or more airline companies for use as a heavy maintenance base.~~ With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility or any interest in or part of the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of the facility, may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner. The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

The ownership of the facility by the owner may create no liability of the owner for payment of the debt service on the bonds if so determined by the commissioner. The owner may require as a condition of entering into the lease of the facility that the lessee or other party pay all costs, expenses, or any other obligations of ownership of the facility.

No revenues derived from the lease of the project may be used other than for a purpose related to the project, including its operation, administration, maintenance, improvement, or financing.

Sec. 30. Minnesota Statutes 2006, section 116R.03, is amended to read:

116R.03 GENERAL POWERS.

For the purpose of exercising the specific powers authorized under sections 116R.01 to ~~116R.16~~ 116R.15 and effectuating the other purposes of sections 116R.01 to ~~116R.16~~, 116R.15, the commissioner may:

(1) acquire, hold, pledge, assign, lease, or dispose of real or personal property or any interest in property, including a mortgage or security interest in a facility described in section 116R.02, subdivision 5 ~~or 6~~;

(2) enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 116R.01 to ~~116R.16~~ 116R.15;

(3) acquire real property, or an interest therein, by purchase or foreclosure, where the acquisition is necessary or appropriate;

(4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any facility financed in whole or in part by the proceeds of bonds or loans;

(5) enter into agreements with other appropriate federal, state, or local governmental units; ~~and~~

(6) contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 116R.01 to ~~116R.16~~ 116R.15 and to carry out the objectives of sections 116R.01 to ~~116R.16~~ 116R.15 and may pay for the services from bond proceeds or otherwise available department money; ~~and~~

(7) in the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of the facility, may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner. The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

Sec. 31. Minnesota Statutes 2006, section 116R.05, subdivision 2, is amended to read:

Subd. 2. **Sources of payment.** Except as otherwise provided for bonds issued under section 116R.02, subdivision 4, paragraph (a), the bonds and interest payable thereon are payable solely from the following sources and are irrevocably appropriated for that purpose, but only to the extent provided in the order or indenture authorizing or securing the bonds:

(1) revenues of any nature derived from the ownership, lease, operation, sale, foreclosure, or refinancing of a project described in section 116R.02, subdivision 5 ~~or 6~~;

(2) repayments of any loans made under sections 116R.01 to ~~116R.16~~ 116R.15;

(3) proceeds of any bonds or deficiency bonds;

(4) amounts in any account or accounts authorized by section 116R.11 or 116R.12;

(5) amounts paid by St. Louis County under its obligations referred to in section 116R.02, subdivision 4, and amounts paid under Laws 1991, chapter 350, article 1, section 24 or 25, for the payment of bonds or interest thereon;

(6) amounts payable under any insurance policy, guaranty, letter of credit, or other instrument securing the bonds;

(7) any other revenues which the commissioner may pledge but excluding state appropriations unless the appropriation was specifically designated for that purpose; and

(8) investment income on any of the sources specified in clauses (1) to (7).

Sec. 32. Minnesota Statutes 2006, section 116R.11, subdivision 1, is amended to read:

Subdivision 1. **Funds.** The commissioner or any trustee appointed by the commissioner under sections 116R.01 to ~~116R.16~~ 116R.15 shall establish and maintain an aircraft facilities fund for ~~each of the projects~~ the project described in section 116R.02, ~~subdivisions 5 and 6~~ subdivision 5. Except for amounts required by the commissioner to be deposited in a debt service account, proceeds of each issue of bonds authorized under section 116R.02, subdivision 1, must be deposited in a separate account, debt service reserve, or other account designated by the commissioner. Money in the account is appropriated to the commissioner. The commissioner or the owner of ~~each~~ the project described in section 116R.02, ~~subdivisions 5 and 6~~ subdivision 5, may withdraw proceeds of bonds for application to the appropriated purposes in the manner provided by order of the commissioner or in any indenture authorized by order of the commissioner. The commissioner may establish whatever accounts might be necessary to

carry out sections 116R.01 to ~~116R.16~~ 116R.15. All deposits into and disbursements from accounts for the purposes and from the sources of revenue authorized by sections 116R.01 to ~~116R.16~~ 116R.15 and provided in an order of the commissioner or an indenture or other agreement authorized by the commissioner are appropriated for that purpose.

Sec. 33. Minnesota Statutes 2006, section 116R.12, is amended by adding a subdivision to read:

Subd. 4. **Approval.** The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

Sec. 34. Minnesota Statutes 2006, section 272.01, subdivision 2, is amended to read:

Subd. 2. **Exempt property used by private entity for profit.** (a) When any real or personal property which is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to:

(1) property leased or used as a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 469, municipal auditorium, municipal parking facility, municipal museum, or municipal stadium;

(2) property of an airport owned by a city, town, county, or group thereof which is:

(i) leased to or used by any person or entity including a fixed base operator; and

(ii) used as a hangar for the storage or repair of aircraft or to provide aviation goods, services, or facilities to the airport or general public;

the exception from taxation provided in this clause does not apply to:

(i) property located at an airport owned or operated by the Metropolitan Airports Commission or by a city of over 50,000 population according to the most recent federal census or such a city's airport authority; or

(ii) hangars leased by a private individual, association, or corporation in connection with a business conducted for profit other than an aviation-related business; ~~or~~

~~(iii) facilities leased by a private individual, association, or corporation in connection with a business for profit, that consists of a major jet engine repair facility financed, in whole or part, with the proceeds of state bonds and located in a tax increment financing district;~~

(3) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport;

(4) property constituting or used as a passenger check-in area or ticket sale counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the Metropolitan Airports Commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes is not exempt;

(5) property leased, loaned, or otherwise made available to a private individual, corporation, or association under a cooperative farming agreement made pursuant to section 97A.135; or

(6) property leased, loaned, or otherwise made available to a private individual, corporation, or association under section 272.68, subdivision 4.

(c) Taxes imposed by this subdivision are payable as in the case of personal property taxes and shall be assessed to the lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county, and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 35. Minnesota Statutes 2006, section 290.06, subdivision 24, is amended to read:

Subd. 24. **Credit for job creation.** (a) A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, ~~or an engine repair facility described in section 116R.02, subdivision 6, or both,~~ may take a credit against the tax due under this chapter.

(b) For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year.

(c) For the first taxable year in which the credit is allowed for the facility, the credit must not exceed 80 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For the succeeding four taxable years, the credit must not exceed 20 percent of the wages paid to or incurred for persons employed by the taxpayer at the facility during the taxable year. For purposes of this section, "wages" has the meaning given under section 3121(b) of the Internal Revenue Code, except the limitation to the contribution and benefit base does not apply.

(d) If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the 20 taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than 20 years after the taxable year in which the credit was earned.

(e) If an unused portion of the credit remains at the end of the carryover period under paragraph (d), the commissioner shall refund the unused portion to the taxpayer. The provisions of this paragraph do not apply if the corporation that earned the credit under this subdivision or a successor in interest to the corporation filed for bankruptcy protection.

Sec. 36. Minnesota Statutes 2006, section 297A.71, subdivision 10, is amended to read:

Subd. 10. **Aircraft heavy maintenance facility.** Materials, equipment, and supplies used or consumed in constructing a heavy maintenance facility for aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, ~~or an aircraft engine repair facility described in section~~

~~116R.02, subdivision 6, are is~~ exempt. Except for equipment owned or leased by a contractor, all machinery, equipment, and tools necessary to the construction and equipping of that facility in order to provide those services are also exempt.

Sec. 37. Minnesota Statutes 2006, section 360.013, subdivision 39, is amended to read:

Subd. 39. **Airport.** "Airport" means any area of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, ~~including facilities described in section 116R.02, subdivision 6,~~ and all appurtenant rights-of-way, whether heretofore or hereafter established. The operation and maintenance of airports is an essential public service.

Sec. 38. Minnesota Statutes 2006, section 360.032, subdivision 1, is amended to read:

Subdivision 1. **Acquisition.** Every municipality is hereby authorized, through its governing body, to acquire property, real or personal, for the purpose of establishing, constructing, and enlarging airports and other air navigation facilities and to acquire, establish, construct, enlarge, improve, maintain, equip, operate, and regulate such airports and other air navigation facilities and structures and other property incidental to their operation, either within or without the territorial limits of such municipality and within or without this state; to make, prior to any such acquisition, investigations, surveys, and plans; to construct, install, and maintain airport facilities for the servicing ~~and repair of aircraft and facilities authorized under section 116R.02, subdivision 6,~~ and for the comfort and accommodation of air travelers; and to purchase and sell equipment and supplies as an incident to the operation of its airport properties. It may not acquire, or take over any airport or other air navigation facility owned or controlled by any other municipality of the state without the consent of such municipality. It may use for airport purposes any available property that is now or may at any time hereafter be owned or controlled by it. Such air navigation facilities as are established on airports shall be supplementary to and coordinated in design and operation with those established and operated by the federal and state governments. It may assist other municipalities in the construction of approach roads leading to any airport or restricted landing area owned or controlled by it. ~~In financing the facilities authorized under section 116R.02, subdivision 6, it may borrow from the state or otherwise arrange for financing of the facilities and for that purpose may exercise any powers vested in a municipality under sections 469.152 to 469.165.~~

Sec. 39. Minnesota Statutes 2006, section 360.038, subdivision 4, is amended to read:

Subd. 4. **Leased property.** To lease for a term not exceeding 30 years such airports; ~~or other air navigation facilities or facilities authorized under section 116R.02, subdivision 6,~~ or real property acquired or set apart for airport purposes, to private parties, any municipal or state government or the national government, or any department of either thereof, for operation; to lease or assign for a term not exceeding 99 years to private parties, any municipal or state government, or the national government, or any department of either thereof, for operation or use consistent with the purposes of sections 360.011 to 360.076, space, area, improvements, or equipment on such airports; notwithstanding any other provisions in this subdivision, to lease ground area for a term not exceeding 99 years to private persons for the construction of structures which in its opinion are essential and necessary to serve aircraft, persons, and things engaged in or incidental to aeronautics, including but not limited to shops, hangars, offices, restaurants, hotels, motels, factories, storage space, and any and all other structures necessary or essential to and consistent with the purposes of sections 360.011 to 360.076, to sell any part of such airports, other air navigation facilities, or real property to any municipal or state government, or to the United States or any department or instrumentality thereof, for aeronautical purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities; provided that in each case in so doing the public is not deprived of its rightful, equal, and uniform use thereof.

Sec. 40. Laws 2005, chapter 20, article 1, section 7, subdivision 21, is amended to read:

Subd. 21. State Park and Recreation Area Acquisition

2,500,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

\$500,000 is to purchase land within the boundaries of Greenleaf Lake state park in Meeker county. The commissioner of natural resources, in consultation with the local elected officials and citizens of Meeker County, shall develop a plan for Greenleaf Lake State Park. The commissioner shall submit the plan to the legislative committees with jurisdiction over state parks and capital investment by February 1, 2008.

Sec. 41. Laws 2005, chapter 20, article 1, section 20, subdivision 3, is amended to read:

Subd. 3. Systemwide Redevelopment, Reuse, or Demolition

17,600,000

To demolish or improve surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses statewide.

(a) Up to \$8,600,000 may be used to predesign, design, construct, furnish, and equip renovation of existing space or construction of new space for skilled nursing home capacity for forensic treatment programs operated by state-operated services on the campus of St. Peter Regional Treatment Center.

(b) \$4,000,000 may be used to prepare and develop a site, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah-Gwah-Ching Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision. Notwithstanding Minnesota Statutes, section 16A.642, this appropriation and its corresponding bond authorization do not cancel until June 30, 2010.

(c) \$1,000,000 may be used to renovate one or more buildings for chemical dependency treatment specializing in methamphetamine addiction, and demolish buildings, on the Willmar Regional Treatment Center campus. If the property is sold or transferred to a local unit of government, the unspent portion of this appropriation may be granted to the local unit of government that acquires the campus for the purposes stated in this subdivision.

(d) Up to \$2,210,000 may be spent by the commissioner of finance to retire municipal bonds issued by the city of Fergus Falls and to retire interfund loans incurred by the city of Fergus Falls in connection with the waste incinerator and steam heating facility at the Fergus Falls Regional Treatment Center.

(e) Up to \$400,000 may be used for a grant to the city of Fergus Falls to demolish the city's waste-to-energy incineration plant located on the grounds of the Fergus Falls Regional Treatment Center.

(f) The provisions, terms, and conditions of any grant made by the director of the Office of Environmental Assistance under Minnesota Statutes, chapter 115A, to the city of Fergus Falls for the waste incinerator steam heating facility that supports the Fergus Falls Regional Treatment Center and that may come into effect as a result of the incinerator and facility being closed, are hereby waived.

Sec. 42. Laws 2005, chapter 20, article 1, section 23, subdivision 8, is amended to read:

Subd. 8. **Lewis and Clark Rural Water System, Inc.**

2,000,000

~~This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Laverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system~~ Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip ~~one or more~~ water transmission and storage facilities ~~to accommodate the connection with~~ of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

~~The grants~~ Payment to the Lewis and Clark Rural Water System, Inc., must be ~~awarded to projects~~ approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~for each \$1 of state money to be used to reimburse costs incurred on eligible projects.~~

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Sec. 43. Laws 2005, chapter 20, article 1, section 23, subdivision 16, is amended to read:

Subd. 16. **Minneapolis**

(a) Minnesota Planetarium

22,000,000

For a grant to ~~the city of Minneapolis~~ Hennepin County to complete design and to construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library.

(b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

(c) Minnesota Shubert Center

1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

EFFECTIVE DATE. This section is effective on the same date as H. F. 1973/S. F. 1812, if enacted in the 2007 legislative session.

Sec. 44. Laws 2006, chapter 258, section 4, subdivision 4, is amended to read:

Subd. 4. **MacPhail Music Center**

5,000,000

(a) For a grant to the city of Minneapolis to predesign, design, construct, furnish, and equip a new facility for the MacPhail Center for Music. The city of Minneapolis may enter into a lease or management agreement to operate the center, subject to Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that not less than \$15,000,000 has been committed to the MacPhail Center for Music from nonstate sources, and that the available money is sufficient to complete a functional facility. Money secured before the effective date of this section may count toward the required commitment of nonstate sources, provided it is used for qualified capital expenditures. Any land acquisition costs paid by MacPhail Center for Music qualify as capital expenditures.

(b) The city of Minneapolis may provide money to predesign, design, construct, furnish, and equip a center for music education, including classrooms and a recital hall in the city of Minneapolis, to provide a facility for education of students, music therapy programs for persons with disabilities, music teacher training opportunities, curriculum and program development, and to provide the programming in public and private schools and in partnership with other organizations throughout the state.

(c) The required demonstration of a commitment of funds from nonstate sources has been met by cash, prepaid qualified expenses, and private multiyear pledges that have been converted into cash through bond financing and a letter of credit secured by a mortgage lien on the state bond financed property. The \$5,000,000 construction grant shall be disbursed without requirement that the mortgage lien be released.

(d) The commissioners of education and finance shall agree to a provision in the ground lease that permits the city of Minneapolis to purchase for fair market value, as that term is defined in Minnesota Statutes, section 16A.695, subdivision 1, paragraph (d), the interest of the operating lease lessee in the state bond financed property (based on investment in land and capital improvements) in the event of nonrenewal of the operating lease at the time of nonrenewal without requirement of a prior escrow for funds by the city of Minneapolis.

EFFECTIVE DATE. This section is effective retroactively from June 2, 2006.

Sec. 45. Laws 2006, chapter 258, section 7, subdivision 11, is amended to read:

Subd. 11. **Water control structures**

1,000,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101.

Sec. 46. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

Subd. 6. **Redevelopment Account**

9,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

\$800,000 is for a grant to the city of Worthington to remediate contaminated soil and redevelop the site of the former Campbell Soup factory. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$250,000 is for a grant to the city of Winona to predesign facilities for the Shakespeare Festival as part of the riverfront redevelopment plan. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

Sec. 47. Laws 2006, chapter 258, section 21, subdivision 15, is amended to read:

Subd. 15. **Lewis and Clark Rural Water System, Inc.**

3,282,000

~~This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip one or more water transmission and storage facilities to accommodate the connection with of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.~~

~~The grants Payment to the Lewis and Clark Rural Water System, Inc., must be awarded to projects approved by the Lewis and Clark Joint Powers Board.~~

~~This appropriation is available to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. to reimburse the system for costs incurred on eligible projects.~~

Sec. 48. **REPORT ON EAST PHILLIPS CULTURAL AND COMMUNITY CENTER.**

~~The Metropolitan Council shall report by January 1, 2008, to the legislative committees with jurisdiction over capital investment on the terms of the grant agreement and progress on design and construction of the East Phillips Cultural and Community Center by the Minneapolis Park and Recreation Board with the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.~~

Sec. 49. **PUBLIC FACILITIES AUTHORITY FUNDING.**

~~To the greatest practical extent, projects on the Public Facilities Authority's 2007 intended use plan, the listings for which were based on the Pollution Control Agency's 2006 project priority list, shall be carried over to the 2008 intended use plan. Projects that qualified for funding from the Public Facilities Authority under Laws 2006, chapter 258, section 21, that could not be certified by the Pollution Control Agency by the applicable deadline shall have until May 1, 2008, or six months after the Minnesota Supreme Court issues an opinion in the cities of Maple Lake and Annandale matter, whichever is later, to obtain the required certification from the Pollution Control Agency.~~

Sec. 50. **REVISOR'S INSTRUCTION.**

~~The revisor of statutes shall change "116R.01 to 116R.16" to "116R.01 to 116R.15" wherever it appears in Minnesota Statutes.~~

Sec. 51. **REPEALER.**

~~Minnesota Statutes 2006, sections 116R.02, subdivisions 3, 6, 7, and 9; and 116R.16, are repealed.~~

Sec. 52. **EFFECTIVE DATE.**

~~Except as otherwise provided, this act is effective the day following final enactment."~~

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.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 931, A bill for an act relating to mortgages; prohibiting certain predatory lending practices; prescribing criminal penalties; providing remedies; amending Minnesota Statutes 2006, sections 58.13, subdivision 1; 58.137, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 58; 82B.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 27. **Investment grade.** When used in reference to residential mortgage loans, "investment grade" refers to a system of categorizing residential mortgage loans in which the pricing or terms are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure.

Sec. 2. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 28. **Prime loan.** "Prime loan" means a residential mortgage loan that is of the highest investment grade and which is commonly designated by an alphabetical character of "A."

Sec. 3. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 29. **Subprime loan.** "Subprime loan" means a residential mortgage loan that is of less than the highest investment grade, and which is commonly designated by an alphabetical character of "A-" to "D."

Page 4, delete section 2 and insert:

"Sec. 5. Minnesota Statutes 2006, section 58.137, subdivision 2, is amended to read:

Subd. 2. **Prepayment penalties.** (a) A residential mortgage originator making a residential mortgage loan that is a prime loan to a borrower located in this state shall not charge, receive, or collect any prepayment penalty, fee, premium, or other charge:

- (1) for any partial prepayment of the residential mortgage loan; or
- (2) for any prepayment of the residential mortgage loan upon the sale of any residential real property, or the sale of any stock, interest, or lease relating to cooperative ownership of residential real property, securing the loan; or
- (3) for any prepayment of the residential mortgage loan if the prepayment is made more than 42 months after the date of the note or other agreement for the residential mortgage loan; or
- (4) for any prepayment of the residential mortgage loan if the aggregate amount of all prepayment penalties, fees, premiums, and other charges exceeds the lesser of (i) an amount equal to two percent of the unpaid principal balance of the residential mortgage loan at the time of prepayment, or (ii) an amount equal to 60 days' interest, at the interest rate in effect on the residential mortgage loan at the time of prepayment, on the unpaid principal balance of the residential mortgage loan at the time of prepayment.

(b) If a residential mortgage originator offers or makes residential mortgage loans to any borrowers located in this state with prepayment penalties, fees, premiums, or other charges exceeding the maximum amount under paragraph (a), clause (4), then the residential mortgage originator shall provide the following disclosure to each prospective borrower located in this state that requests a residential mortgage loan from the residential mortgage originator, whether or not the prospective borrower receives a residential mortgage loan:

THIS IS VERY IMPORTANT

THIS LENDER CHARGES YOU A SUBSTANTIAL PENALTY IF YOU PAY OFF OR REFINANCE YOUR LOAN BEFORE MATURITY. ASK THE LENDER HOW MUCH THE PENALTY WILL BE FOR YOUR LOAN.

The residential mortgage originator shall read the disclosure to the prospective borrower when the prospective borrower requests a residential mortgage loan, and again within three days before the borrower signs the note or other agreement for the residential mortgage loan. The residential mortgage originator also shall provide the disclosure to the prospective borrower in writing so that it is received by the prospective borrower within five days after the residential mortgage originator receives the prospective borrower's request for a residential mortgage loan, and again within three days before the prospective borrower signs the note or other agreement for the residential mortgage loan. The written disclosure must be stated in at least 16-point capitalized boldface type on a single sheet of paper that contains only the disclosure, the date on which the disclosure form is sent or provided, the name, address, and telephone number of the residential mortgage originator, the name and address of the prospective borrower, and, at the option of the residential mortgage originator, the prospective borrower's dated and signed acknowledgment of receipt of the disclosure form. The provisions of the disclosure form, other than the disclosure in this subdivision, are not required to be in at least 16-point capitalized boldface type. The prospective borrower shall be permitted to keep a copy of each written disclosure form. When a prospective borrower asks a residential mortgage originator for information about a prepayment penalty, the residential mortgage originator shall give the prospective borrower the requested information, and shall tell the borrower the highest aggregate amount of the prepayment penalties, fees, premiums, and other charges that the residential mortgage originator would charge to the prospective borrower for prepayment of the residential mortgage loan one year after it is funded, based on a hypothetical unpaid principal balance of \$100,000 and also based on the highest interest rate that the residential mortgage originator would charge to the prospective borrower. A mortgage originator responding to requests for residential mortgage loans via the Internet may make the disclosure in a manner acceptable to the commissioner.

(c) A residential mortgage originator shall not enter into a subprime loan that contains a provision requiring or permitting the imposition of a penalty, fee, premium, or other charge in the event the residential mortgage loan is prepaid in whole or in part. This prohibition does not apply to any loan with a principal amount that, or, in the case of an open-end credit plan, in which the borrower's initial maximum credit limit, exceeds the conforming loan size limit for a single-family dwelling as established from time to time by Fannie Mae."

Page 7, line 14, delete everything after "of" and insert "section 82B.20 or 82B.22"

Page 7, line 15, delete "58.16"

Correct the title numbers accordingly

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

The report was adopted.

Thissen from the Committee on Health and Human Services to which was referred:

H. F. No. 966, A bill for an act relating to labor; allowing the commissioner of labor and industry to issue orders of compliance relating to overtime for nurses; amending Minnesota Statutes 2006, sections 177.27, subdivision 4; 181.275, subdivision 1, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 6, after "Minnesota" insert ". except for nurses employed at a facility operated by the Department of Corrections"

Page 2, line 16, after the period, insert "This subdivision does not apply to nurses employed at a facility operated by the Department of Corrections."

With the recommendation that when so amended the bill pass.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1004, A bill for an act relating to mortgages; prohibiting predatory lending practices; amending Minnesota Statutes 2006, sections 58.13, subdivision 1; 58.137, subdivision 1; 58.15; 58.16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 27. **Investment grade.** When used in reference to residential mortgage loans, "investment grade" refers to a system of categorizing residential mortgage loans in which the pricing or terms are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure.

Sec. 2. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 28. **Prime loan.** "Prime loan" means a residential mortgage loan that is of the highest investment grade and which is commonly designated by an alphabetical character of "A."

Sec. 3. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 29. **Subprime loan.** "Subprime loan" means a residential mortgage loan that is of less than the highest investment grade, and which is commonly designated by an alphabetical character of "A-" to "D."

Sec. 4. Minnesota Statutes 2006, section 58.02, is amended by adding a subdivision to read:

Subd. 30. **Fully indexed rate.** "Fully indexed rate" equals the index rate prevailing at the time a residential mortgage loan is originated, plus the margin that will apply after the expiration of an introductory interest rate.

Sec. 5. Minnesota Statutes 2006, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall:

- (1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;
- (2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;
- (3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, clause (d);
- (4) fail to disburse funds according to its contractual or statutory obligations;
- (5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;
- (6) charge a fee for a product or service where the product or service is not actually provided, or misrepresent the amount charged by or paid to a third party for a product or service;
- (7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property law;
- (8) violate any provision of any other applicable state or federal law regulating residential mortgage loans including, without limitation, sections 47.20 to 47.208;
- (9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading statement or representation in connection with a residential loan transaction including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any mortgage product;
- (10) conduct residential mortgage loan business under any name other than that under which the license or certificate of exemption was issued;
- (11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for the purpose of influencing the independent judgment of the appraiser with respect to the value of real estate that is to be covered by a residential mortgage or is being offered as security according to an application for a residential mortgage loan;
- (12) issue any document indicating conditional qualification or conditional approval for a residential mortgage loan, unless the document also clearly indicates that final qualification or approval is not guaranteed, and may be subject to additional review;
- (13) make or assist in making any residential mortgage loan with the intent that the loan will not be repaid and that the residential mortgage originator will obtain title to the property through foreclosure;
- (14) provide or offer to provide for a borrower, any brokering or lending services under an arrangement with a person other than a licensee or exempt person, provided that a person may rely upon a written representation by the residential mortgage originator that it is in compliance with the licensing requirements of this chapter;

(15) claim to represent a licensee or exempt person, unless the person is an employee of the licensee or exempt person or unless the person has entered into a written agency agreement with the licensee or exempt person;

(16) fail to comply with the record keeping and notification requirements identified in section 58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan;

~~For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are: (i) commonly referred to as "prime" or "subprime"; (ii) commonly designated by an alphabetical character with "A" being the highest investment grade; and (iii) are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan to value ratio, and prior bankruptcy or foreclosure;~~

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case; ~~or~~

(22) violate section 82.49, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the principal and interest on the loan, and pay real estate taxes, homeowner's insurance, and private mortgage insurance if it is required in connection with the loan. For loans in which the interest rate may vary, the reasonable ability to pay must be calculated based on a rate that is fully indexed according to the terms of the loan and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay;

(24) engage in "churning." As used in this section, "churning" means to make, provide, or arrange for a residential mortgage loan to a borrower that refinances an existing residential mortgage loan when the new loan does not have a reasonable, tangible net benefit to the borrower considering all of the circumstances, including the terms of both the new and refinanced loans, the cost of the new loan, the effect of the loan on current and future equity in the home, and the borrower's other financial circumstances.

A court must presume that churning has occurred if: (i) the refinanced loan was originated within 24 months preceding the date the new loan was originated; (ii) the interest rate on the new loan exceeds the interest rate of the refinanced loan; (iii) the new loan is a subprime loan; and (iv) the refinanced loan is not in foreclosure or in imminent risk of being in foreclosure. For purposes of determining whether the interest rate of the new loan exceeds the interest rate of the refinanced loan under the provision: (A) in the case of a new loan or a refinanced loan in which the interest rate may vary, the interest rate is determined based on a rate that is fully indexed according to the terms of the loan and a repayment schedule which achieves full amortization over the life of the loan; and (B) in the case of multiple new loans or multiple refinanced loans, the interest rate is determined by combining the loan balances and required payments. In order to rebut this presumption of churning, the residential mortgage originator or exempt person making the loan must demonstrate by clear and convincing evidence that the borrower received a substantial and definite benefit from the new loan;

(25) the first time a residential mortgage originator orally informs a borrower of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan which does not include an amount for payment of property taxes and hazard insurance, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic payments for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that the borrower's existing loan that is anticipated to be refinanced does not have an escrow account; or

(26) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance with any repayment option offered pursuant to the terms of the loan will result in negative amortization during any six-month period.

(b) Paragraph (a), clauses (22) through (25), do not apply to a state or federally chartered bank, savings bank, or credit union, or to a person making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government. This paragraph supersedes any inconsistent provision of this chapter.

Sec. 6. Minnesota Statutes 2006, section 58.137, subdivision 1, is amended to read:

Subdivision 1. **Financed interest, points, finance charges, fees, and other charges.** A residential mortgage originator making or modifying a residential mortgage loan to a borrower located in this state must not include in the principal amount of any residential mortgage loan all or any portion of any lender fee in an aggregate amount exceeding five percent of the loan amount. This subdivision shall not apply to residential mortgage loans which are insured or guaranteed by the secretary of housing and urban development or the administrator of veterans affairs or the administrator of the Farmers Home Administration or any successor.

"Lender fee" means interest, points, finance charges, fees, and other charges payable in connection with the residential mortgage loan: (1) by the borrower to any residential mortgage originator or to any assignee of any residential mortgage originator; (2) by the borrower to any third party that is not a residential mortgage originator or an assignee of a residential mortgage originator for appraisal, title insurance, or closing services, except for the cost

of title insurance for which the borrower is the insured; or (3) by the lender to a mortgage broker. Lender fee does not include: (1) recording fees, mortgage registration taxes, passthroughs, or other amounts that are paid by any person to any government entity; or filing office; or other third party that is not a residential mortgage originator or an assignee of a residential mortgage originator. Lender fee also does not include (2) any amount that is set aside to pay taxes or insurance on any property securing the residential mortgage loan.

"Loan amount" means: (1) for a line of credit, the maximum principal amount of the line of credit; and (2) for any other residential mortgage loan, the principal amount of the residential mortgage loan excluding all interest, points, finance charges, fees, and other charges. A residential mortgage originator shall not charge, receive, or collect any excess financed interest, points, finance charges, fees, or other charges described in this subdivision, or any interest, points, finance charges, fees, or other charges with respect to this excess.

Sec. 7. Minnesota Statutes 2006, section 58.15, is amended to read:

58.15 DISCLOSURE REQUIREMENTS FOR CERTAIN RESIDENTIAL MORTGAGE ORIGINATORS.

Subdivision 1. **Nonagency disclosure.** If a residential mortgage originator or exempt person other than a mortgage broker does not contract or offer to contract to act as an agent of a borrower, or accept an advance fee, it must, within three business days of accepting an application for a residential mortgage loan, provide the borrower with a written disclosure as provided in subdivision 2.

Subd. 2. **Form and content requirements.** The disclosure must be a separate document, 8-1/2 inches by 11 inches, must be signed by the borrower and must contain the following statement in 14-point boldface print:

Originator IS NOT ACTING AS YOUR AGENT IN CONNECTION WITH OBTAINING A RESIDENTIAL MORTGAGE LOAN. WHILE WE SEEK TO ASSIST YOU IN MEETING YOUR FINANCIAL NEEDS, WE CANNOT GUARANTEE THE LOWEST OR BEST TERMS AVAILABLE IN THE MARKET.

Subd. 3. **Electronic application disclosure requirement.** In case of an electronic residential mortgage application, the disclosure requirements of this section may be satisfied by providing the disclosure statement as a separate screen if the disclosure must be acknowledged by the borrower before an application is accepted.

Subd. 4. **Exemption from disclosure requirement.** If the Department of Housing and Urban Development adopts and implements a disclosure requirement ~~for persons offering mortgage origination services~~ that the commissioner determines to be substantially similar to the disclosure required in subdivision 2, ~~licensees and exempt persons complying~~ compliance with the HUD disclosure shall be considered sufficient to have complied with ~~satisfy~~ the requirements of ~~subdivisions 1 and~~ subdivision 2.

Sec. 8. Minnesota Statutes 2006, section 58.16, subdivision 1, is amended to read:

Subdivision 1. **Compliance.** Residential mortgage originators who solicit or receive an advance fee in exchange for assisting a borrower located in this state in obtaining a loan secured by a lien on residential real estate, or who offer to act as an agent of the borrower located in this state in obtaining a loan secured by a lien on residential real estate shall be considered to have created a fiduciary relationship with the borrower and shall comply with the requirements of subdivisions 2 to 7 in addition to any duties imposed upon fiduciaries by statute or common law.

Sec. 9. Minnesota Statutes 2006, section 58.16, is amended by adding a subdivision to read:

Subd. 1a. **Mortgage broker fiduciary duties.** A mortgage broker shall be considered to have created a fiduciary relationship with the borrower in all cases and shall comply with the duties imposed upon fiduciaries by statute or common law."

Correct the title numbers accordingly

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1053, A bill for an act relating to crimes; making it a felony to commit theft of a computer that has identity information in its memory about the owner or any other person; amending Minnesota Statutes 2006, section 609.52, subdivision 3.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1141, A bill for an act relating to local government; Hennepin and Wright Counties; authorizing the Hennepin County Board and the Wright County Board to initiate a process for the change of county boundaries by resolution.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1205, A bill for an act relating to manufactured homes; requiring relocation compensation for displaced residents; amending Minnesota Statutes 2006, section 327C.095, subdivision 4.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1376, A bill for an act relating to transportation; amending requirements for expedited extinguishment of interest in a town road; nullifying such extinguishments under certain circumstances; amending Minnesota Statutes 2006, section 164.06, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 164.06, subdivision 2, is amended to read:

Subd. 2. **Extinguishing interest in abandoned road.** (a) After providing notice ~~under section 366.01, subdivision 8 as required in paragraph (c),~~ the town board may by resolution disclaim and extinguish a town interest in a town road without action under subdivision 1 if:

- (1) the extinguishment is found by the town board to be in the public interest;
 - (2) the interest is not a fee interest;
 - (3) the interest was established more than 25 years earlier;
 - (4) the interest is not recorded or filed with the county recorder;
 - (5) no road improvement has been constructed on a right-of-way affected by the interest within the last 25 years; and
 - (6) no road maintenance on a right-of-way affected by the interest has occurred within the last 25 years.
- (b) The resolution shall be filed with the county auditor and recorded with the county recorder.

(c) Before the meeting on any resolution to disclaim and extinguish a town interest in a town road under this subdivision, the town board shall provide notice to affected landowners in the same manner as a petitioner under section 164.07, subdivision 2. A notice must also be posted as provided under section 366.01, subdivision 8.

Sec. 2. **NULLIFICATION OF EXPEDITED TOWN ROAD EXTINGUISHMENT.**

(a) Any extinguishment of town interest in a town road under Minnesota Statutes, section 164.06, subdivision 2, is hereby nullified if:

- (1) the interest is not recorded or filed with the county recorder but is recorded or filed with the county auditor;
- (2) the state or a political subdivision has constructed a road or bridge improvement on a right-of-way affected by the interest;
- (3) the affected road was the only means of access to a property; and
- (4) the extinguishment took place within the last ten years.

(b) Notwithstanding Minnesota Statutes, section 164.08, subdivision 1, for any nullification under paragraph (a), the affected road is hereby deemed to be a cartway. The provisions of Minnesota Statutes, section 164.08, subdivision 2, apply except that "petitioner" means the property owner for whom the only means of access to a property is by way of the affected road, and that the petitioner must not be required to pay damages for the land upon which the cartway is established, the cost of professional and other services, hearing costs, administrative costs, recording costs, or other costs and expenses.

(c) For purposes of this section, "affected road" means the road that the town board extinguished town interest in.

Sec. 3. **EFFECTIVE DATE.**

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1432, A bill for an act relating to St. Louis County; modifying civil service director provisions; amending Minnesota Statutes 2006, section 383C.032.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1486, A bill for an act relating to local government; authorizing certain charitable organizations to participate in joint powers agreements; amending Minnesota Statutes 2006, section 471.59, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 16C.03, subdivision 10, is amended to read:

Subd. 10. **Cooperative purchasing.** The commissioner is authorized to enter into a cooperative purchasing agreement for the provision of goods, services, and utilities with one or more other states or governmental units, as described in section 471.59, subdivision 1, entities defined in section 16C.23, subdivision 1, a registered combined charitable organization and its affiliated agencies as defined in section 309.501, or a charitable organization as defined in section 309.50, subdivision 4, that is also a recipient of a state grant or contract. The commissioner is authorized to enter into cooperative purchasing agreements for the purchase of goods, services, and utilities with health care facilities that are required to provide indigent care or any entity recognized by another state's statutes as authorized to use that state's commodity or service contracts.

Sec. 2. Minnesota Statutes 2006, section 16C.11, is amended to read:

16C.11 COOPERATIVE PURCHASING VENTURE; PURCHASING REVOLVING FUND.

The commissioner may enter into joint or cooperative purchasing agreements with any entity that is authorized under section ~~471.59 to do so~~ 16C.03, subdivision 10. The cooperative purchasing venture revolving fund is a separate account in the state treasury. The commissioner may charge a fee to cover the commissioner's administrative expenses to ~~governmental units~~ entities that have joint or cooperative purchasing agreements with the state under section ~~471.59~~ 16C.03, subdivision 10. The fees collected must be deposited in the revolving fund established by this section. Money in the fund is appropriated to the commissioner to administer the programs and services covered by this chapter."

Delete the title and insert:

"A bill for an act relating to state procurement; modifying cooperative purchasing provisions; amending Minnesota Statutes 2006, sections 16C.03, subdivision 10; 16C.11."

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1490, A bill for an act relating to Scott County; establishing and modifying hiring process and personnel provisions.

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

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 1542, A bill for an act relating to public safety; specifying amount of methamphetamine precursor drugs that consumers may purchase; amending Minnesota Statutes 2006, section 152.02, subdivision 6.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1629, A bill for an act relating to municipal planning and zoning; clarifying the determination of fair market value in certain dedication proceedings; amending Minnesota Statutes 2006, section 462.358, subdivision 2b.

Reported the same back with the following amendments:

Page 1, lines 20 to 24, strike the old language and delete the new language

Page 1, after line 24, insert:

"(c) The municipality may choose to accept a cash fee as set by ordinance from the applicant for some or all of the new lots created in the subdivision, based on the average fair market value of the unplatted land for which park fees have not already been paid that is, no later than at the time of final approval or under the municipality's adopted comprehensive plan, to be served by municipal sanitary sewer and water service or community septic and private well as authorized by state law. For purposes of redevelopment on developed land, the municipality may choose to accept a cash fee based on fair market value of the land no later than the time of final approval."

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1685, A bill for an act relating to Hennepin County; clarifying the authority of the county housing and redevelopment authority; amending Minnesota Statutes 2006, section 383B.77, subdivisions 1, 2.

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1704, A bill for an act relating to motor vehicles; requiring motor vehicle collision repair to include air bag repair or replacement; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, line 17, before "A person" insert "(a)"

Page 1, after line 20, insert:

"(b) A person may not knowingly install or reinstall any object in lieu of an air bag that was designed for the make, model, and year of the vehicle, as part of a vehicle inflatable restraint system."

Page 1, line 21, after "2" insert ", paragraph (a)."

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1708, A bill for an act relating to Hennepin County; modifying design-build contract provisions; amending Minnesota Statutes 2006, sections 383B.158, subdivisions 1, 3, 4; 383B.1581, subdivisions 2, 3; 383B.1584; repealing Minnesota Statutes 2006, section 383B.1586.

Reported the same back with the following amendments:

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2006, section 383B.158, subdivision 3, is amended to read:

Subd. 3. **Restriction.** (a) ~~The authority granted in sections 383B.158 to 383B.1586 shall be to evaluate the effectiveness of the design-build process for a county project. The number of design-build contracts awarded by the county board must not be more than ten percent of its total projects in any fiscal year.~~

(b) The board may not enter into a design-build contract under this section unless the county has as employees at least one of each of the following, each of whom must be licensed and registered under state law: an architect, a mechanical engineer, and a civil engineer. In addition, the county must employ a full-time project manager with at least five years of construction management experience."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 1756, A bill for an act relating to public safety; regulating salvage certificates of title and certain vehicles being dismantled or destroyed; requiring electronic notification; amending Minnesota Statutes 2006, sections 168A.151, subdivision 1; 168A.153.

Reported the same back with the recommendation that the bill pass and be re-referred to the Transportation Finance Division.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1758, A bill for an act relating to commerce; regulating access devices; establishing liability for security breaches; providing enforcement powers; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[325E.64] ACCESS DEVICES; BREACH OF SECURITY.**

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

(b) "Access device" means a card issued by a financial institution that contains a magnetic stripe, microprocessor chip, or other means for storage of information which includes, but is not limited to, a credit card, debit card, or stored value card.

(c) "Breach of the security of the system" has the meaning given in section 325E.61, subdivision 1, paragraph (d).

(d) "Card security code" means the three-digit or four-digit value printed on an access device or contained in the microprocessor chip of an access device which is used to validate access device information during the authorization process.

(e) "Financial institution" means any office of a bank, bank and trust, trust company with banking powers, savings bank, industrial loan company, savings association, credit union, or regulated lender.

(f) "Microprocessor chip data" means the data contained in the microprocessor chip of an access device.

(g) "Magnetic stripe data" means the data contained in the magnetic stripe of an access device.

(h) "PIN" means a personal identification code that identifies the cardholder.

(i) "PIN verification code data" means the data used to verify cardholder identity when a PIN is used in a transaction.

(j) "Service provider" means a person or entity that stores, processes, or transmits access device data on behalf of another person or entity.

Subd. 2. **Security or identification information; retention prohibited.** No person or entity conducting business in Minnesota that accepts an access device in connection with a transaction shall retain the card security code data, the PIN verification code data, or the full contents of any track of magnetic stripe data, subsequent to the authorization of the transaction. A person or entity is in violation of this section if its service provider retains such data subsequent to the authorization of the transaction.

Subd. 3. **Liability.** Notwithstanding any other provision of law or contract and in addition to any other liability of a person or entity, whenever there is a breach of the security of the system of a person or entity that has violated this section, or that person's or entity's service provider, that person or entity shall reimburse the financial institution that issued any access devices affected by the breach for the costs of reasonable actions undertaken by the financial institution as a result of the breach in order to protect the information of its cardholders or to continue to provide services to cardholders, including but not limited to, any cost incurred in connection with:

(1) the cancellation or reissuance of any access device affected by the breach;

(2) the closure of any deposit, transaction, share draft, or other accounts affected by the breach and any action to stop payments or block transactions with respect to the accounts;

(3) the opening or reopening of any deposit, transaction, share draft, or other accounts affected by the breach;

(4) any refund or credit made to a cardholder to cover the cost of any unauthorized transaction relating to the breach; and

(5) the notification of cardholders affected by the breach.

Subd. 4. **Remedies.** (a) Any person injured by a violation of the standards, duties, prohibitions, or requirements of this section has a private right of action and the court shall award:

(1) actual, incidental, and consequential damages; and

(2) court costs and reasonable attorney fees.

(b) A person injured by a violation of the standards, duties, prohibitions, or requirements of this section also may bring an action under section 8.31. A private right of action by a borrower under this chapter is in the public interest.

(c) The remedies provided in this section are cumulative and do not restrict any other right or remedy otherwise available to the borrower."

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1762, A bill for an act relating to statutory cities; providing mechanisms for discharge of city charter commission; amending Minnesota Statutes 2006, section 410.05, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 6, delete "(a)"

Page 1, line 7, delete "paragraph" and insert "subdivision"

Page 1, line 13, after "(2)" insert "If a proposed charter has been presented to the voters pursuant to section 410.10 at a general or special election and"

Page 1, line 15, after "(3)" insert "If a proposed charter has been presented to the voters pursuant to section 410.10 at a general or special election and"

Page 1, delete lines 21 to 24

Page 2, delete lines 1 to 12

With the recommendation that when so amended the bill pass.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1824, A bill for an act relating to amusement rides; modifying provisions regulating amusement rides; defining terms; amending Minnesota Statutes 2006, sections 184B.01, subdivision 4, by adding subdivisions; 184B.02; 184B.03; 184B.05; 184B.07; proposing coding for new law in Minnesota Statutes, chapter 184B; repealing Minnesota Statutes 2006, section 184B.06.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1872, A bill for an act relating to Hennepin County; regulating conflicts of interest for certain Hennepin Healthcare System personnel; amending Minnesota Statutes 2006, section 383B.905, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, after the period, insert "This subdivision does not apply to Hennepin County commissioners who also serve on the board of Hennepin Healthcare System, Inc."

With the recommendation that when so amended the bill pass.

The report was adopted.

Thissen from the Committee on Health and Human Services to which was referred:

H. F. No. 1990, A bill for an act relating to health; changing provisions for adverse health care events reporting; amending Minnesota Statutes 2006, section 144.7065, subdivisions 4, 5, 6.

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

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 2205, A bill for an act relating to crimes; providing for applicability of certain old sex offender provisions for crimes committed before enactment of new sex offender law; amending Minnesota Statutes 2006, section 609.3455, by adding a subdivision.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2223, A bill for an act relating to local government; authorizing home rule charter cities to provide by charter the procedures for appointment of housing and redevelopment authority commissioners; amending Minnesota Statutes 2006, section 469.003, subdivision 6.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

S. F. No. 1045, A bill for an act relating to Scott County; renaming the Scott County Housing and Redevelopment Authority.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 86, 267, 270, 611, 635, 966, 1141, 1205, 1376, 1432, 1486, 1490, 1542, 1629, 1685, 1708, 1762, 1872, 1990, 2205 and 2223 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1045 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Morrow and Brynaert introduced:

H. F. No. 2292, A bill for an act relating to public safety; creating state natural disaster assistance grant program; appropriating money; amending Minnesota Statutes 2006, section 12.221, by adding a subdivision.

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

Ozment, Anzenc and Loeffler introduced:

H. F. No. 2293, A bill for an act relating to claims against the state; providing for settlement of various claims; appropriating money.

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

Dill introduced:

H. F. No. 2294, A bill for an act relating to taxation; modifying the levy authority of the Cook-Orr Hospital District; amending Laws 1988, chapter 645, section 3, as amended.

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

Madore and Anderson, B., introduced:

H. F. No. 2295, A bill for an act relating to professions; requiring the Board of Medical Practice to bring adverse actions to district court; allowing the governor to remove a board member; specifying specific duties of a board member; amending Minnesota Statutes 2006, sections 147.01, subdivision 4, by adding subdivisions; 147.091, subdivisions 1, 2, 4; 147.092; 147.141; 147.151; proposing coding for new law in Minnesota Statutes, chapter 147.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Peppin introduced:

H. F. No. 2296, A bill for an act relating to transportation; providing disaster relief; appropriating money.

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

Kohls introduced:

H. F. No. 2297, A bill for an act relating to agriculture; allowing the expiration of a metropolitan agricultural preserve under certain conditions.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Zellers and DeLaForest introduced:

H. F. No. 2298, A bill for an act relating to courts; providing jury service postponement procedures; protecting small businesses; providing grounds for excuse from jury service; establishing maximum length of jury service; providing for contempt of court for failure to appear; making available supplemental compensation to jurors on lengthy trials; amending Minnesota Statutes 2006, sections 593.42, subdivision 4; 593.48; 593.50, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 593.

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

Demmer, Sviggum and Welti introduced:

H. F. No. 2299, A bill for an act relating to natural resources; appropriating money for design and engineering for restoration of Lake Zumbro; authorizing the sale and issuance of state bonds.

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

Kahn introduced:

H. F. No. 2300, A bill for an act relating to liquor; authorizing the commissioner of public safety to issue on-sale intoxicating liquor licenses for events within the boundaries of the University of Minnesota; amending Minnesota Statutes 2006, sections 340A.404, subdivision 4a; 340A.412, subdivision 4.

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

Fritz introduced:

H. F. No. 2301, A bill for an act relating to state government; providing eligibility for an early retirement incentive in specified circumstances; proposing coding for new law in Minnesota Statutes, chapter 43A.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Welti, Liebling and Demmer introduced:

H. F. No. 2302, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for the Great River Ridge Trail.

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

Sertich and Rukavina introduced:

H. F. No. 2303, A bill for an act relating to natural resources; providing for the establishment of the water level on Side Lake in St. Louis County.

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

Masin, Madore and Morgan introduced:

H. F. No. 2304, A bill for an act relating to child support; adding a requirement for full compliance with payment agreements; amending Minnesota Statutes 2006, sections 518A.64; 518A.65; 518A.66; 518A.67; 518A.68; 518A.72, subdivision 1.

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

Hilty introduced:

H. F. No. 2305, A bill for an act relating to appropriations; appropriating money to Department of Commerce and Public Utilities Commission to finance energy-related activities; providing for grants and fund transfers; modifying provisions relating to mortgage companies and licensees; increasing registration fee for credit services organizations; prohibiting residential mortgage fraud; providing civil penalties; amending Minnesota Statutes 2006, sections 58.04, subdivisions 1, 2; 58.05; 58.06, subdivision 2, by adding a subdivision; 58.08, subdivision 3; 58.10, subdivision 1; 80A.28, subdivision 1; 332.54, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 58; 609; repealing Minnesota Statutes 2006, section 58.08, subdivision 1.

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

Hilty introduced:

H. F. No. 2306, A bill for an act relating to energy; requiring Public Utilities Commission to initiate proceeding regarding interconnection of distributed generation facilities; amending Minnesota Statutes 2006, section 216B.1611, by adding a subdivision.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

Hilty and Dill introduced:

H. F. No. 2307, A bill for an act relating to the environment; enacting the Global Warming Preparedness Act; requiring Pollution Control Agency to adopt rules to require reporting and verification of statewide greenhouse gas emissions and monitor and enforce compliance with this program; providing for carbon dioxide pipeline rights-of-way; providing for phase-out of coal-fired power plants.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

Marquart introduced:

H. F. No. 2308, A bill for an act relating to education; appropriating money for Independent School District No. 801, Browns Valley.

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

Atkins introduced:

H. F. No. 2309, A bill for an act relating to education; authorizing a study on the benefits of cocurricular career and technical student organizations in the postsecondary institution classroom; appropriating money.

The bill was read for the first time and referred to the Committee on E-12 Education.

Davnie introduced:

H. F. No. 2310, A bill for an act relating to unemployment insurance; modifying Social Security offset provisions; amending Minnesota Statutes 2006, section 268.085, subdivision 4.

The bill was read for the first time and referred to the Higher Education and Work Force Development Policy and Finance Division.

Davnie introduced:

H. F. No. 2311, A bill for an act relating to finance; changing the computation of the tobacco tax and tobacco health impact fee on moist snuff; amending Minnesota Statutes 2006, sections 297F.01, subdivision 19, by adding a subdivision; 297F.05, subdivisions 3, 4.

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

Ward introduced:

H. F. No. 2312, A bill for an act relating to insurance; protecting certain long-term care insurance policies from extreme premium increases; amending Minnesota Statutes 2006, section 62S.265, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Bunn, Berns, Gardner, Norton, Liebling, Nelson, Scalze, Atkins, Ruud and Murphy, E., introduced:

H. F. No. 2313, A bill for an act relating to the budget reserve; modifying priorities for additional revenues in general fund forecasts; appropriating money; amending Minnesota Statutes 2006, section 16A.152, subdivision 2.

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

Erickson introduced:

H. F. No. 2314, A bill for an act relating to education; establishing a task force to review special education funding.

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

Anzelc introduced:

H. F. No. 2315, A bill for an act relating to education finance; increasing funding for isolated school districts with declining enrollment; amending Minnesota Statutes 2006, section 126C.10, subdivision 1, by adding a subdivision.

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

Koenen; Peterson, A.; Magnus; Hamilton and Finstad introduced:

H. F. No. 2316, A bill for an act relating to energy; allowing certain counties and Metropolitan Council to form a renewable energy agency with the powers of a municipal power agency; including new agency as arm of state for handling of claims; amending Minnesota Statutes 2006, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 453.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

Loeffler and Hosch introduced:

H. F. No. 2317, A bill for an act relating to human services; appropriating money for the new chance program.

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

Bigham, Smith, Hilstrom and Mullery introduced:

H. F. No. 2318, A bill for an act relating to public safety; modifying sentences for repeat sex offenders; amending Minnesota Statutes 2006, section 609.3455, subdivision 4.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1008. A bill for an act relating to public safety; changing certain background check requirements; amending Minnesota Statutes 2006, section 260C.209, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1350, 1340 and 357.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1350, A bill for an act relating to education; clarifying the requirements for petitioning a school board to hold a special election; amending Minnesota Statutes 2006, section 205A.05, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

S. F. No. 1340, A bill for an act relating to public defense; requiring a report to the legislature on public defender services in the Fourth Judicial District.

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

S. F. No. 357, A bill for an act relating to housing; regulating transactions between certain low-income and moderate-income housing developers and local units of government; proposing coding for new law in Minnesota Statutes, chapter 462A.

The bill was read for the first time and referred to the Housing Policy and Finance and Public Health Finance Division.

CONSENT CALENDAR

H. F. No. 455 was reported to the House.

Murphy, M., moved to amend H. F. No. 455, the first engrossment, as follows:

Page 3, delete section 4

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. 455, A bill for an act relating to public defense; updating and clarifying public defense provisions of law; modifying right to representation by the public defender; requiring the state public defender to supervise the statewide public defender system; authorizing appointment of a chief appellate public defender; providing for representation by the chief appellate public defender; amending Minnesota Statutes 2006, sections 270A.03, subdivision 5; 590.05; 611.14; 611.20, subdivision 6; 611.215, subdivisions 1, 1a; 611.23; 611.24; 611.25, subdivision 1; 611.26, subdivisions 2, 7; 611.27, subdivisions 3, 13, 15; 611.35; repealing Minnesota Statutes 2006, section 611.20, subdivision 5.

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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hilstrom	Lieder	Ozment	Solberg
Anderson, B.	Dittrich	Hilty	Lillie	Paymar	Sviggun
Anderson, S.	Dominguez	Holberg	Loeffler	Pelowski	Swails
Anzelc	Doty	Hoppe	Madore	Peppin	Thao
Atkins	Eastlund	Hornstein	Magnus	Peterson, A.	Thissen
Beard	Eken	Hortman	Mahoney	Peterson, N.	Tillberry
Benson	Emmer	Hosch	Mariani	Peterson, S.	Tingelstad
Berns	Erhardt	Howes	Marquart	Poppe	Tschumper
Bigham	Erickson	Huntley	Masin	Rukavina	Urdahl
Bly	Faust	Jaros	McFarlane	Ruth	Wagenius
Brod	Finstad	Johnson	McNamara	Ruud	Walker
Brown	Fritz	Juhnke	Moe	Sailer	Ward
Brynaert	Gardner	Kahn	Morgan	Scalze	Wardlow
Bunn	Garofalo	Kalin	Morrow	Seifert	Welti
Carlson	Gottwalt	Knuth	Mullery	Sertich	Westrom
Clark	Greiling	Koehn	Murphy, E.	Severson	Winkler
Cornish	Gunther	Kohls	Murphy, M.	Shimanski	Wollschlager
Davnie	Hackbarth	Kranz	Nelson	Simon	Zellers
Dean	Hamilton	Laine	Nornes	Simpson	Spk. Kelliher
DeLaForest	Hansen	Lanning	Norton	Slawik	
Demmer	Hausman	Lenczewski	Olin	Slocum	
Dettmer	Haws	Liebling	Otremba	Smith	

Those who voted in the negative were:

Buesgens

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

H. F. No. 532, A bill for an act relating to consumer protection; regulating certain contracts entered into by military service personnel; authorizing cancellations; requiring utilities to establish payment arrangements for military service personnel; proposing coding for new law in Minnesota Statutes, chapters 190; 325E; 325G.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Berns	Bunn	Demmer	Eken	Gardner
Anderson, B.	Bigham	Carlson	Dettmer	Emmer	Garofalo
Anderson, S.	Bly	Clark	Dill	Erhardt	Gottwalt
Anzelc	Brod	Cornish	Dittrich	Erickson	Greiling
Atkins	Brown	Davnie	Dominguez	Faust	Gunther
Beard	Brynaert	Dean	Doty	Finstad	Hackbarth
Benson	Buesgens	DeLaForest	Eastlund	Fritz	Hamilton

Hansen	Juhnke	Magnus	Norton	Scalze	Tillberry
Hausman	Kahn	Mahoney	Olin	Seifert	Tingelstad
Haws	Kalin	Mariani	Otremba	Sertich	Tschumper
Heidgerken	Knuth	Marquart	Ozment	Severson	Urdahl
Hilstrom	Koenen	Masin	Paymar	Shimanski	Wagenius
Hilty	Kohls	McFarlane	Pelowski	Simon	Walker
Holberg	Kranz	McNamara	Peppin	Simpson	Ward
Hoppe	Laine	Moe	Peterson, A.	Slawik	Wardlow
Hornstein	Lanning	Morgan	Peterson, N.	Slocum	Welti
Hortman	Lenczewski	Morrow	Peterson, S.	Smith	Westrom
Hosch	Liebling	Mullery	Poppe	Solberg	Winkler
Howes	Lieder	Murphy, E.	Rukavina	Sviggum	Wollschlager
Huntley	Lillie	Murphy, M.	Ruth	Swails	Zellers
Jaros	Loeffler	Nelson	Ruud	Thao	Spk. Kelliher
Johnson	Madore	Nornes	Sailer	Thissen	

The bill was passed and its title agreed to.

H. F. No. 1335 was reported to the House.

Poppe moved that H. F. No. 1335 be removed from the Consent Calendar and placed on the General Register. The motion prevailed.

H. F. No. 1441, A bill for an act relating to trust companies; limited purpose companies; making nonsubstantive term changes; amending Minnesota Statutes 2006, section 48A.03, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Greiling	Juhnke	Masin	Peterson, N.
Anderson, B.	DeLaForest	Gunther	Kahn	McFarlane	Peterson, S.
Anderson, S.	Demmer	Hackbarth	Kalin	McNamara	Poppe
Anzelc	Dettmer	Hamilton	Knuth	Moe	Rukavina
Atkins	Dill	Hansen	Koenen	Morgan	Ruth
Beard	Dittrich	Hausman	Kohls	Morrow	Ruud
Benson	Dominguez	Haws	Kranz	Mullery	Sailer
Berns	Doty	Heidgerken	Laine	Murphy, E.	Scalze
Bigham	Eastlund	Hilstrom	Lanning	Murphy, M.	Seifert
Bly	Eken	Hilty	Lenczewski	Nelson	Sertich
Brod	Emmer	Holberg	Liebling	Nornes	Severson
Brown	Erhardt	Hoppe	Lieder	Norton	Shimanski
Brynaert	Erickson	Hornstein	Lillie	Olin	Simon
Buesgens	Faust	Hortman	Loeffler	Otremba	Simpson
Bunn	Finstad	Hosch	Madore	Ozment	Slawik
Carlson	Fritz	Howes	Magnus	Paymar	Slocum
Clark	Gardner	Huntley	Mahoney	Pelowski	Smith
Cornish	Garofalo	Jaros	Mariani	Peppin	Solberg
Davnie	Gottwalt	Johnson	Marquart	Peterson, A.	Sviggum

Swails	Tillberry	Urdahl	Ward	Westrom	Zellers
Thao	Tingelstad	Wagenius	Wardlow	Winkler	Spk. Kelliher
Thissen	Tschumper	Walker	Welti	Wollschlager	

The bill was passed and its title agreed to.

H. F. No. 272, A bill for an act relating to the military and veterans; clarifying that a statute ensuring the continuation of state licenses and certificates of registration for any trade, employment, occupation, or profession while soldiers and certain essential employees are engaged in active military service applies to licenses and certificates of registration requiring firearms and use of force training; amending Minnesota Statutes 2006, section 326.56, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Haws	Lenczewski	Olin	Slocum
Anderson, B.	Dill	Heidgerken	Liebling	Otremba	Smith
Anderson, S.	Dittrich	Hilstrom	Lieder	Ozment	Solberg
Anzelc	Dominguez	Hilty	Lillie	Paymar	Sviggum
Atkins	Doty	Holberg	Loeffler	Pelowski	Swails
Beard	Eastlund	Hoppe	Madore	Peppin	Thao
Benson	Eken	Hornstein	Magnus	Peterson, A.	Thissen
Berns	Emmer	Hortman	Mahoney	Peterson, N.	Tillberry
Bigham	Erhardt	Hosch	Mariani	Peterson, S.	Tingelstad
Bly	Erickson	Howes	Marquart	Poppe	Tschumper
Brod	Faust	Huntley	Masin	Rukavina	Urdahl
Brown	Finstad	Jaros	McFarlane	Ruth	Wagenius
Brynaert	Fritz	Johnson	McNamara	Ruud	Walker
Buesgens	Gardner	Juhnke	Moe	Sailer	Ward
Bunn	Garofalo	Kahn	Morgan	Scalze	Wardlow
Carlson	Gottwalt	Kalin	Morrow	Seifert	Welti
Clark	Greiling	Knuth	Mullery	Sertich	Westrom
Cornish	Gunther	Koenen	Murphy, E.	Severson	Winkler
Davnie	Hackbarth	Kohls	Murphy, M.	Shimanski	Wollschlager
Dean	Hamilton	Kranz	Nelson	Simon	Zellers
DeLaForest	Hansen	Laine	Nornes	Simpson	Spk. Kelliher
Demmer	Hausman	Lanning	Norton	Slawik	

The bill was passed and its title agreed to.

Sertich moved that the remaining bill on the Consent Calendar be continued. The motion prevailed.

CALENDAR FOR THE DAY

Sertich moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Hansen moved that the name of Bigham be added as an author on H. F. No. 359. The motion prevailed.

Fritz moved that the name of Hansen be added as an author on H. F. No. 721. The motion prevailed.

Masin moved that her name be stricken as an author on H. F. No. 722. The motion prevailed.

Faust moved that the name of Olson be added as an author on H. F. No. 806. The motion prevailed.

Rukavina moved that the name of Sailer be added as an author on H. F. No. 873. The motion prevailed.

Davnie moved that the name of Ward be added as an author on H. F. No. 1084. The motion prevailed.

Laine moved that her name be stricken as an author on H. F. No. 1104. The motion prevailed.

Wagenius moved that the name of Scalze be added as an author on H. F. No. 1540. The motion prevailed.

Fritz moved that the name of Brown be added as an author on H. F. No. 1612. The motion prevailed.

Hosch moved that the name of Scalze be added as an author on H. F. No. 1625. The motion prevailed.

Haws moved that the name of Scalze be added as an author on H. F. No. 1631. The motion prevailed.

Koenen moved that the name of Eken be added as an author on H. F. No. 1633. The motion prevailed.

Peterson, A., moved that the name of Scalze be added as an author on H. F. No. 1642. The motion prevailed.

Bly moved that the name of Hansen be added as an author on H. F. No. 1645. The motion prevailed.

Wagenius moved that the name of Scalze be added as an author on H. F. No. 1651. The motion prevailed.

Brod moved that the name of Olson be added as an author on H. F. No. 1916. The motion prevailed.

Tschumper moved that the name of Doty be added as an author on H. F. No. 1997. The motion prevailed.

Clark moved that the name of Abeler be added as an author on H. F. No. 2008. The motion prevailed.

Mariani moved that the name of Dominguez be added as an author on H. F. No. 2085. The motion prevailed.

Murphy, E., moved that the name of Johnson be added as an author on H. F. No. 2123. The motion prevailed.

Sailer moved that the name of Brown be added as an author on H. F. No. 2196. The motion prevailed.

Magnus moved that the names of Ozment and Westrom be added as authors on H. F. No. 2200. The motion prevailed.

Ruud moved that the name of Heidgerken be added as an author on H. F. No. 2269. The motion prevailed.

Huntley moved that the name of Heidgerken be added as an author on H. F. No. 2270. The motion prevailed.

Huntley moved that the name of Brown be added as an author on H. F. No. 2273. The motion prevailed.

McNamara moved that the names of Tingelstad and Abeler be added as authors on H. F. No. 2281. The motion prevailed.

Sertich moved that the name of Lillie be added as an author on H. F. No. 2285. The motion prevailed.

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

Erickson moved that H. F. No. 464 be recalled from the Committee on Commerce and Labor and be re-referred to the Committee on E-12 Education.

A roll call was requested and properly seconded.

The question was taken on the Erickson motion and the roll was called. There were 52 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Hosch	Nornes	Smith
Anderson, B.	DeLaForest	Garofalo	Howes	Ozment	Sviggum
Anderson, S.	Demmer	Gottwalt	Kohls	Peppin	Tingelstad
Beard	Dettmer	Gunther	Lanning	Peterson, N.	Urdahl
Berns	Doty	Hackbarth	Lillie	Ruth	Wardlow
Brod	Eastlund	Hamilton	Loeffler	Seifert	Westrom
Buesgens	Emmer	Heidgerken	Magnus	Severson	Zellers
Bunn	Erhardt	Holberg	McFarlane	Shimanski	
Cornish	Erickson	Hoppe	McNamara	Simpson	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Mariani	Paymar	Solberg
Atkins	Faust	Johnson	Marquart	Pelowski	Swails
Benson	Fritz	Juhnke	Masin	Peterson, A.	Thao
Bigham	Gardner	Kahn	Moe	Peterson, S.	Thissen
Bly	Greiling	Kalin	Morgan	Poppe	Tillberry
Brown	Hansen	Knuth	Morrow	Rukavina	Tschumper
Brynaert	Hausman	Koenen	Mullery	Ruud	Wagenius
Carlson	Haws	Kranz	Murphy, E.	Sailer	Walker
Clark	Hilstrom	Laine	Murphy, M.	Scalze	Ward
Davnie	Hilty	Liebling	Nelson	Sertich	Welti
Dill	Hornstein	Lieder	Norton	Simon	Winkler
Dittrich	Hortman	Madore	Olin	Slawik	Wollschlager
Dominguez	Huntley	Mahoney	Otremba	Slocum	Spk. Kelliher

The motion did not prevail.

Emmer moved that H. F. No. 464 be recalled from the Committee on Commerce and Labor and be re-referred to the Committee on Governmental Operations, Reform, Technology and Elections.

A roll call was requested and properly seconded.

The question was taken on the Emmer motion and the roll was called. There were 51 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Kohls	Peterson, N.	Svigum
Anderson, B.	DeLaForest	Gottwalt	Lanning	Poppe	Tingelstad
Anderson, S.	Demmer	Gunther	Magnus	Ruth	Urdahl
Beard	Dettmer	Hackbarth	McFarlane	Ruud	Wardlow
Berns	Eastlund	Hamilton	McNamara	Seifert	Westrom
Brod	Emmer	Heidgerken	Nornes	Severson	Zellers
Buesgens	Erhardt	Holberg	Ozment	Shimanski	
Bunn	Erickson	Hoppe	Pelowski	Simpson	
Cornish	Finstad	Howes	Peppin	Smith	

Those who voted in the negative were:

Anzenc	Eken	Jaros	Mahoney	Paymar	Tillberry
Atkins	Faust	Johnson	Mariani	Peterson, A.	Tschumper
Benson	Fritz	Juhnke	Marquart	Peterson, S.	Wagenius
Bigham	Gardner	Kahn	Masin	Rukavina	Walker
Bly	Greiling	Kalin	Moe	Sailer	Ward
Brown	Hansen	Knuth	Morgan	Scalze	Welti
Brynaert	Hausman	Koenen	Morrow	Sertich	Winkler
Carlson	Haws	Kranz	Mullery	Simon	Wollschlager
Clark	Hilstrom	Laine	Murphy, E.	Slawik	Spk. Kelliher
Davnie	Hilty	Liebling	Murphy, M.	Slocum	
Dill	Hornstein	Lieder	Nelson	Solberg	
Dittrich	Hortman	Lillie	Norton	Swails	
Dominguez	Hosch	Loeffler	Olin	Thao	
Doty	Huntley	Madore	Otremba	Thissen	

The motion did not prevail.

Masin moved that H. F. No. 635, now on the General Register, be re-referred to the Committee on Public Safety and Civil Justice. The motion prevailed.

Hilstrom moved that H. F. No. 989 be recalled from the Committee on Finance and be re-referred to the Committee on Governmental Operations, Reform, Technology and Elections. The motion prevailed.

Greiling moved that H. F. No. 2245 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Finance. The motion prevailed.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 11:30 a.m., Friday, March 23, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:30 a.m., Friday, March 23, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives