

## STATE OF MINNESOTA

## EIGHTY-FIFTH SESSION — 2007

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 SIXTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 14, 2007

The House of Representatives convened at 12:30 p.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

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

A quorum was present.

Anderson, B., was excused.

Olson was excused until 2:20 p.m. Hoppe was excused until 2:50 p.m.

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

**REPORTS OF CHIEF CLERK**

S. F. No. 184 and H. F. No. 298, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Huntley moved that the rules be so far suspended that S. F. No. 184 be substituted for H. F. No. 298 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 883 and H. F. No. 1074, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Ruud moved that the rules be so far suspended that S. F. No. 883 be substituted for H. F. No. 1074 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 893 and H. F. No. 1117, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Simon moved that the rules be so far suspended that S. F. No. 893 be substituted for H. F. No. 1117 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1185 and H. F. No. 1507, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Olin moved that the rules be so far suspended that S. F. No. 1185 be substituted for H. F. No. 1507 and that the House File be indefinitely postponed. The motion prevailed.

**PETITIONS AND COMMUNICATIONS**

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 10, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

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

H. F. No. 455, 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; striking statutory language relating to public defender co-pays.

Sincerely,

TIM PAWLENTY  
Governor

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

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| <i>S. F.<br/>No.</i> | <i>H. F.<br/>No.</i> | <i>Session Laws<br/>Chapter No.</i> | <i>Time and<br/>Date Approved<br/>2007</i> | <i>Date Filed<br/>2007</i> |
|----------------------|----------------------|-------------------------------------|--|----------------------------|
| 1311                 |                      | 59                                  | 9:56 a.m. May 10                           | May 10                     |
| 805                  |                      | 60                                  | 9:58 a.m. May 10                           | May 10                     |
|                      | 455                  | 61                                  | 10:01 a.m. May 10                          | May 10                     |
| 1193                 |                      | 62                                  | 10:02 a.m. May 10                          | May 10                     |
| 1073                 |                      | 63                                  | 10:04 a.m. May 10                          | May 10                     |
| 218                  |                      | 64                                  | 10:05 a.m. May 10                          | May 10                     |

Sincerely,

MARK RITCHIE  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 464, A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[62A.662] SCHOOL EMPLOYEE INSURANCE PLAN.**

Subdivision 1. **Definitions.** For purposes of this section:

(1) "eligible employee" means a person who is insurance eligible under a collective bargaining agreement or under the personnel policy of an eligible employer; and

(2) "eligible employer" means a school district as defined in section 120A.05; a service cooperative as defined in section 123A.21; an intermediate district as defined in section 136D.01; a cooperative center for vocational education as defined in section 123A.22; a regional management information center as defined in section 123A.23; an education unit organized under section 471.59; or a charter school organized under section 124D.10.

Subd. 2. **Creation of board.** (a) The Minnesota School Employee Insurance Board is created as a public corporation subject to the provisions of chapter 317A, except as otherwise provided in this section. As provided in section 15.082, the state is not liable for obligations of this public corporation.

(b) The board shall create and administer the Minnesota school employee insurance pool as described in this section.

(c) Insurance plans and offerings must be effective July 1, 2009.

(d) If the board does not offer coverage by December 15, 2010, the board expires and this section expires on that date.

Subd. 3. **Board of directors.** (a) The School Employee Insurance Board consists of:

(1) seven members representing exclusive representatives of eligible employees, appointed by exclusive representatives, as provided in paragraph (b); and

(2) seven members representing eligible employers, appointed by the Minnesota School Boards Association.

(b) The seven members of the board who represent statewide affiliates of exclusive representatives of eligible employees are appointed as follows: four members appointed by Education Minnesota and one member each appointed by the Service Employees International Union, the Minnesota School Employees Association, and American Federation of State, County, and Municipal Employees.

(c) Appointing authorities must make their initial appointments no later than August 1, 2007, by filing a notice of the appointment with the commissioner of commerce. Notices of subsequent appointments must be filed with the board. An entity entitled to appoint a board member may replace the board member at any time.

(d) Board members are eligible for compensation and expense reimbursement under section 15.0575, subdivision 3.

(e) The board must arrange for one or more methods of dispute resolution so as to minimize the possibility of deadlocks.

(f) The board shall establish governance requirements, which may include staggered terms, term limits, quorum, a plan of operation, and audit provisions.

Subd. 4. **Design and nature of plan.** (a) Health coverage offered through the Minnesota school employee insurance pool shall be made available by the board to all eligible employees of eligible employers, as defined in subdivision 1.

(b) If an eligible employer provides health coverage or money to purchase health coverage to eligible employees, the coverage must be provided or purchased only through the health plans offered by the board.

(c) Nothing in this section affects the right of each eligible employer to determine, through collective bargaining under the public employer labor relations act:

(1) the employer's eligibility requirements regarding the terms and conditions under which employees, dependents, retirees, and other persons are eligible for health coverage from the employer;

(2) how much of the premium charged for the insurance will be paid by the employer and how much will be paid by the eligible person; and

(3) which health plan or plans offered by the board will be made available by the eligible employer.

(d) The board must initially offer at least six health plans. One plan must provide coverage without a deductible and without other enrollee cost-sharing other than reasonable co-payments for nonpreventive care. One plan must be a high-deductible health plan that qualifies under federal law for use with a health savings account. The other four plans must have levels of enrollee cost-sharing that are between the two plans just described. The board may establish more than one tier of premium rates for any specific plan. Plans and premium rates may vary across geographic regions established by the board. The health plans must comply with chapters 62A, 62J, 62M, and 62Q, and must provide the optimal combination of coverage, cost, choice, and stability in the judgment of the board. All health plans offered must be approved by the commissioner of commerce. The board shall investigate the feasibility of offering coverage through more than one health plan company or other network of health care providers.

(e) The board must include claims reserves, stabilization reserves, reinsurance, and other features that, in the judgment of the board, will result in long-term stability and solvency of the health plans offered.

(f) The board may determine whether the health plans should be fully insured through a health carrier licensed in this state, self-insured, or a combination of those two alternatives.

(g) The health plans must include disease management and consumer education, including wellness programs and measures encouraging the wise use of health coverage, to the extent determined to be appropriate by the board.

(h) Upon request of the board, health plans that are providing or have provided coverage to employees of eligible employers within two years before the effective date of this section, shall provide to the board at no charge nonidentifiable aggregate claims data for that coverage. The information must include data relating to employee group benefit sets, demographics, and claims experience. Notwithstanding section 13.203, Minnesota service cooperatives must also comply with this paragraph.

(i) Effective July 1, 2009, a contract entered into between an eligible employer and an eligible employee or the exclusive representative of an eligible employee may not contain provisions that establish cash payment in lieu of health insurance to an eligible employee if the employee is not receiving the payment on or before June 30, 2009. Nothing in this section prevents an eligible employee who otherwise qualifies for payment of cash in lieu of insurance on June 30, 2009, from continuing to receive this payment.

(j) All premiums paid for health coverage provided by the board must be used by the board solely for the cost of the operation of the board and the benefit of eligible employees and eligible employers in connection with the health coverage offered by the board.

Subd. 5. **MCHA membership and assessments.** The board is a contributing member of the Minnesota Comprehensive Health Association and must pay assessments made by the association on its premium revenues, as provided in section 62E.11, subdivision 5, paragraph (b).

Subd. 6. **Report.** The board shall report to the legislature by January 15, 2009, on a final design for the pool that complies with subdivision 4 and on governance requirements for the board, which may include staggered terms, term limits, quorum, and a plan of operation and audit provisions. The report must include any legislative changes necessary to ensure conformance with chapters 62A, 62J, 62M, and 62Q.

Subd. 7. **Progress dependent upon funding.** The board shall carry out its obligations to the extent permitted by financial and other resources available to the board for that purpose.

Subd. 8. **Periodic evaluation.** (a) Beginning January 15, 2011, and for the next two years, the board must submit an annual report to the commissioner of commerce and the legislature, in compliance with sections 3.195 and 3.197, summarizing and evaluating the performance of the pool during the previous year of operation.

(b) Beginning in 2013 and in each odd-numbered year thereafter, the board must submit to the legislature a biennial report summarizing and evaluating the performance of the pool during the preceding two fiscal years.

Sec. 2. Minnesota Statutes 2006, section 62E.02, subdivision 23, is amended to read:

Subd. 23. **Contributing member.** "Contributing member" means those companies regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance; health maintenance organizations regulated under chapter 62D; nonprofit health service plan corporations regulated under chapter 62C; community integrated service networks regulated under chapter 62N; fraternal benefit societies regulated under chapter 64B; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; ~~and~~ joint self-insurance plans regulated under chapter 62H; and the Minnesota School Employee Insurance Board created under section 62A.662. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization ~~or a~~ a community integrated service network, or the Minnesota School Employee Insurance Board shall be considered to be accident and health insurance premiums.

Sec. 3. Minnesota Statutes 2006, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. **Creation; tax exemption.** There is established a Comprehensive Health Association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternal; joint self-insurance plans regulated under chapter 62H; the Minnesota employees insurance program established in section 43A.317, effective July 1, 1993; the Minnesota School Employee Insurance Board created under section 62A.662; health maintenance organizations; and community integrated service networks licensed or authorized to do business in this state. The Comprehensive Health Association is exempt from the taxes imposed under chapter 297I and any other laws of this state and all property owned by the association is exempt from taxation.

Sec. 4. Minnesota Statutes 2006, section 62E.11, subdivision 5, is amended to read:

Subd. 5. **Allocation of losses.** (a) Each contributing member of the association shall share the losses due to claims expenses of the comprehensive health insurance plan for plans issued or approved for issuance by the association, and shall share in the operating and administrative expenses incurred or estimated to be incurred by the association incident to the conduct of its affairs. Claims expenses of the state plan which exceed the premium payments allocated to the payment of benefits shall be the liability of the contributing members. Contributing members shall share in the claims expense of the state plan and operating and administrative expenses of the association in an amount equal to the ratio of the contributing member's total accident and health insurance premium, received from or on behalf of Minnesota residents as divided by the total accident and health insurance premium, received by all contributing members from or on behalf of Minnesota residents, as determined by the commissioner. Payments made by the state to a contributing member for medical assistance, MinnesotaCare, or general assistance medical care services according to chapters 256, 256B, and 256D shall be excluded when determining a contributing member's total premium.

(b) In making the allocation of losses provided in paragraph (a), the association's assessment against the Minnesota School Employee Insurance Board must equal the product of: (1) the percentage of premiums assessed against other association members; (2) .3885; and (3) premiums received by the Minnesota School Employee Insurance Board. For purposes of this calculation, premiums of the board used must be net of rate credits and retroactive rate refunds on the same basis as the premiums of other association members.

Sec. 5. Minnesota Statutes 2006, section 297I.05, subdivision 5, is amended to read:

Subd. 5. **Health maintenance organizations, nonprofit health service plan corporations, ~~and~~ community integrated service networks, and the Minnesota School Employee Insurance Board.** (a) A tax is imposed on health maintenance organizations, community integrated service networks, and nonprofit health care service plan corporations. The rate of tax is equal to one percent of gross premiums less return premiums on all direct business received by the organization, network, or corporation or its agents in Minnesota, in cash or otherwise, in the calendar year.

(b) A tax is imposed on the Minnesota School Employee Insurance Board under section 62A.662. The rate of tax is equal to .36 percent of gross premiums less return premiums received in the calendar year.

(c) The commissioner shall deposit all revenues, including penalties and interest, collected under this chapter from health maintenance organizations, community integrated service networks, ~~and~~ nonprofit health service plan corporations, and the Minnesota School Employee Insurance Board in the health care access fund. Refunds of overpayments of tax imposed by this subdivision must be paid from the health care access fund. There is annually appropriated from the health care access fund to the commissioner the amount necessary to make any refunds of the tax imposed under this subdivision.

Sec. 6. **APPROPRIATION.**

\$4,000,000 is appropriated in fiscal year 2008 from the general fund to the commissioner of commerce as a loan for start-up costs to the Minnesota School Employee Insurance Board. The Minnesota School Employee Insurance Board must repay the loan to the general fund in ten equal installments paid at the end of each fiscal year, beginning with the 2010 fiscal year.

Sec. 7. **EFFECTIVE DATE.**

This act is effective July 1, 2007, except that sections 4 and 5 are effective July 1, 2009."

Delete the title and insert:

"A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A."

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.

Carlson from the Committee on Finance to which was referred:

H. F. No. 683, A bill for an act relating to health; proposing an amendment to the Minnesota Constitution, article XIII, by adding a section, affirming that every resident of Minnesota has the right to affordable health care.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1175, A bill for an act relating to state finance; modifying certain statutory provisions relating to aircraft facilities; modifying aircraft facilities state financing to allow flexibility in obtaining a new lessee for the facility; amending Minnesota Statutes 2006, sections 116R.01, subdivision 6; 116R.02, subdivisions 1, 2, 4, 5; 116R.03; 116R.05, subdivision 2; 116R.11, subdivision 1; 116R.12, by adding a subdivision; 272.01, subdivision 2; 290.06, subdivision 24; 297A.71, subdivision 10; 360.013, subdivision 39; 360.032, subdivision 1; 360.038, subdivision 4; repealing Minnesota Statutes 2006, sections 116R.02, subdivisions 3, 6, 7, 9; 116R.16.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2285, A bill for an act relating to constitutional amendments; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for natural resource and cultural heritage purposes; creating a natural heritage fund; creating a parks and trails fund; creating a clean water fund; creating a sustainable drinking water fund; creating an arts and cultural heritage fund; establishing the Natural Heritage Enhancement Council; providing for appointments; amending Minnesota Statutes 2006, sections 114D.20, subdivision 6; 114D.30, subdivision 6; 114D.45; 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103H; 129D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT.**

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

Sec. 15. Beginning July 1, 2009, until June 30, 2034, the sales and use tax rate shall be increased by three-eighths of one percent on sales and uses taxable under the general state sales and use tax law. Receipts from the increase, plus penalties and interest and reduced by any refunds, are dedicated to the following funds: at least 25 percent of the receipts shall be deposited in the natural heritage fund and may be spent only to restore, preserve, and enhance fish and wildlife habitat and other natural resources; at least 25 percent of the receipts shall be deposited in the clean water fund and may be spent only to protect and restore the state's lakes, rivers, streams, wetlands, and groundwater; at least 15 percent of the receipts shall be deposited in the parks and trails fund and may be spent only to support the state's parks and trails; at least 15 percent of the receipts shall be deposited in the sustainable drinking water fund and may be spent only to protect the state's drinking water sources; and at least ten percent shall be deposited in the arts and cultural heritage fund and may be spent only for arts and cultural heritage purposes. Up to ten percent of the remaining funds shall be divided by law among the funds created in this section. A natural heritage fund; a parks and trails fund; a clean water fund; a sustainable drinking water fund; and an arts and cultural heritage fund are created in the state treasury. The money dedicated under this section shall be appropriated by law. The dedicated money under this section must supplement traditional sources of funding for these purposes and may not be used as a substitute. Land acquired by fee with money deposited in the natural heritage fund under this section must be open to public taking of fish and game during the open season unless otherwise provided by law.

Sec. 2. **SUBMISSION TO VOTERS.**

The proposed amendment must be submitted to the people in the 2008 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to provide funding beginning July 1, 2009, to restore, preserve, and enhance the state's fish and wildlife habitat and other natural resources; to protect the state's drinking water sources; to protect and restore the state's lakes, rivers, streams, wetlands and groundwater; to support the state's parks and trails; and to support the arts and cultural heritage of the state by increasing the sales and use tax rate by three-eighths of one percent on taxable sales until the year 2034?"

Yes .....  
No ....."

Sec. 3. **[85.0195] PARKS AND TRAILS FUNDS; EXPENDITURES.**

Subdivision 1. **Fund.** The parks and trails fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the parks and trails fund must be credited to the fund.

Subd. 2. **Expenditures.** Money in the parks and trails fund may be spent only on state and regional parks and trails subject to appropriation by law.

Subd. 3. **Audit.** The legislative auditor shall audit parks and trails fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 4. **[97A.056] NATURAL HERITAGE FUND.**

(a) The natural heritage fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the heritage fund must be credited to the fund. At least 97 percent of the money appropriated from the fund must be spent to restore, preserve, and enhance the state's fish and wildlife habitat and other natural resources.

(b) Lands acquired in fee by appropriations from this fund are subject to the payment in lieu of tax as provided in section 477A.12, subdivision 1, paragraph (a), clause (1).

(c) The legislative auditor shall audit natural heritage fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

**EFFECTIVE DATE.** This section is effective November 15, 2008, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 5. **[103H.285] SUSTAINABLE DRINKING WATER FUND.**

A sustainable drinking water fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the sustainable drinking water fund must be credited to the fund. At least 97 percent of the money appropriated from the fund must be spent to protect the state's drinking water sources including, but not limited to, well monitoring and cleanup, wellhead and source protection, the state match for available federal dollars, and groundwater protection according to law. The legislative auditor shall audit sustainable drinking water fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

Sec. 6. Minnesota Statutes 2006, section 114D.20, subdivision 6, is amended to read:

Subd. 6. **Priorities for restoration of impaired waters.** In implementing restoration of impaired waters, in addition to the priority considerations in subdivision 5, the Clean Water Council ~~shall~~ **must** give priority in its recommendations for restoration funding from the clean water ~~legacy account~~ **fund** to restoration projects that:

- (1) coordinate with and ~~utilize~~ **use** existing local authorities and infrastructure for implementation;
- (2) can be implemented in whole or in part by providing support for existing or ongoing restoration efforts;
- (3) most effectively leverage other sources of restoration funding, including federal, state, local, and private sources of funds;

(4) show a high potential for early restoration and delisting based upon scientific data developed through public agency or citizen monitoring or other means; and

(5) show a high potential for long-term water quality and related conservation benefits.

**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 7. Minnesota Statutes 2006, section 114D.30, subdivision 6, is amended to read:

Subd. 6. **Recommendations on appropriation of funds.** The Clean Water Council ~~shall~~ must recommend to the governor the manner in which money from the clean water ~~legacy account fund~~ fund should be appropriated for the purposes identified in section 114D.45, subdivision 3. The council's recommendations must be consistent with the purposes, policies, goals, and priorities in sections 114D.05 to 114D.35, and ~~shall~~ must allocate adequate support and resources to identify impaired waters, develop TMDL's, implement restoration of impaired waters, and provide assistance and incentives to prevent waters from becoming impaired and improve the quality of waters which are listed as impaired but have no approved TMDL. The council must recommend methods of ensuring that awards of grants, loans, or other funds from the clean water ~~legacy account fund~~ fund specify the outcomes to be achieved as a result of the funding and specify standards to hold the recipient accountable for achieving the desired outcomes. Expenditures from the account must be appropriated by law.

**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 8. Minnesota Statutes 2006, section 114D.45, is amended to read:

**114D.45 CLEAN WATER ~~LEGACY ACCOUNT~~ FUND.**

Subdivision 1. **Creation.** The clean water ~~legacy account fund~~ fund ~~is created as an account in the environmental fund established in the Minnesota Constitution, article XI, section 15.~~ Money in the ~~account fund~~ fund must be made available for the implementation of this chapter and sections 446A.073, 446A.074, and 446A.075, without supplanting or taking the place of any other funds which are currently available or may become available from any other source, whether federal, state, local, or private, for implementation of those sections.

Subd. 2. **Sources of revenue.** The following revenues must be deposited in the clean water ~~legacy account fund~~ fund:

(1) money deposited in the fund as provided in the Minnesota Constitution, article XI, section 15;

~~(1)~~ (2) money transferred to the ~~account fund~~ fund; and

~~(2)~~ (3) interest accrued on the ~~account fund~~ fund.

Subd. 3. **Purposes.** Subject to appropriation by the legislature, the clean water ~~legacy account fund~~ fund may be spent for the following purposes:

(1) to provide grants, loans, and technical assistance to public agencies and others who are participating in the process of identifying impaired waters, developing TMDL's, implementing restoration plans for impaired waters, and monitoring the effectiveness of restoration;

(2) to support measures to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but do not have an approved TMDL addressing the impairment;

(3) to provide grants and loans for wastewater and storm water treatment projects through the Public Facilities Authority;

(4) to support the efforts of public agencies associated with individual sewage treatment systems and financial assistance for upgrading and replacing the systems; and

(5) to provide funds to state agencies to carry out their responsibilities under this chapter.

Subd. 4. **Audit.** The legislative auditor shall audit clean water fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 9. **[129D.17] ARTS AND CULTURAL HERITAGE FUND; EXPENDITURES.**

Subdivision 1. **Fund.** The arts and cultural heritage fund is established in the Minnesota Constitution, article XI, section 15. All money earned by the fund must be credited to the fund.

Subd. 2. **Expenditures.** Subject to appropriation, receipts in the fund must be spent for arts activities and to support the cultural heritage of the state according to law.

Subd. 3. **Audit.** The legislative auditor shall audit arts and cultural heritage fund expenditures to ensure that the money is spent for the purposes for which the money was appropriated.

Sec. 10. Minnesota Statutes 2006, section 297A.62, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Except as otherwise provided in subdivision 2 or 3 or in this chapter, a sales tax of 6.5 percent is imposed on the gross receipts from retail sales as defined in section 297A.61, subdivision 4, made in this state or to a destination in this state by a person who is required to have or voluntarily obtains a permit under section 297A.83, subdivision 1.

(b) The increased rate required under the Minnesota Constitution, article XI, section 15, shall be added to the rate imposed under paragraph (a).

**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 11. Minnesota Statutes 2006, section 297A.94, is amended to read:

**297A.94 DEPOSIT OF REVENUES.**

(a) Except as provided in this section and the Minnesota Constitution, article XI, section 15, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters.

Sec. 12. Minnesota Statutes 2006, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. **Rate.** There is imposed an excise tax at the rate provided in ~~chapter 297A~~ section 297A.62, subdivision 1, paragraph (a), on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a sales tax on motor vehicles refund agreement with the state of Minnesota.

**EFFECTIVE DATE.** This section is effective July 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters."

Delete the title and insert:

"A bill for an act relating to constitutional amendments; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for natural resource and cultural heritage purposes; creating a natural heritage fund; creating a parks and trails fund; creating a clean water fund; creating a sustainable drinking water fund; creating an arts and cultural heritage fund; amending Minnesota Statutes 2006, sections 114D.20, subdivision 6; 114D.30, subdivision 6; 114D.45; 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103H; 129D."

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. No. 1175 was read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 184, 883, 893 and 1185 were read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Olin and Berns introduced:

H. F. No. 2479, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2006, section 523.24, subdivision 9.

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

Juhnke introduced:

H. F. No. 2480, A bill for an act relating to capital improvements; appropriating money to establish a veterans facility in Kandiyohi County; authorizing the sale of state bonds.

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

Hausman; Lesch; Carlson; Kahn; Murphy, E.; Anzels and Johnson introduced:

H. F. No. 2481, A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for the Como Zoo.

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

Lanning introduced:

H. F. No. 2482, A bill for an act relating to capital improvements; appropriating money for flood hazard mitigation in the Buffalo-Red River Watershed District; authorizing the sale and issuance of state bonds.

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

Johnson; Hausman; Mahoney; Peterson, N., and Solberg introduced:

H. F. No. 2483, A bill for an act relating to capital improvements; appropriating money for acquisition and renovation of a building for St. Paul Youth Services; authorizing the sale and issuance of state bonds.

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

Wolti, Liebling, Demmer and Norton introduced:

H. F. No. 2484, A bill for an act relating to capital improvements; authorizing the issuance of state bonds; appropriating money for Rochester Community and Technical College.

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

Johnson, Hausman, Mariani, Mahoney and Paymar introduced:

H. F. No. 2485, A bill for an act relating to capital improvements; authorizing the sale and issuance of state bonds; appropriating money for acquisition of and improvements to the National Great River Park in St. Paul, including the Bruce Vento Nature Sanctuary.

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

Scalze was excused between the hours of 1:05 p.m. and 2:30 p.m.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 946

A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, tort claims, and state land sales; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying motor fuels and registration taxes; allocating motor vehicle sales tax revenue; modifying county state-aid allocation formula; modifying county wheelage tax; authorizing local transportation sales and use taxes; modifying provisions relating to various transportation-related funds and accounts; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; prohibiting future toll facilities; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3, by adding a subdivision; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 297A; repealing Minnesota Statutes 2006, section 174.32.

May 9, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

We, the undersigned conferees for H. F. No. 946 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 946 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

|                      | <u>2008</u>   | <u>2009</u>   | <u>Total</u>  |
|----------------------|---------------|---------------|---------------|
| <u>General</u>       | \$138,597,000 | \$112,392,000 | \$250,989,000 |
| <u>Trunk Highway</u> | 1,135,229,000 | 1,357,199,000 | 2,492,428,000 |
| <u>H.U.T.D.</u>      | 8,938,000     | 9,238,000     | 18,176,000    |





| <u>APPROPRIATIONS</u>         |             |
|-------------------------------|-------------|
| <u>Available for the Year</u> |             |
| <u>Ending June 30</u>         |             |
| <u>2008</u>                   | <u>2009</u> |
| <u>250,000</u>                | <u>0</u>    |

**(e) Rail**

This appropriation is from the general fund 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. This is a onetime appropriation and is available until spent and does not lapse.

**Subd. 3. State Roads****(a) Infrastructure Operations and Maintenance**

236,083,000

247,262,000

**(b) Infrastructure Investment Support**

184,679,000

194,728,000

\$266,000 the first year and \$266,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$600,000 the first year and \$600,000 the second year are available for grants for transportation-related activities outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available:

(1) to regional development commissions;

(2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and

(3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

Up to \$1,000,000 the first year is for technical support of trunk highway congestion reduction under the United States Department of Transportation Urban Partnership program. Of this amount, \$200,000 is for a grant to Hubert H. Humphrey Institute of Public Affairs for its participation in this program.

\$5,000,000 is for a pilot project to demonstrate technologies that will allow for the future replacement of the gas tax with a fuel-neutral mileage charge.

**(c) State Road Construction**

504,082,000

677,563,000

It is estimated that these appropriations will be funded as follows:

**Federal Highway**

|            |                    |                    |
|------------|--------------------|--------------------|
| <u>Aid</u> | <u>193,500,000</u> | <u>350,400,000</u> |
|------------|--------------------|--------------------|

**Highway User**

|              |                    |                    |
|--------------|--------------------|--------------------|
| <u>Taxes</u> | <u>310,582,000</u> | <u>327,163,000</u> |
|--------------|--------------------|--------------------|

The commissioner of transportation shall notify the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance of any significant events that should cause these estimates to change.

These appropriations are for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

\$77,000,000 the second year is a onetime appropriation that is shifted from the first year. It does not subtract from the base appropriation in the first year or add to the base appropriation in the second year.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

| <u>APPROPRIATIONS</u>           |             |
|---------------------------------|-------------|
| <u>Available for the Year</u>   |             |
| <u>Ending June 30</u>           |             |
| <u>2008</u>                     | <u>2009</u> |
| <u>(d) Highway Debt Service</u> |             |
| 58,718,000                      | 80,527,000  |

\$54,929,000 the first year and \$70,504,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. Any excess appropriation cancels to the trunk highway fund.

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| <u>(e) Electronic Communications</u> | <u>5,161,000</u> | <u>5,288,000</u> |
|--------------------------------------|------------------|------------------|

Appropriations by Fund

|                      |                  |                  |
|----------------------|------------------|------------------|
| <u>General</u>       | <u>9,000</u>     | <u>9,000</u>     |
| <u>Trunk Highway</u> | <u>5,152,000</u> | <u>5,279,000</u> |

The general fund appropriations are to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 4. Local Roads

|                              |                    |                    |
|------------------------------|--------------------|--------------------|
| <u>(a) County State Aids</u> | <u>474,098,000</u> | <u>526,895,000</u> |
|------------------------------|--------------------|--------------------|

These appropriations are from the county state-aid highway fund and are available until spent.

|                                 |                    |                    |
|---------------------------------|--------------------|--------------------|
| <u>(b) Municipal State Aids</u> | <u>127,663,000</u> | <u>141,649,000</u> |
|---------------------------------|--------------------|--------------------|

These appropriations are from the municipal state-aid street fund and are available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.



**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

**Subd. 6. Transfers**

With the approval of the commissioner of finance, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for state road construction. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers under this paragraph may not be made between funds. Transfers between programs must be reported immediately to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance.

The commissioner of finance shall transfer from the flexible account in the county state-aid highway fund \$5,950,000 the first year and \$2,820,000 the second year to the municipal turnback account in the municipal state-aid street fund and \$12,940,000 the first year and \$15,330,000 the second year to the trunk highway fund; and the remainder in each year to the county turnback account in the county state-aid highway fund.

On or after July 1, 2007, the commissioner of finance shall:

(1) transfer \$4,600,000 from the trunk highway revolving loan account in the transportation revolving loan fund to the trunk highway fund; and

(2) transfer \$1,221,000 from the general fund to the trunk highway fund, to reimburse the fund for transfer of trunk highway land to the city of Mounds View.

**Subd. 7. Use of State Road Construction Appropriation**

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before fiscal year 2008 is available to the commissioner during fiscal years 2008 and 2009 to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated. The commissioner of transportation shall report to the commissioner of finance by August 1, 2007, and August 1, 2008, on a form the commissioner of finance provides, on expenditures made during the previous fiscal year that are authorized by this subdivision.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

**Subd. 8. Contingent Trunk Highway Appropriation**

The commissioner of transportation, with the approval of the governor and the written approval of at least five members of a group consisting of (1) the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and (2) the ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding, (2) for trunk highway maintenance in order to meet an emergency, or (3) to pay tort or environmental claims. Nothing in this subdivision authorizes the commissioner to increase the use of federal advanced construction funding beyond amounts specifically authorized. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 4. **METROPOLITAN COUNCIL**

Subdivision 1. **Total Appropriation**

**\$108,753,000**

**\$85,090,000**

These appropriations are from the general fund.

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Bus Transit**

97,214,000

73,453,000

These appropriations are for bus system operations.

\$23,761,000 the first year is a onetime appropriation and does not add to the base appropriation.

Subd. 3. **Rail Operations**

11,539,000

11,637,000

These appropriations are for operations of the Hiawatha light rail transit line.

The base appropriations are \$5,300,000 for fiscal year 2010 and \$5,300,000 for fiscal year 2011.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
2008                      2009

The Hennepin County Regional Rail Authority may not pay any portion of the operating costs for the Hiawatha light rail transit line.

Sec. 5. **PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**                      **\$145,589,000**                      **\$151,473,000**

Appropriations by Fund

|                        | <u>2008</u>       | <u>2009</u>       |
|------------------------|-------------------|-------------------|
| <u>General</u>         | <u>7,859,000</u>  | <u>8,054,000</u>  |
| <u>Trunk Highway</u>   | <u>80,967,000</u> | <u>85,268,000</u> |
| <u>H.U.T.D.</u>        | <u>8,813,000</u>  | <u>9,113,000</u>  |
| <u>Special Revenue</u> | <u>47,950,000</u> | <u>49,038,000</u> |

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Administration and Related Services**

(a) **Office of Communications**                      412,000                      434,000

Appropriations by Fund

|                      |                |                |
|----------------------|----------------|----------------|
| <u>General</u>       | <u>40,000</u>  | <u>41,000</u>  |
| <u>Trunk Highway</u> | <u>372,000</u> | <u>393,000</u> |

(b) **Public Safety Support**                      7,986,000                      8,213,000

Appropriations by Fund

|                      |                  |                  |
|----------------------|------------------|------------------|
| <u>General</u>       | <u>3,247,000</u> | <u>3,341,000</u> |
| <u>Trunk Highway</u> | <u>3,373,000</u> | <u>3,506,000</u> |
| <u>H.U.T.D.</u>      | <u>1,366,000</u> | <u>1,366,000</u> |



| <b><u>APPROPRIATIONS</u></b>                        |                         |                         |
|---|-------------------------|-------------------------|
| <b><u>Available for the Year</u></b>                |                         |                         |
| <b><u>Ending June 30</u></b>                        |                         |                         |
| <b><u>2008</u></b>                                  | <b><u>2009</u></b>      |                         |
| <b><u>(c) <u>Technical Support Services</u></u></b> | <b><u>3,870,000</u></b> | <b><u>3,870,000</u></b> |

Appropriations by Fund

|                      |                  |                  |
|----------------------|------------------|------------------|
| <u>General</u>       | <u>1,507,000</u> | <u>1,507,000</u> |
| <u>Trunk Highway</u> | <u>2,344,000</u> | <u>2,344,000</u> |
| <u>H.U.T.D.</u>      | <u>19,000</u>    | <u>19,000</u>    |

Of the amounts from the general fund, \$1,416,000 the first year and \$1,416,000 the second year are for information systems security and disaster recovery.

**Subd. 3. State Patrol**

|  |                          |                          |
|--|--------------------------|--------------------------|
| <b><u>(a) <u>Patrolling Highways</u></u></b> | <b><u>67,626,000</u></b> | <b><u>71,522,000</u></b> |
|--|--------------------------|--------------------------|

Appropriations by Fund

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| <u>General</u>       | <u>37,000</u>     | <u>37,000</u>     |
| <u>Trunk Highway</u> | <u>67,497,000</u> | <u>71,393,000</u> |
| <u>H.U.T.D.</u>      | <u>92,000</u>     | <u>92,000</u>     |

Of the amounts from the trunk highway fund, \$2,060,000 the first year and \$3,653,000 the second year are for the cost of adding 40 state patrol troopers.

Of the amounts from the trunk highway fund, \$1,137,000 the first year and \$1,137,000 the second year are for fuel costs.

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b><u>(b) <u>Commercial Vehicle Enforcement</u></u></b> | <b><u>6,945,000</u></b> | <b><u>7,196,000</u></b> |
|---|-------------------------|-------------------------|

\$198,000 the first year and \$198,000 the second year are for fuel costs.

|   |                         |                         |
|---|-------------------------|-------------------------|
| <b><u>(c) <u>Capitol Security</u></u></b> | <b><u>3,028,000</u></b> | <b><u>3,128,000</u></b> |
|---|-------------------------|-------------------------|

These appropriations are from the general fund.

The commissioner may not (1) spend any money from the trunk highway fund for capitol security or (2) permanently transfer any state trooper from the patrolling highways activity to capitol security.



**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2008**                      **2009**

The commissioner of public safety shall spend 50 percent of the money available to the state under Public Law 105-206, section 164, and the remaining 50 percent must be transferred to the commissioner of transportation for hazard elimination activities under United States Code, title 23, section 152.

Subd. 6. **Pipeline Safety**

1,315,000

1,354,000

These appropriations are from the pipeline safety account in the special revenue fund.

Sec. 6. **GENERAL CONTINGENT ACCOUNTS**

**\$375,000****\$375,000**

Appropriations by Fund

|                      | <u>2008</u>    | <u>2009</u>    |
|----------------------|----------------|----------------|
| <u>Trunk Highway</u> | <u>200,000</u> | <u>200,000</u> |
| <u>H.U.T.D.</u>      | <u>125,000</u> | <u>125,000</u> |
| <u>Airports</u>      | <u>50,000</u>  | <u>50,000</u>  |

The appropriations in this section may only be spent with the approval of the governor and the written approval of at least five members of a group consisting of (1) the members of the Legislative Advisory Commission under Minnesota Statutes, section 3.30, and (2) the ranking minority members of the house of representatives and senate committees with jurisdiction over transportation finance.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 7. **TORT CLAIMS**

**\$600,000****\$600,000**

These appropriations are to the commissioner of finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 8. Laws 2005, First Special Session chapter 6, article 1, section 4, subdivision 4, is amended to read:

Subd. 4. **Driver and Vehicle Services**

51,389,000

50,814,000

Summary by Fund

|                 |            |            |
|-----------------|------------|------------|
| Highway User    | 6,966,000  | 7,036,000  |
| Special Revenue | 44,423,000 | 43,778,000 |

|                      |  |            |            |
|----------------------|--|------------|------------|
| (a) Vehicle Services |  | 23,383,000 | 23,849,000 |
|----------------------|--|------------|------------|

Summary by Fund

|                 |            |            |
|-----------------|------------|------------|
| Highway User    | 6,966,000  | 7,036,000  |
| Special Revenue | 16,417,000 | 16,813,000 |

This appropriation is from the vehicle services operating account in the special revenue fund.

This appropriation is available until June 30, 2009.

Of any amount carried forward from fiscal year 2007, up to \$1,750,000 is for planning for the replacement of the driver and vehicle services automated support systems. Any remaining amount carried forward from fiscal year 2007 is to implement remediation strategies as necessary to avoid a systematic failure.

|                     |  |            |            |
|---------------------|--|------------|------------|
| (b) Driver Services |  | 28,006,000 | 26,965,000 |
|---------------------|--|------------|------------|

This appropriation is from the driver services operating account in the special revenue fund.

Sec. 9. **FEDERAL FUNDS SPENDING AUTHORITY.**

The commissioner of transportation may spend up to \$5,000,000 from July 1, 2008, through June 30, 2013, in federal transit funds for capital assistance to public transit systems under Minnesota Statutes, section 174.24. This amount is in addition to any appropriations made by law for this purpose.

Sec. 10. **AIRPORT FUNDING ADVISORY TASK FORCE.**

Subdivision 1. **Task force established.** An advisory task force on airport funding issues is established to study and make recommendations regarding the best methods for funding airports in the state and the state airports fund. The task force shall study:

- (1) the adequacy of current sources of revenue for the state airports fund and airports in the state;
- (2) policy considerations regarding the use of the sales tax on aircraft as a potential source of revenue for airports;
- (3) how other states fund airports;
- (4) projected aviation needs of the future, including required investments in aviation infrastructure;
- (5) aircraft registration taxes; and
- (6) other issues relating to the funding of airports as determined by the task force.

Subd. 2. **Membership.** (a) The task force is comprised of the following members:

- (1) three members of the senate, including at least one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and

(2) three members of the house of representatives, two appointed by the speaker of the house and one appointed by the minority leader.

The appointing authorities must select members based on knowledge and experience in aviation funding issues. All appointments required by this paragraph must be completed by September 1, 2007.

(b) The chair of the task force may appoint additional nonvoting members to the task force, including, but not limited to, representatives of the following organizations:

(1) the Department of Transportation Aeronautics Office;

(2) the Aircraft Owners and Pilots Association;

(3) the Experimental Aircraft Association/ACAA;

(4) the Metropolitan Airports Commission;

(5) the Minnesota Aviation Trades Association;

(6) the Minnesota Business Aviation Association;

(7) the Minnesota Council of Airports;

(8) the Minnesota Seaplane Pilots Association;

(9) the National Business Aviation Association; and

(10) the Minnesota Wing, Civil Air Patrol.

(c) The director of the aeronautics office in the Department of Transportation shall convene the first meeting of the task force within two weeks after the legislative members have been appointed to the task force. The members shall elect a chairperson from their membership at the first meeting.

Subd. 3. **Report.** By February 15, 2008, the task force shall report its recommendations to the chairs of the legislative committees with jurisdiction over airports and aviation issues and to the legislature as required by Minnesota Statutes, section 3.195.

Subd. 4. **Expenses.** Per diem and expenses for members of the task force are as provided for under Minnesota Statutes, section 15.059.

Subd. 5. **Expiration.** This section expires after the submission of the report as required under subdivision 3.

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

## ARTICLE 2

### TRUNK HIGHWAY BONDING

Section 1. **[296A.083] ANNUAL DEBT SERVICE SURCHARGE.**

(a) On June 30, 2007, and each March 1 thereafter, the commissioner of finance shall report to the commissioner of revenue the amount of the trunk highway debt service transfer forecast in the next two fiscal years attributable to the trunk highway bonds authorized in sections 2 to 4.

(b) By July 16, 2007, and each April 1 thereafter, the commissioner of revenue shall compute and publish a surcharge for each fuel tax provided for in sections 296A.07, subdivision 3, and 296A.08, subdivision 2, in proportion to the rate of tax for each type of fuel. The surcharge must be calculated to raise an amount of money which, when added to the balance in the trunk highway debt service account, covers the debt service transfer forecast in the next two fiscal years, except that the surcharge may not exceed 2.5 cents per gallon for gasoline taxed under section 296A.07, subdivision 3, clause (3), or a proportional rate for each other type of fuel. The surcharge must be rounded to the nearest 0.1 cent. The surcharge is effective on August 1, 2007, to June 30, 2008, and each new surcharge thereafter is effective the following July 1 to June 30.

## Sec. 2. **TRANSPORTATION APPROPRIATIONS.**

(a) \$150,000,000 is appropriated from the bond proceeds account in the trunk highway fund to the commissioner of transportation in each of fiscal years 2008 through 2017 for trunk highway improvements. No more than \$22,500,000 of each year's appropriation may be used by the commissioner for program delivery.

Of this amount, in fiscal year 2008:

(1) \$4,299,000 is for predesign, design, construction, and restoration of historic roadside properties on the Great River Road. The commissioner shall consult with the Minnesota Mississippi River Parkway Commission to determine project priorities;

(2) \$20,673,000 is to the commissioner of transportation to design, construct, furnish, and equip a new Department of Transportation district headquarters facility in Mankato;

(3) \$12,715,000 is appropriated to the commissioner of administration to repair and renovate the exterior of the Department of Transportation Building at 395 John Ireland Boulevard in St. Paul; and

(4) \$40,000,000 is for construction of interchanges involving a trunk highway, where the interchange will promote economic development, increase employment, relieve growing traffic congestion, and promote traffic safety.

(b) The commissioner shall use at least \$50,000,000 of this appropriation for accelerating transit facility improvements on or adjacent to trunk highways.

## Sec. 3. **FINANCE APPROPRIATION.**

\$150,000 is appropriated from the bond proceeds account in the trunk highway fund to the commissioner of finance in each of fiscal years 2008 through 2017 for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

## Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,501,500,000 in the manner, upon 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 from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

### ARTICLE 3

#### HIGHWAY USER TAXES

Section 1. Minnesota Statutes 2006, section 16A.88, is amended to read:

#### **16A.88 TRANSIT FUNDS ASSISTANCE FUND.**

Subdivision 1. **Transit assistance fund.** A transit assistance fund is established within the state treasury. The fund receives money distributed under section 297B.09, subdivision 1, and other money as specified by law. Money in the fund must be allocated to the greater Minnesota transit account under subdivision 1a and the metropolitan area transit account under subdivision 2 in the manner specified, and must be used solely for transit purposes under the Minnesota Constitution, article XIV, section 13.

**Subd. 1a. Greater Minnesota transit fund account.** The greater Minnesota transit ~~fund~~ account is established within the transit assistance fund in the state treasury. Money in the ~~fund~~ account is annually appropriated to the commissioner of transportation for assistance to transit systems outside the metropolitan area under section 174.24. ~~Beginning in fiscal year 2003, The commissioner may use up to \$400,000 each year~~ \$408,000 in fiscal year 2008 and \$416,000 in fiscal year 2009 and thereafter for administration of the transit program. The commissioner shall use the ~~fund~~ account for transit operations as provided in section 174.24 and related program administration.

**Subd. 2. Metropolitan area transit fund account.** The metropolitan area transit ~~fund~~ account is established within the transit assistance fund in the state treasury. All money in the ~~fund~~ account is annually appropriated to the Metropolitan Council for the funding of transit systems within the metropolitan area under sections 473.384, 473.386, 473.387, 473.388, and 473.405 to 473.449.

~~**Subd. 3. Metropolitan area transit appropriation account.** The metropolitan area transit appropriation account is established within the general fund. Money in the account is to be used for the funding of transit systems in the metropolitan area, subject to legislative appropriation.~~

Sec. 2. Minnesota Statutes 2006, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.011, subdivision 7, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge using list price information published by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If the manufacturer's list price information contains a single vehicle identification number followed by various descriptions and suggested retail prices, the registrar shall select from those listings only the lowest price for determining base value.

(d) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(e) The registrar shall classify every vehicle in its proper base value class as follows:

| FROM | TO       |
|------|----------|
| \$0  | \$199.99 |
| 200  | 399.99   |

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(f) The base value for purposes of this section shall be the middle point between the extremes of its class.

(g) The registrar shall establish the base value, when new, of every passenger automobile and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The registrar shall calculate tax using base value information available to dealers and deputy registrars at the time the application for registration is submitted. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of paragraph (h).

(h) The annual additional tax computed upon the base value as provided herein, during the first ~~and second years~~ year of vehicle life shall be computed upon 100 percent of the base value; for the second year, 80 percent of such value; for the third and fourth years year, 90 70 percent of such value; for the fourth year, 60 percent of such value; for the fifth and sixth years year, 75 50 percent of such value; for the sixth year, 40 percent of such value; for the seventh year, 60 35 percent of such value; for the eighth year, 40 30 percent of such value; for the ninth year, 30 20 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

In no event shall the annual additional tax be less than \$25. ~~The total tax under this subdivision shall not exceed \$189 for the first renewal period and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the second year of vehicle life shall not exceed \$189 and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the third or subsequent year of vehicle life shall not exceed \$99 and shall not exceed \$99 in any subsequent renewal period. The annual additional tax under this paragraph must not exceed the annual additional tax that was previously paid or due on that vehicle.~~

(i) ~~As used in this subdivision and section 168.017, the following terms have the meanings given: "initial registration" means the 12 consecutive months calendar period from the day of first registration of a vehicle in Minnesota; and "renewal periods" means the 12 consecutive calendar months periods following the initial registration period.~~

Sec. 3. Minnesota Statutes 2006, section 168.017, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The registrar shall register all vehicles subject to registration under the monthly series system for a period of 12 consecutive calendar months, unless:

(1) the application is an original rather than renewal application; or

(2) the applicant is a licensed motor vehicle lessor under section 168.27 and the vehicle is leased or rented for periods of time of not more than 28 days, in which case the applicant may apply for initial or renewed registration of a vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. However, to qualify for this exemption, the applicant must (1) present the application to the registrar at St. Paul, or at a designated deputy registrar offices as the registrar may designate office, and (2) stamp in red, on the certificate of title, the phrase "The expiration month of this vehicle is ....." with the blank filled in with the month of expiration as if the vehicle is being registered for a period of 12 calendar months.

(b) In any instance except that of a licensed motor vehicle lessor, the registrar shall not approve registering the vehicle subject to the application for a period of less than three months, except when the registrar determines that to do otherwise will help to equalize the registration and renewal work load of the department.

Sec. 4. Minnesota Statutes 2006, section 174.24, subdivision 1, is amended to read:

Subdivision 1. **Establishment; purpose.** A public transit participation program is established to carry out the objectives stated in section 174.21 by providing financial assistance from the state, including the greater Minnesota transit ~~fund~~ account established in section 16A.88, to eligible recipients outside of the metropolitan area.

Sec. 5. Minnesota Statutes 2006, section 174.24, subdivision 3b, is amended to read:

Subd. 3b. **Operating assistance; recipient classifications.** (a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.

(b) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: urbanized area service, small urban area service, rural area service, and elderly and disabled service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by any recipient from local sources will not exceed the percentage for that recipient's classification, except as provided in an undue hardship case. The percentages must be: for urbanized area service and small urban area service, 20 percent; for rural area service, 15 percent; and for elderly and disabled service, 15 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost. Total operating costs of the Duluth Transit Authority or a successor agency does not include costs related to the Superior, Wisconsin service contract and the Independent School District No. 709 service contract. ~~For calendar years 2004 and 2005, to enable public transit systems to meet the provisions of this section, the commissioner may adjust payments of financial assistance to recipients that were under a contract with the department on January 1, 2003. Payments to such a recipient in calendar years 2004 and 2005 from the greater Minnesota transit fund may not be less than the payment to the recipient from that fund in calendar year 2003, except for reductions made necessary by reductions in base funding for those years.~~

(c) If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

Sec. 6. Minnesota Statutes 2006, section 174.24, subdivision 5, is amended to read:

Subd. 5. **Method of payment, operating assistance.** Payments for operating assistance under this section must be made in the following manner:

(a) For payments made from the general fund:

- (1) 50 percent of the total contract amount in the first month of operation;
- (2) 40 percent of the total contract amount in the seventh month of operation;
- (3) 9 percent of the total contract amount in the 12th month of operation; and
- (4) 1 percent of the total contract amount after the final audit.

(b) For payments made from the greater Minnesota transit ~~fund~~ account:

- (1) 50 percent of the total contract amount in the seventh month of operation; and
- (2) 50 percent of the total contract amount in the 11th month of operation.

Sec. 7. Minnesota Statutes 2006, section 296A.07, subdivision 3, is amended to read:

Subd. 3. **Rate of tax.** The gasoline excise tax is imposed at the following rates:

- (1) E85 is taxed at the rate of ~~14.2~~ 17.75 cents per gallon;
- (2) M85 is taxed at the rate of ~~11.4~~ 14.25 cents per gallon; and
- (3) all other gasoline is taxed at the rate of ~~20~~ 25 cents per gallon.

**EFFECTIVE DATE.** This section is effective September 1, 2007, and applies to all gasoline, undyed diesel fuel, and special fuel in distributor storage on September 1, 2007.

Sec. 8. Minnesota Statutes 2006, section 296A.08, subdivision 2, is amended to read:

Subd. 2. **Rate of tax.** The special fuel excise tax is imposed at the following rates:

- (a) Liquefied petroleum gas or propane is taxed at the rate of ~~15~~ 18.75 cents per gallon.
- (b) Liquefied natural gas is taxed at the rate of ~~12~~ 15 cents per gallon.

(c) Compressed natural gas is taxed at the rate of ~~\$1.739~~ \$2.174 per thousand cubic feet, or ~~20~~ 25 cents per gasoline equivalent. For purposes of this paragraph, "gasoline equivalent," as defined by the National Conference on Weights and Measures, which is 5.66 pounds of natural gas.

(d) All other special fuel is taxed at the same rate as the gasoline excise tax as specified in section 296A.07, subdivision 2. The tax is payable in the form and manner prescribed by the commissioner.

**EFFECTIVE DATE.** This section is effective September 1, 2007, and applies to all gasoline, undyed diesel fuel, and special fuel in distributor storage on September 1, 2007.

Sec. 9. Minnesota Statutes 2006, section 297A.64, subdivision 2, is amended to read:

Subd. 2. **Fee imposed.** A fee equal to ~~three~~ five percent of the sales price is imposed on leases or rentals of vehicles subject to the tax under subdivision 1. The lessor on the invoice to the customer may designate the fee as "a fee imposed by the State of Minnesota for the registration of rental cars."

Sec. 10. Minnesota Statutes 2006, section 297A.815, is amended by adding a subdivision to read:

**Subd. 4. Reporting of tax proceeds.** A lessor must report taxes collected under this section separately from any other taxes collected and remitted under this chapter or chapter 297B.

**EFFECTIVE DATE.** This section is effective July 1, 2009.

Sec. 11. Minnesota Statutes 2006, section 297A.94, is amended to read:

#### **297A.94 DEPOSIT OF REVENUES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) The revenues, including interest and penalties, collected under sections 297A.992 and 297A.993 must be deposited by the commissioner as provided for in those sections.

(h) The revenues, including interest and penalties, collected under section 297A.815 must be deposited as follows:

(1) from July 1, 2009, through June 30, 2010, 41.75 percent must be deposited in the highway user tax distribution fund, 31.5 percent in the metropolitan area transit account under section 16A.88, 10.5 percent in the greater Minnesota transit account under section 16A.88, and the remaining money in the general fund;

(2) from July 1, 2010, through June 30, 2011, 46.75 percent must be deposited in the highway user tax distribution fund, 35.25 percent in the metropolitan area transit account, 11.75 percent in the greater Minnesota transit account, and the remaining money in the general fund; and

(3) on and after July 1, 2011, 50 percent must be deposited in the highway user tax distribution fund, 37.5 percent in the metropolitan area transit account, and 12.5 percent in the greater Minnesota transit account.

Sec. 12. Minnesota Statutes 2006, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter must be deposited as provided in this subdivision.

~~(b) From July 1, 2002, to June 30, 2003, 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be deposited in the greater Minnesota transit fund under section 16A.88. The remaining money must be deposited in the general fund.~~

~~(c) From July 1, 2003, to June 30, 2007, 30 percent of the money collected and received must be deposited in the highway user tax distribution fund, 21.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must be deposited in the county state aid highway fund, and 0.17 percent must be deposited in the municipal state aid street fund. The remaining money must be deposited in the general fund.~~

~~(d) On and after From July 1, 2007, ~~32~~ through June 30, 2008, 38.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, ~~20.5~~ 23 percent ~~must be deposited~~ in the metropolitan area transit ~~fund~~ account under section 16A.88, and ~~1.25~~ 2.5 percent ~~must be deposited~~ in the greater Minnesota transit ~~fund~~ account under section 16A.88. The remaining money must be deposited in the general fund.~~

(c) From July 1, 2008, through June 30, 2009, 44.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 26.5 percent in the metropolitan area transit account under section 16A.88, three percent in the greater Minnesota transit account under section 16A.88, and the remaining money in the general fund.

(d) From July 1, 2009, through June 30, 2010, 50.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 30 percent in the metropolitan area transit account, 3.5 percent in the greater Minnesota transit account, and the remaining money in the general fund.

(e) From July 1, 2010, through June 30, 2011, 56.25 percent of the money collected and received must be deposited in the highway user tax distribution fund, 33.75 percent in the metropolitan area transit account, 3.75 percent in the greater Minnesota transit account, and the remaining money in the general fund.

(f) On and after July 1, 2011, 60 percent of the money collected and received must be deposited in the highway user tax distribution fund, 36 percent in the metropolitan area transit account, and four percent in the greater Minnesota transit account.

Sec. 13. Minnesota Statutes 2006, section 473.446, subdivision 1, is amended to read:

Subdivision 1. **Metropolitan area transit tax.** (a) For the purposes of sections 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall levy each year upon all taxable property within the metropolitan area, defined in section 473.121, subdivision 2, a transit tax consisting of:

(1) an amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause; and

(2) an additional amount necessary to provide full and timely payment of certificates of indebtedness issued by the council, after consultation with the commissioner of finance, if revenues to the metropolitan area transit ~~fund~~ account in the fiscal year in which the indebtedness is issued increase over those revenues in the previous fiscal year by a percentage less than the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

(b) Indebtedness to which property taxes have been pledged under paragraph (a), clause (2), that is incurred in any fiscal year may not exceed the amount necessary to make up the difference between (1) the amount that the council received or expects to receive in that fiscal year from the metropolitan area transit ~~fund~~ account and (2) the amount the council received from that fund in the previous fiscal year multiplied by the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

Sec. 14. **REPEALER.**

Minnesota Statutes 2006, section 174.32, is repealed.

ARTICLE 4

COUNTY STATE-AID HIGHWAY FUND DISTRIBUTION

Section 1. Minnesota Statutes 2006, section 162.06, is amended to read:

**162.06 ACCRUALS TO COUNTY STATE-AID HIGHWAY FUND; ACCOUNTS.**

Subdivision 1. **Estimate.** (a) By December 15 of each year the commissioner shall estimate the amount of money that will be available to the county state-aid highway fund during that fiscal year. The amount available must be based on actual receipts from July 1 through November 30, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. ~~The total amount available, except for deductions as provided herein,~~ shall be apportioned by the commissioner to the counties as ~~hereinafter~~ provided in section 162.07.

(b) For purposes of this section, the apportionment sum is the amount calculated in section 162.07, subdivision 1.

Subd. 2. **Administrative costs of department.** Two percent must be deducted from the ~~total amount available in the county state-aid highway fund~~ apportionment sum, set aside in a separate account, and used for administrative costs incurred by the state Transportation Department in carrying out the provisions relating to the county state-aid highway system.

Subd. 3. **Disaster account.** (a) After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year ~~a sum of money equal to~~ one percent of the remaining money in the county state-aid highway fund apportionment sum to provide for a disaster account; provided that the total amount of money in the disaster account must never exceed two percent of the total sums to be apportioned to the counties. ~~This sum~~ The money must be used to provide aid to any county encountering disasters or unforeseen events affecting its county state-aid highway system, and resulting in an undue and burdensome financial hardship.

(b) Any county desiring aid by reason of disaster or unforeseen event shall request the aid in the form required by the commissioner. Upon receipt of the request, the commissioner shall appoint a board consisting of two representatives of the counties, who must be either a county engineer or member of a county board, from counties other than the requesting county, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner.

(c) Final determination of the amount of aid, if any, to be paid to the county from the disaster account must be made by the commissioner. Upon determining to aid a requesting county, the commissioner shall certify to the commissioner of finance the amount of the aid, and the commissioner of finance shall then issue a warrant in that amount payable to the county treasurer of the county. Money so paid must be expended on the county state-aid highway system in accordance with the rules of the commissioner.

Subd. 4. **Research account.** (a) Each year the screening board, provided for in section 162.07, subdivision 5, may recommend to the commissioner a sum of money that the commissioner shall set aside from the ~~county state-aid highway fund~~ apportionment sum and credit to a research account. The amount so recommended and set aside shall not exceed one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(1) conducting research for improving the design, construction, maintenance and environmental compatibility of state-aid highways and appurtenances;

(2) constructing research elements and reconstructing or replacing research elements that fail; and

(3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the county state-aid highway fund.

Subd. 5. **State park road account.** After deducting for administrative costs and for the disaster account and research account as ~~heretofore provided from the remainder of the total sum provided for in subdivision 1, there shall be deducted~~ provided in this section, the commissioner shall deduct a sum equal to the three-quarters of one percent of the ~~remainder~~ apportionment sum. The sum so deducted shall be set aside in a separate account and shall be used for (1) the establishment, location, relocation, construction, reconstruction, and improvement of those roads included in the county state-aid highway system under Minnesota Statutes 1961, section 162.02, subdivision 6, which border and provide substantial access to an outdoor recreation unit as defined in section 86A.04 or which provide access to the headquarters of or the principal parking lot located within such a unit, and (2) the reconstruction, improvement, repair, and maintenance of county roads, city streets, and town roads that provide access to public lakes, rivers, state parks, and state campgrounds. Roads described in clause (2) are not required to meet county state-aid highway standards. At the request of the commissioner of natural resources the counties wherein such roads are located shall do such work as requested in the same manner as on any county state-aid highway and shall be reimbursed for such construction, reconstruction, or improvements from the amount set aside by this subdivision. Before requesting a county to do work on a county state-aid highway as provided in this subdivision, the commissioner of natural resources must obtain approval for the project from the County State-Aid Screening Board. The screening board, before giving its approval, must obtain a written comment on the project from the county engineer of the county requested to undertake the project. Before requesting a county to do work on a county road, city street, or a town road that provides access to a public lake, a river, a state park, or a state campground, the commissioner of natural resources shall obtain a written comment on the project from the county engineer of the county requested to undertake the project. Any sums paid to counties or cities in accordance with this subdivision shall reduce the money needs of said counties or cities in the amounts necessary to equalize their status with those counties or cities not receiving such payments. Any balance of the amount so set aside, at the end of each year shall be transferred to the county state-aid highway fund.

Subd. 6. **County state-aid highway revolving loan account.** A county state-aid highway revolving loan account is created in the transportation revolving loan fund. The commissioner may transfer to the account the amount allocated under section 162.065. Money in the account may be used to make loans. Funds in the county state-aid highway revolving loan account may be used only for aid in the construction, improvement, and

maintenance of county state-aid highways. Funds in the account may not be used for any toll facilities project or congestion-pricing project. Repayments and interest from loans from the county state-aid highway revolving loan account must be credited to that account. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the county state-aid highway revolving loan account.

Sec. 2. Minnesota Statutes 2006, section 162.07, subdivision 1, is amended to read:

Subdivision 1. **Formula Apportionment sum.** ~~After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:~~

(a) The commissioner shall reduce the apportionment sum by the deductions provided for in section 162.06 for administrative costs, disaster account, research account, and state park road account. The commissioner shall apportion the remainder to the several counties on the basis of the needs of the counties, as provided in paragraphs (b) to (e).

~~(a)~~ (b) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

~~(b)~~ (c) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

~~(c)~~ (d) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane-miles of approved county state-aid highways bears to the total lane-miles of approved statewide county state-aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane-miles rather than miles of approved county state-aid highways, an apportionment that is less than its apportionment in 1996.

~~(d)~~ (e) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 3. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision to read:

Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this subdivision, "amount available" means the amount identified in section 162.06, subdivision 1.

(b) The apportionment sum is calculated by subtracting the excess sum, as calculated in paragraph (c), from the amount available.

(c) The excess sum is calculated as the sum of revenue within the amount available:

(1) attributed to that portion of the gasoline excise tax rate in excess of 20 cents per gallon, and to that portion of the excise tax rate for E85, M85, and special fuels in excess of the energy equivalent of a gasoline tax rate of 20 cents per gallon;

(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2007, that exceeds the amount collected in fiscal year 2007 multiplied by the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the previous year, divided by the annual average for calendar year 2006; and

(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated in fiscal year 2007.

Sec. 4. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision to read:

Subd. 1c. **Excess sum.** The commissioner shall apportion the excess sum to the several counties on the basis of the needs of the counties, as provided in paragraphs (a) and (b).

(a) An amount equal to 40 percent must be apportioned among the several counties so that each county receives of that amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(b) An amount equal to 60 percent must be apportioned among the several counties so that each county receives of that amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties.

Sec. 5. **INSTRUCTION TO REVISOR.**

The revisor of statutes shall renumber Minnesota Statutes 2006, section 162.07, subdivision 1, as subdivision 1b.

## ARTICLE 5

### LOCAL OPTION TAXES

Section 1. Minnesota Statutes 2006, section 163.051, is amended to read:

#### **163.051 METROPOLITAN COUNTY WHEELAGE TAX.**

Subdivision 1. **Tax authorized.** The board of commissioners of each metropolitan county is authorized to levy by resolution a wheelage tax of \$5 for the year 1972 and each subsequent year thereafter by resolution or \$10 each year on each motor vehicle, except motoreycles as defined in section 169.01, subdivision 4, which is kept in such county when not in operation and which is that is domiciled in the county and subject to annual registration and taxation under chapter 168. A wheelage tax does not apply to motorcycles as defined in section 169.01, subdivision 4, and motorized bicycles registered under section 168.013, subdivision 1h. The board may provide by resolution for collection of the wheelage tax by county officials or it may request that the tax be collected by the state registrar of motor vehicles commissioner of public safety, and the state registrar of motor vehicles commissioner shall collect such the tax on behalf of the county if requested, as provided in subdivision 2 provided in the board resolution.

Subd. 2. **Collection by registrar of motor vehicles commissioner of public safety.** The wheelage tax levied by any metropolitan county, if made collectible by the state registrar of motor vehicles commissioner of public safety, shall must be certified by the county auditor to the registrar commissioner not later than August 1 in the year before the a calendar year or years for which the tax is levied, and the registrar commissioner shall collect such the

tax with the ~~motor vehicle taxes~~ registration tax on ~~the each~~ affected ~~vehicles~~ vehicle for ~~such that year or years.~~ Every An owner and every operator of such a motor vehicle subject to the wheelage tax shall furnish to the registrar all information requested by the registrar commissioner relating to the wheelage tax. ~~No state motor A vehicle registration tax on any such motor vehicle for any such year shall~~ may not be received or deemed paid unless the applicable wheelage tax is paid therewith. ~~The proceeds of the wheelage tax levied by any metropolitan county, less any amount retained by the registrar to pay costs of collection of the wheelage tax, shall be paid to the commissioner of finance and deposited in the state treasury to the credit of the county wheelage tax fund of each metropolitan county.~~

Subd. 2a. **Tax proceeds deposited; costs of collection; appropriation.** Notwithstanding the provisions of any other law, the ~~state registrar of motor vehicles~~ commissioner of public safety shall deposit the proceeds of the wheelage tax imposed by subdivision 2, to the credit of the ~~county wheelage tax road and bridge fund~~ of each metropolitan county that levies the wheelage tax. The amount necessary to pay the costs of ~~collection of said collecting the tax is appropriated to the commissioner of public safety from the county wheelage tax road and bridge fund of each metropolitan county to the state registrar of motor vehicles that levies the tax.~~

Subd. 3. **Distribution to metropolitan county; appropriation.** ~~On or before April 1 in 1972 and each subsequent year, the commissioner of finance shall issue a warrant in favor of the treasurer of each metropolitan county for which the registrar has collected a wheelage tax in the amount of such tax then on hand in the county wheelage tax fund. There is hereby appropriated from the county wheelage tax fund each year, to each metropolitan county entitled to payments authorized by this section, sufficient moneys to make such payments.~~

Subd. 4. **Use of tax.** ~~The treasurer of each metropolitan county receiving moneys under subdivision 3 shall deposit such moneys in the county road and bridge fund. The moneys shall be used for purposes authorized by law which are highway purposes within the meaning of the Minnesota Constitution, article 14.~~

Subd. 5. **Effect on road and bridge levy.** ~~The county auditor of each metropolitan county shall reduce the amount of the property taxes levied pursuant to law in 1973 for collection in 1974, by the board of commissioners of such county for the county road and bridge fund, by the following amount: Anoka County, \$341,750; Carver County, \$86,725; Dakota County, \$386,165; Hennepin County, \$2,728,425; Ramsey County, \$1,276,815; Scott County, \$104,805; Washington County, \$227,220, and shall spread only the balance thereof on the tax rolls for collection in 1972. The county auditor shall also reduce the amount of such taxes levied pursuant to law in 1972 and any subsequent year, for collection in the respective ensuing years, by the amount of wheelage taxes received by the county in the 12 months immediately preceding such levy.~~

Subd. 6. **Metropolitan county defined.** "Metropolitan county" means any of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Subd. 7. **Offenses; penalties; application of other laws.** Any owner or operator of a motor vehicle who shall willfully ~~give any~~ gives false information relative to the wheelage tax ~~herein authorized to the registrar of motor vehicles~~ commissioner of public safety or any metropolitan county, or who shall willfully ~~fail~~ fails or ~~refuse~~ refuses to furnish any such information, ~~shall be~~ is guilty of a misdemeanor. Except as otherwise ~~herein provided in this section, the~~ collection and payment of a wheelage tax and all related matters ~~relating thereto shall be~~ are subject to ~~all provisions of law~~ laws relating to collection and payment of motor vehicle taxes so far as applicable.

Sec. 2. Minnesota Statutes 2006, section 168.011, subdivision 6, is amended to read:

Subd. 6. **Tax.** "Tax" means the annual registration tax imposed on vehicles in lieu of all other taxes, except wheelage taxes which may be imposed by any city or metropolitan county, and gross earnings taxes paid by companies. The annual tax is both a property tax and a highway use tax and shall be on the basis of the calendar year.

Sec. 3. Minnesota Statutes 2006, section 168.013, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** Motor vehicles, except as set forth in section 168.012, using the public streets or highways in the state, and park trailers taxed under subdivision 1j, shall be taxed in lieu of all other taxes thereon, except wheelage taxes, ~~so-called,~~ which may be imposed by any city or metropolitan county as provided by law, and except gross earnings taxes paid by companies subject or made subject thereto, and shall be privileged to use the public streets and highways, on the basis and at the rate for each calendar year as hereinafter provided.

Sec. 4. **[297A.992] METROPOLITAN TRANSPORTATION SALES AND USE TAX.**

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

(1) "metropolitan transportation area" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington participating in the joint powers agreement under subdivision 3, and includes any eligible county that declares by resolution of its county board to be a part of the metropolitan transportation area;

(2) "eligible county" means a county that is adjacent to any county that is part of the metropolitan transportation area;

(3) "committee" means the Grant Evaluation and Ranking System (GEARS) Committee; and

(4) "population" means the population, as defined in section 477A.011, subdivision 3, estimated or established by July 15 of the year prior to the calendar year in which the representatives will serve on the committee established under subdivision 5.

Subd. 2. **Authorization; rates.** (a) Notwithstanding section 297A.99, subdivisions 1, 2, 3, 5, and 13, or 477A.016, or any other law, the boards of the counties acting under a joint powers agreement as specified in this section may impose (1) a transportation sales and use tax within the metropolitan transportation area at a rate of one-half of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes authorized are to fund transportation improvements as specified in this section.

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

Subd. 3. **Joint powers agreement.** Before imposing the taxes authorized under subdivision 2, each participating metropolitan county, as defined in section 473.121, subdivision 4, must enter into a joint powers agreement to create the joint powers board. A joint powers agreement under this section:

(1) must provide a process that allows an eligible county, by resolution of its county board, to join the joint powers board and impose the taxes authorized under subdivision 2;

(2) may provide for withdrawal of a participating county before final termination of the agreement; and

(3) may provide for a weighted-voting system for joint powers board decisions.

Subd. 4. **Joint powers board.** (a) The joint powers board must consist of one or more representatives of each county that is in the metropolitan transportation area, appointed by its county board. The joint powers board has the powers and duties provided in this section and in section 471.59.

(b) The joint powers board may not utilize more than one-half of one percent of the proceeds of the taxes imposed under this section to reimburse counties for ordinary administrative expenses incurred in carrying out the provisions of this section. Any additional administrative expenses must be paid by the counties.

(c) The joint powers board shall establish a grant application process and identify the amount of available funding for grant awards. Grant applications must be submitted in a form prescribed by the joint powers board. An applicant must provide, in addition to all other information required by the joint powers board, the estimated cost of the project, the amount of the grant sought, possible sources of funding in addition to the grant sought, and identification of any federal funds that will be utilized if the grant is awarded.

(d) The joint powers board may establish a technical advisory group of city, county, or public agency representatives that is separate from the grant evaluation and ranking system committee. The technical advisory group must be used solely for technical consultation purposes.

(e) After the deductions allowed in section 297A.99, subdivision 11, the commissioner of revenue shall remit the proceeds of the taxes imposed under this section to the joint powers board.

Subd. 5. **Grant evaluation and ranking system committee; grant awards.** (a) The joint powers board shall establish a timeline and procedures for the award of grants, and shall define objective criteria for the award of grants. Objective criteria must include, but not be limited to, consistency with the most recent version of the transportation policy plan adopted by the Metropolitan Council under section 473.146. The joint powers board shall maximize the availability and use of federal funds in projects funded under this section.

(b) The joint powers board shall establish a grant evaluation and ranking system committee, which must consist of:

(1) one county commissioner from each county that is in the metropolitan transportation area, appointed by its county board;

(2) one elected city representative from each county that is in the metropolitan transportation area; and

(3) one additional elected city representative from each county for every additional 400,000 in population, or fraction of 400,000, in the county that is above 400,000 in population.

(c) Each elected city representative must be appointed by agreement among the several cities in the county.

(d) The committee shall evaluate grant applications following objective criteria established by the joint powers board, and must provide to the joint powers board a selection list of transportation projects that includes a priority ranking.

(e) Grants must be funded by the proceeds of the taxes imposed under this section, or bonds or other obligations issued by the joint powers board.

(f) Notwithstanding the provisions of this subdivision, in fiscal year 2009, the joint powers board shall allocate at least \$18,850,000 of any revenues collected under this section to the Metropolitan Council for operating assistance for transit.

Subd. 6. **Use of grant awards.** (a) The joint powers board may only award grants to the state and political subdivisions, and must annually allocate the awards as follows:

(1) no less than 25 percent for construction or reconstruction of trunk highways or local roads of regional significance;

(2) no less than 50 percent for transit, for the following purposes:

(i) capital improvements to transit ways, including commuter rail, rolling stock, light rail vehicles, and transit way buses;

(ii) capital costs for park-and-ride facilities, as defined in section 174.256, subdivision 2;

(iii) feasibility studies, planning, alternatives analyses, environmental studies, engineering, property acquisition for transit way purposes, and construction of transit ways; and

(iv) operating assistance for transit ways; and

(3) 25 percent for (i) any of the purposes specified in clauses (1) and (2), and (ii) planning, studies, design, construction, maintenance, and operation of pedestrian programs and bicycle programs and pathways.

(b) No more than five percent of the awards may be annually allocated for the purposes specified in paragraph (a), clause (3), item (ii).

Subd. 7. **Administration, collection, enforcement.** The administration, collection, and enforcement provisions in section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes imposed under this section.

Subd. 8. **Report.** In each year in which the taxes authorized in this section are imposed, the joint powers board shall report by February 1 to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the revenues received and grants awarded.

Subd. 9. **Grant awards to Metropolitan Council.** Any grant award under this section made to the Metropolitan Council must supplement, and to no extent supplant, operating and capital assistance provided by the state.

**Sec. 5. [297A.993] GREATER MINNESOTA TRANSPORTATION SALES AND USE TAX.**

Subdivision 1. **Authorization; rates.** Notwithstanding section 297A.99, subdivisions 1, 2, 3, 5, and 13, or 477A.016, or any other law, the board of a county outside the metropolitan transportation area, as defined under section 297A.992, subdivision 1, or more than one county outside the metropolitan transportation area acting under a joint powers agreement, may impose (1) a transportation sales tax at a rate of one-half of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes imposed under this section are subject to approval by a majority of the voters of the county or counties at a general election who vote on the question to impose the taxes.

Subd. 2. **Allocation; termination.** The proceeds of the taxes must be dedicated exclusively to payment of the cost of a specific transportation project or improvement. The transportation project or improvement must be designated by the board of the county, or more than one county acting under a joint powers agreement. The taxes must terminate after the project or improvement has been completed.

Subd. 3. **Administration, collection, enforcement.** The administration, collection, and enforcement provisions in section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes imposed under this section.

## ARTICLE 6

## DEPARTMENT OF PUBLIC SAFETY SERVICE FEES

Section 1. Minnesota Statutes 2006, section 168.12, subdivision 5, is amended to read:

Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax otherwise imposed upon any vehicle, the payment of which is required as a condition to the issuance of any plate or plates, the commissioner shall impose the fee specified in paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate or plates, except for plates issued to disabled veterans as defined in section 168.031 and plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17, for passenger automobiles. ~~The commissioner shall issue graphic design plates only for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.~~

(b) Unless otherwise specified or exempted by statute, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

|  |                    |                |
|--|--------------------|----------------|
| <del>Sequential Regular Double Plate</del>     | <del>\$4.25</del>  |                |
| <del>Sequential Special Plate Double</del>     | <del>\$7.00</del>  |                |
| <del>Sequential Regular Single Plate</del>     | <del>\$3.00</del>  |                |
| <del>Sequential Special Plate Single</del>     | <del>\$5.50</del>  |                |
| <del>Utility Trailer Self-Adhesive Plate</del> | <del>\$2.50</del>  |                |
| <del>Nonsequential Double Plate</del>          | <del>\$14.00</del> |                |
| <del>Nonsequential Single Plate</del>          | <del>\$10.00</del> |                |
| <del>Duplicate Sticker</del>                   | <del>\$1.00</del>  |                |
| <br>   |                    |                |
| <u>License Plate</u>                           | <u>Single</u>      | <u>Double</u>  |
| <u>Regular and Disability</u>                  | <u>\$4.50</u>      | <u>\$6.00</u>  |
| <u>Special</u>                                 | <u>\$8.50</u>      | <u>\$10.00</u> |
| <u>Personalized (Replacement)</u>              | <u>\$10.00</u>     | <u>\$14.00</u> |
| <u>Collector Category</u>                      | <u>\$13.50</u>     | <u>\$15.00</u> |
| <u>Emergency Vehicle Display</u>               | <u>\$3.00</u>      | <u>\$6.00</u>  |
| <u>Utility Trailer Self-Adhesive Stickers</u>  | <u>\$2.50</u>      |                |
| <u>Duplicate Year</u>                          | <u>\$1.00</u>      | <u>\$1.00</u>  |
| <u>International Fuel Tax Agreement</u>        |                    | <u>\$2.50</u>  |

(c) For vehicles that require two of the categories above, the registrar shall only charge the higher of the two fees and not a combined total.

Sec. 2. Minnesota Statutes 2006, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of ~~\$5.50~~ \$6.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of ~~\$6.50~~ \$7.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705.

(b) After June 30, 1994, in addition to each of the fees required under paragraph (a), clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Sec. 3. Minnesota Statutes 2006, section 171.02, subdivision 3, is amended to read:

Subd. 3. **Motorized bicycle.** (a) A motorized bicycle may not be operated on any public roadway by any person who does not possess a valid driver's license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has successfully completed an approved safety course and passed the written portion of the examination prescribed by the commissioner.

(b) This course must consist of, but is not limited to, a basic understanding of:

- (1) motorized bicycles and their limitations;
- (2) motorized bicycle laws and rules;
- (3) safe operating practices and basic operating techniques;
- (4) helmets and protective clothing;
- (5) motorized bicycle traffic strategies; and
- (6) effects of alcohol and drugs on motorized bicycle operators.

(c) The commissioner may adopt rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

(d) The fees for motorized bicycle operator's permits are as follows:

- |   |                             |
|---|-----------------------------|
| (1) Examination and operator's permit, valid for one year | \$ <del>6</del> <u>6.75</u> |
| (2) Duplicate   | \$ <del>3</del> <u>3.75</u> |
| (3) Renewal permit before age 21 and valid until age 21   | \$ <del>9</del> <u>9.75</u> |

- (4) Renewal permit age 21 or older and valid for four years      \$ ~~45~~ 15.75
- (5) Duplicate of any renewal permit      \$ ~~4.50~~ 5.25
- (6) Written examination and instruction permit, valid for 30 days      \$ ~~6~~ 6.75

Sec. 4. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

|   |                       |                       |                       |                                   |
|---|-----------------------|-----------------------|-----------------------|-----------------------------------|
| <del>Classified Driver's License</del>  | D- <del>\$21.50</del> | C- <del>\$25.50</del> | B- <del>\$32.50</del> | A- <del>\$40.50</del>             |
| <del>Classified Under-21 D. L.</del>  | D- <del>\$21.50</del> | C- <del>\$25.50</del> | B- <del>\$32.50</del> | A- <del>\$20.50</del>             |
| <u>Classified Driver's License</u>  | D- <u>\$22.25</u>     | C- <u>\$26.25</u>     | B- <u>\$33.25</u>     | A- <u>\$41.25</u>                 |
| <u>Classified Under-21 D. L.</u>  | D- <u>\$22.25</u>     | C- <u>\$26.25</u>     | B- <u>\$33.25</u>     | A- <u>\$21.25</u>                 |
| Instruction Permit  |                       |                       |                       | <del>\$9.50</del> <u>\$10.25</u>  |
| Provisional License   |                       |                       |                       | <del>\$12.50</del> <u>\$13.25</u> |
| Duplicate License or duplicate identification card  |                       |                       |                       | <del>\$11.00</del> <u>\$11.75</u> |
| Minnesota identification card or Under-21<br>Minnesota identification card, other than<br>duplicate, except as otherwise provided in<br>section 171.07, subdivisions 3 and 3a |                       |                       |                       | <del>\$15.50</del> <u>\$16.25</u> |

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

Sec. 5. Minnesota Statutes 2006, section 171.07, subdivision 3a, is amended to read:

Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued to an applicant 65 years of age or over shall be of a distinguishing color and plainly marked "senior." The fee for the card issued to an applicant 65 years of age or over shall be one-half the required fee for a class D driver's license rounded down to the nearest quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a person 65 years of age or over shall be valid identification for the purpose of qualifying for reduced rates, free licenses or services provided by any board, commission, agency or institution that is wholly or partially funded by state appropriations.

Sec. 6. Minnesota Statutes 2006, section 171.07, subdivision 11, is amended to read:

Subd. 11. **Standby or temporary custodian.** (a) Upon the written request of the applicant and upon payment of an additional fee of ~~\$3.50~~ \$4.25, the department shall issue a driver's license or Minnesota identification card bearing a symbol or other appropriate identifier indicating that the license holder has appointed an individual to serve as a standby or temporary custodian under chapter 257B.

(b) The request must be accompanied by a copy of the designation executed under section 257B.04.

(c) The department shall maintain a computerized records system of all individuals listed as standby or temporary custodians by driver's license and identification card applicants. This data must be released to appropriate law enforcement agencies under section 13.69. Upon a parent's request and payment of a fee of ~~\$3.50~~ \$4.25, the department shall revise its list of standby or temporary custodians to reflect a change in the appointment.

(d) At the request of the license or cardholder, the department shall cancel the standby or temporary custodian indication without additional charge. However, this paragraph does not prohibit a fee that may be applicable for a duplicate or replacement license or card, renewal of a license, or other service applicable to a driver's license or identification card.

(e) Notwithstanding sections 13.08, subdivision 1, and 13.69, the department and department employees are conclusively presumed to be acting in good faith when employees rely on statements made, in person or by telephone, by persons purporting to be law enforcement and subsequently release information described in paragraph (b). When acting in good faith, the department and department personnel are immune from civil liability and not subject to suit for damages resulting from the release of this information.

(f) The department and its employees:

(1) have no duty to inquire or otherwise determine whether a designation submitted under this subdivision is legally valid and enforceable; and

(2) are immune from all civil liability and not subject to suit for damages resulting from a claim that the designation was not legally valid and enforceable.

(g) Of the fees received by the department under this subdivision:

(1) Up to \$61,000 received must be deposited in the general fund.

(2) All other fees must be deposited in the driver services operating account in the special revenue fund specified in section 299A.705.

Sec. 7. Minnesota Statutes 2006, section 171.20, subdivision 4, is amended to read:

Subd. 4. **Reinstatement fee.** (a) Before the license is reinstated, (1) an individual whose driver's license has been suspended under section 171.16, subdivisions 2 and 3; 171.175; 171.18; or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, and (2) an individual whose driver's license has been suspended under section 171.186 and who is not exempt from such a fee, must pay a fee of \$20.

(b) Before the license is reinstated, an individual whose license has been suspended under sections 169.791 to 169.798 must pay a \$20 reinstatement fee.

(c) When fees are collected by a licensing agent appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4.

(d) Reinstatement fees collected under paragraph (a) for suspensions under sections 171.16, subdivision 3, and 171.18, subdivision 1, clause (10), must be deposited in the special revenue fund and are appropriated to the Peace Officer Standards and Training Board for peace officer training reimbursement to local units of government.

(e) A suspension may be rescinded without fee for good cause.

Sec. 8. Minnesota Statutes 2006, section 299D.09, is amended to read:

**299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.**

Fees charged for escort services provided by the State Patrol are annually appropriated to the commissioner of public safety to administer and provide these services.

The fees charged for services provided by the State Patrol with a vehicle are \$73.60 an hour in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter. The fees charged for services provided without a vehicle are \$54.00 an hour in fiscal year 2008 and \$56.16 an hour in fiscal year 2009 and thereafter.

The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air.

ARTICLE 7

OTHER TRANSPORTATION ACTIVITIES

Section 1. Minnesota Statutes 2006, section 161.081, subdivision 3, is amended to read:

Subd. 3. **Flexible highway account; turnback accounts.** (a) The flexible highway account is created in the state treasury. Money in the account may be used ~~either for the~~

(1) restoration of former trunk highways that have reverted to counties or to statutory or home rule charter cities or for regular trunk highway purposes, or for trunk highways that will be restored and subsequently turned back by agreement between the commissioner and the local road authority;

(2) safety improvements on county highways, municipal highways, streets, or town roads; and

(3) routes of regional significance.

(b) For purposes of this subdivision, "restoration" means the level of effort required to improve the route that will be turned back to an acceptable condition as determined by agreement made between the commissioner and the county or city before the route is turned back.

(c) The commissioner shall review the need for funds to restore highways that have been or will be turned back ~~and the need for funds for the trunk highway system.~~ The commissioner shall determine, on a biennial basis, the percentage of this flexible account to be distributed to each district and within each district the percentage to be used for county turnbacks, for municipal turnbacks, ~~and for regular trunk highway projects~~ for trunk highways that will be restored and subsequently turned back to local governments, by agreement between the commissioner and the local road authority, for safety improvements, and for routes of regional significance. Money in the account may be

used for safety improvements and routes of regional significance only after money is set aside to restore the identified turnbacks. The commissioner shall make ~~this determination~~ these determinations only after meeting and holding discussions with committees selected by the statewide associations of both county commissioners and municipal officials.

(d) Money that will be used for the restoration of trunk highways that have reverted or that will revert to cities must be deposited in the municipal turnback account, which is created in the state treasury.

(e) Money that will be used for the restoration of trunk highways that have reverted or that will revert to counties must be deposited in the county turnback account, which is created in the state treasury.

(f) Money that will be used for safety improvements must be deposited in the highway safety improvement account, which is created in the state treasury to be used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads to reduce crashes, deaths, injuries, and property damage.

(g) Money that will be used for routes of regional significance must be deposited in the routes of regional significance account, which is created in the state treasury, and used as grants to statutory or home rule charter cities, towns, and counties to assist in paying the costs of constructing or reconstructing city streets, county highways, or town roads with statewide or regional significance that have not been fully funded through other state, federal, or local funding sources.

(h) As part of each biennial budget submission to the legislature, the commissioner shall describe how the money in the flexible highway account will be apportioned among the county turnback account, the municipal turnback account, and the trunk highway fund for routes turned back to local governments by agreement, the highway safety improvement account, and the routes of regional significance account.

~~(g) Money apportioned from the flexible highway account to the trunk highway fund must be used for state road construction and engineering costs.~~

**EFFECTIVE DATE.** Paragraph (h) is effective January 1, 2009, and the remainder of this section is effective July 1, 2009.

Sec. 2. Minnesota Statutes 2006, section 171.29, subdivision 2, is amended to read:

Subd. 2. **Reinstatement fees and surcharges allocated and appropriated.** (a) An individual whose driver's license has been revoked as provided in subdivision 1, except under section 169A.52, 169A.54, or 609.21, must pay a \$30 fee before the driver's license is reinstated.

(b) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52, 169A.54, or 609.21, must pay a \$250 fee plus a ~~\$40~~ \$430 surcharge before the driver's license is reinstated, except as provided in paragraph (f). ~~Beginning July 1, 2002, the surcharge is \$145. Beginning July 1, 2003, the surcharge is \$430.~~ The \$250 fee is to be credited as follows:

(1) Twenty percent must be credited to the driver services operating account in the special revenue fund as specified in section 299A.705.

(2) Sixty-seven percent must be credited to the general fund.

(3) Eight percent must be credited to a separate account to be known as the Bureau of Criminal Apprehension account. Money in this account may be appropriated to the commissioner of public safety and the appropriated amount must be apportioned 80 percent for laboratory costs and 20 percent for carrying out the provisions of section 299C.065.

(4) Five percent must be credited to a separate account to be known as the vehicle forfeiture account, which is created in the special revenue fund. The money in the account is annually appropriated to the commissioner for costs of handling vehicle forfeitures.

(c) The revenue from \$50 of each the surcharge must be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. The revenue from \$50 of the surcharge on a reinstatement under paragraph (f) is credited from the first installment payment to the traumatic brain injury and spinal cord injury account. The money in the account is annually appropriated to the commissioner of health to be used as follows: 83 percent for contracts with a qualified community-based organization to provide information, resources, and support to assist persons with traumatic brain injury and their families to access services, and 17 percent to maintain the traumatic brain injury and spinal cord injury registry created in section 144.662. For the purposes of this paragraph, a "qualified community-based organization" is a private, not-for-profit organization of consumers of traumatic brain injury services and their family members. The organization must be registered with the United States Internal Revenue Service under section 501(c)(3) as a tax-exempt organization and must have as its purposes:

(1) the promotion of public, family, survivor, and professional awareness of the incidence and consequences of traumatic brain injury;

(2) the provision of a network of support for persons with traumatic brain injury, their families, and friends;

(3) the development and support of programs and services to prevent traumatic brain injury;

(4) the establishment of education programs for persons with traumatic brain injury; and

(5) the empowerment of persons with traumatic brain injury through participation in its governance.

A patient's name, identifying information, or identifiable medical data must not be disclosed to the organization without the informed voluntary written consent of the patient or patient's guardian or, if the patient is a minor, of the parent or guardian of the patient.

(d) The remainder of the surcharge must be credited to a separate account to be known as the remote electronic alcohol-monitoring program account. The commissioner shall transfer the balance of this account to the commissioner of finance on a monthly basis for deposit in the general fund.

(e) When these fees are collected by a licensing agent, appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fees and surcharge must be deposited in an approved depository as directed under section 171.061, subdivision 4.

(f) A person whose driver's license has been revoked as provided in subdivision 1 under section 169A.52 or 169A.54 and who the court certifies as being financially eligible for a public defender under section 611.17, may choose to pay 50 percent and an additional \$25 of the total amount of the surcharge and 50 percent of the fee required under paragraph (b) to reinstate the person's driver's license, provided the person meets all other requirements of reinstatement. If a person chooses to pay 50 percent of the total and an additional \$25, the driver's license must expire after two years. The person must pay an additional 50 percent less \$25 of the total to extend the license for an additional two years, provided the person is otherwise still eligible for the license. After this final payment of the surcharge and fee, the license may be renewed on a standard schedule, as provided under section 171.27. A handling charge may be imposed for each installment payment. Revenue from the handling charge is credited to the driver services operating account in the special revenue fund and is appropriated to the commissioner.

(g) Any person making installment payments under paragraph (f), whose driver's license subsequently expires, or is canceled, revoked, or suspended before payment of 100 percent of the surcharge and fee, must pay the outstanding balance due for the initial reinstatement before the driver's license is subsequently reinstated. Upon payment of the outstanding balance due for the initial reinstatement, the person may pay any new surcharge and fee imposed under paragraph (b) in installment payments as provided under paragraph (f).

**EFFECTIVE DATE.** This section is effective July 1, 2008.

Sec. 3. Minnesota Statutes 2006, section 174.03, subdivision 9, is amended to read:

Subd. 9. **Forecast of revenues and expenditures.** In cooperation with the Department of Finance and as required by section 16A.103, the commissioner shall prepare in February and November of each year a forecast of highway user tax distribution fund and trunk highway fund revenues and expenditures. The forecast must include an analysis of economic information and the potential impact on highway user fund revenues, historical growth rate information, and other variables affecting revenue assumptions and forecasted future growth rates. The forecast must include an analysis of trunk highway bonding and the necessary debt service payments, and assumptions regarding federal transportation funds. The commissioner shall review the forecast information with the chairs of the senate and house of representatives committees with jurisdiction over finance, ways and means, and transportation finance and with legislative fiscal staff no later than ~~two weeks before~~ one week following the release of the forecast is released and shall inform the chairs and staff of changes made from previous forecasts.

Sec. 4. **[398A.10] TRANSIT FUNDING.**

Subdivision 1. **Capital costs.** A county regional railroad authority may not contribute more than ten percent of the capital costs on a transit project. For purposes of this section, "transit project" includes, but is not limited to, light rail transit, bus, bus rapid transit, and commuter rail.

Subd. 2. **Operating and maintenance costs.** A county regional railroad authority may not contribute any funds to pay the operating and maintenance costs for a transit project, as defined in subdivision 1. If a county regional railroad authority is contributing funds for operating and maintenance costs on a transit project on the date of the enactment of this act, the authority may continue to contribute funds for these purposes until January 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 473.388, subdivision 4, is amended to read:

Subd. 4. **Financial assistance.** (a) The council must grant the requested financial assistance if it determines that the proposed service is intended to replace the service to the applying city or town or combination thereof by the council and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service.

(b) The amount of assistance which the council must provide to a system under this section may not be less than the sum of the amounts determined for each municipality comprising the system as follows:

(1) the transit operating assistance grants received under this subdivision by the municipality in calendar year 2001 or the tax revenues for transit services levied by the municipality for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of the municipality's aid under section 273.1398, subdivision 2, attributable to the transit levy; times

(2) the ratio of (i) ~~the appropriation from the transit fund to the council for nondebt transit operations~~ an amount equal to 3.74 percent of the state revenues generated from the taxes imposed under chapter 297B for the current fiscal year to (ii) ~~the total levy certified by the council under section 473.446 and the opt out transit operating assistance grants received under this subdivision in calendar year 2001 or the tax revenues for transit services levied~~

by all replacement service municipalities under this section for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of homestead and agricultural credit aid under section 273.1398, subdivision 2, attributable to nondebt transit levies, times

(3) the ratio of (i) the municipality's total taxable market value for taxes payable in ~~the most recent year for which data is available~~ 2006 divided by the municipality's total taxable market value for taxes payable in 2001, to (ii) the total taxable market value of all property ~~in the metropolitan area~~ located in replacement service municipalities for taxes payable in ~~the most recent year for which data is available~~ 2006 divided by the total taxable market value of all property ~~in the metropolitan area~~ located in replacement service municipalities for taxes payable in 2001.

(c) The council shall pay the amount to be provided to the recipient from the funds the council ~~would otherwise use to fund its transit operations,~~ receives in the metropolitan area transit account under section 16A.88."

Delete the title and insert:

"A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for grants, a pilot project, a task force, fund transfers, general contingent accounts, highway debt service, local roads, town road signs, planning for the Republican National Convention, and tort claims; authorizing sale and issuance of trunk highway bonds for highways, transportation facilities, and transit facilities; modifying motor fuel and registration taxes; allocating motor vehicle sales and lease tax revenues; modifying county state-aid allocation formula; modifying metropolitan county wheelage tax; authorizing local transportation sales and use taxes; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; modifying provisions relating to various transportation-related funds and accounts; providing for transit and other transportation-related activities; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.081, subdivision 3; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 171.29, subdivision 2; 174.03, subdivision 9; 174.24, subdivisions 1, 3b, 5; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.64, subdivision 2; 297A.815, by adding a subdivision; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; Laws 2005, First Special Session chapter 6, article 1, section 4, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 296A; 297A; 398A; repealing Minnesota Statutes 2006, section 174.32."

We request the adoption of this report and repassage of the bill.

House Conferees: BERNARD LIEDER, FRANK HORNSTEIN, MELISSA HORTMAN, TERRY MORROW AND RON ERHARDT.

Senate Conferees: STEVE MURPHY, D. SCOTT DIBBLE, KATIE SIEBEN, JIM CARLSON AND TERRI E. BONOFF.

The Speaker called Thissen to the Chair.

Lieder moved that the report of the Conference Committee on H. F. No. 946 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

## CALL OF THE HOUSE

On the motion of Westrom and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 946, A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, tort claims, and state land sales; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying motor fuels and registration taxes; allocating motor vehicle sales tax revenue; modifying county state-aid allocation formula; modifying county wheelage tax; authorizing local transportation sales and use taxes; modifying provisions relating to various transportation-related funds and accounts; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; prohibiting future toll facilities; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3, by adding a subdivision; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 297A; repealing Minnesota Statutes 2006, section 174.32.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 90 yeas and 43 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

|              |          |           |           |           |         |
|--------------|----------|-----------|-----------|-----------|---------|
| Anderson, S. | Demmer   | Gunther   | Magnus    | Rukavina  | Wardlow |
| Beard        | Dettmer  | Hackbarth | McFarlane | Ruth      | Westrom |
| Berns        | Eastlund | Hamilton  | McNamara  | Seifert   | Zellers |
| Brod         | Emmer    | Holberg   | Nornes    | Severson  |         |
| Buesgens     | Erickson | Hoppe     | Olson     | Shimanski |         |
| Cornish      | Finstad  | Howes     | Otremba   | Simpson   |         |
| Dean         | Garofalo | Kohls     | Paulsen   | Smith     |         |
| DeLaForest   | Gottwalt | Lanning   | Peppin    | Sviggum   |         |

The bill was repassed, as amended by Conference, and its title agreed to.

#### CALL OF THE HOUSE LIFTED

Solberg moved that the call of the House be lifted. The motion prevailed and it was so ordered.

#### CALENDAR FOR THE DAY

S. F. No. 1302 was reported to the House.

Hilstrom moved to amend S. F. No. 1302, the first engrossment, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2006, section 15.99, subdivision 2, is amended to read:

Subd. 2. **Deadline for response.** (a) Except as otherwise provided in this section, section 462.358, subdivision 3b, or 473.175, or chapter 505, and notwithstanding any other law to the contrary, an agency must approve or deny within 60 days a written request relating to zoning, septic systems, watershed district review, soil and water conservation district review, or expansion of the metropolitan urban service area for a permit, license, or other governmental approval of an action. Failure of an agency to deny a request within 60 days is approval of the request. If an agency denies the request, it must state in writing the reasons for the denial at the time that it denies the request.

(b) When a vote on a resolution or properly made motion to approve a request fails for any reason, the failure shall constitute a denial of the request provided that those voting against the motion state on the record the reasons why they oppose the request. A denial of a request because of a failure to approve a resolution or motion does not preclude an immediate submission of a same or similar request.

(c) Except as provided in paragraph (b), if an agency, other than a multimember governing body, denies the request, it must state in writing the reasons for the denial at the time that it denies the request. If a multimember governing body denies a request, it must state the reasons for denial on the record and provide the applicant in writing a statement of the reasons for the denial. If the written statement is not adopted at the same time as the denial, it must be adopted at the next meeting following the denial of the request but before the expiration of the time allowed for making a decision under this section. The written statement must be consistent with the reasons stated in the record at the time of the denial. The written statement must be provided to the applicant upon adoption.

Sec. 2. Minnesota Statutes 2006, section 473.175, is amended to read:

#### **473.175 REVIEW OF COMPREHENSIVE PLANS.**

Subdivision 1. **For compatibility, conformity.** The council shall review the comprehensive plans of local governmental units, prepared and submitted pursuant to ~~Laws 1976, chapter 127, sections 1 to 23~~ 473.851 to 473.871, to determine their compatibility with each other and conformity with metropolitan system plans. The council shall review and comment on the apparent consistency of the comprehensive plans with adopted plans of the council. The council may require a local governmental unit to modify any comprehensive plan or part thereof if, upon the adoption of findings and a resolution, the council concludes that the plan is more likely than not to have a substantial impact on or contain a substantial departure from metropolitan system plans. A local unit of government may challenge a council action under this subdivision by following the procedures set forth in section 473.866.

Subd. 2. **120-day limit, hearing.** Within 120 days following receipt of a comprehensive plan of a local governmental unit, unless a time extension is mutually agreed to, the council shall return to the local governmental unit a statement containing its comments and, by resolution, its decision, if any, to require modifications to assure conformance with the metropolitan system plans.

No action shall be taken by any local governmental unit to place any such comprehensive plan or part thereof into effect until the council has returned the statement to the unit and until the local governmental unit has incorporated any modifications in the plan required by a final decision, order, or judgment made pursuant to section 473.866. ~~Promptly after submission, the council shall notify each city, town, county, or special district which may be affected by the plans submitted, of the general nature of the plans, the date of submission, and the identity of the submitting unit. Political subdivisions contiguous to or within the submitting unit shall be notified in all cases. Within 30 days after receipt of such notice any governmental unit or district so notified or the local governmental unit submitting the plan may request the council to conduct a hearing at which the submitting unit and any other governmental unit or subdivision may present its views. The council may attempt to mediate and resolve~~

~~differences of opinion which exist among the participants in the hearing with respect to the plans submitted.~~ If within 120 days, unless a time extension is mutually agreed to, the council fails to complete its written statement the plans shall be deemed approved and may be placed into effect. Any amendment to a plan subsequent to the council's review shall be submitted to and acted upon by the council in the same manner as the original plan. The written statement of the council shall be filed with the plan of the local government unit at all places where the plan is required by law to be kept on file.

Subd. 3. **Enforcement to get conforming plan.** If a local governmental unit fails to adopt a comprehensive plan in accordance with ~~Laws 1976, chapter 127, sections 1 to 23~~ 473.851 to 473.871 or if the council after a public hearing by resolution finds that a plan substantially departs from metropolitan system plans and that the local governmental unit has not adopted a plan with modifications required pursuant to section 473.866 within nine months following a final decision, order, or judgment made pursuant to section 473.866, the council may commence civil proceedings to enforce the provisions of ~~Laws 1976, chapter 127, sections 1 to 23~~ 473.851 to 473.871 by appropriate legal action in the district court where the local governmental unit is located.

Sec. 3. Minnesota Statutes 2006, section 473.851, is amended to read:

#### **473.851 LEGISLATIVE FINDINGS AND PURPOSE.**

The legislature finds and declares that the local governmental units within the metropolitan area are interdependent, that the growth and patterns of urbanization within the area create the need for additional state, metropolitan and local public services and facilities and increase the danger of air and water pollution and water shortages, and that developments in one local governmental unit may affect the provision of regional capital improvements for sewers, transportation, airports, water supply, and regional recreation open space. Since problems of urbanization and development transcend local governmental boundaries, there is a need for the adoption of coordinated plans, programs and controls by all local governmental units in order to protect the health, safety and welfare of the residents of the metropolitan area and to ensure coordinated, orderly and economic development. Therefore, it is the purpose of sections ~~462.355, subdivision 4, 473.175, and 473.851 to 473.871~~ to (1) establish requirements and procedures to accomplish comprehensive local planning with land use controls consistent with planned, orderly and staged development and the metropolitan system plans, and (2) to provide assistance to local governmental units within the metropolitan area for the preparation of plans and official controls appropriate for their areas and consistent with metropolitan system plans.

Sec. 4. Minnesota Statutes 2006, section 473.852, subdivision 1, is amended to read:

Subdivision 1. **Terms.** As used in sections ~~462.355, subdivision 4, 473.175, and 473.851 to 473.871,~~ the following terms shall have the meanings given them.

Sec. 5. Minnesota Statutes 2006, section 473.854, is amended to read:

#### **473.854 GUIDELINES.**

The council shall prepare and adopt guidelines and procedures relating to the requirements and provisions of sections ~~462.355, subdivision 4, 473.175, and 473.851 to 473.871~~ which will provide assistance to local governmental units in accomplishing the provisions of sections ~~462.355, subdivision 4, 473.175, and 473.851 to 473.871.~~

Sec. 6. Minnesota Statutes 2006, section 473.856, is amended to read:

**473.856 METROPOLITAN SYSTEM STATEMENTS; AMENDMENTS.**

~~Local governmental units shall consider in their initial comprehensive plans submitted to the council any amendments or modifications to metropolitan system plans which were made by the council and transmitted prior to January 1, 1978. Thereafter,~~ The council shall prepare and transmit to each affected local governmental unit a metropolitan system statement when the council updates or revises its comprehensive development guide for the metropolitan area in conjunction with the decennial review required under section 473.864, subdivision 2, and when the council amends or modifies a metropolitan system plan. The statement shall contain information relating to the unit and appropriate surrounding territory that the council determines necessary for the unit to consider in reviewing the unit's comprehensive plan. The statement may include:

(1) the timing, character, function, location, projected capacity, and conditions on use for existing or planned metropolitan public facilities, as specified in metropolitan system plans, and for state and federal public facilities to the extent known to the council; and

(2) the population, employment, and household projections which have been used by the council as a basis for its metropolitan system plans.

Within nine months after receiving a system statement for an amendment to a metropolitan system plan, and within three years after receiving a system statement issued in conjunction with the decennial review required under section 473.864, subdivision 2, each affected local governmental unit shall review its comprehensive plan to determine if an amendment is necessary to ensure continued conformity with metropolitan system plans. If an amendment is necessary, the governmental unit shall prepare the amendment and submit it to the council for review pursuant to sections 462.355, ~~subdivision 4,~~ 473.175, and 473.851 to 473.871.

Sec. 7. Minnesota Statutes 2006, section 473.857, subdivision 2, is amended to read:

Subd. 2. **Within 60 days; report.** A hearing shall be conducted within 60 days after the request, provided that the advisory committee or the administrative law judge shall consolidate hearings on related requests. The 60-day period within which the hearing shall be conducted may be extended or suspended by mutual agreement of the council and the local governmental unit. ~~The hearing shall not consider the need for or reasonableness of the metropolitan system plans or parts thereof. The hearing shall afford all interested persons an opportunity to testify and present evidence. The advisory committee or administrative law judge may employ the appropriate technical and professional services of the office of dispute resolution for the purpose of evaluating disputes of fact. The proceedings shall not be deemed a contested case. Within 30 days after the hearing, the advisory committee or hearing examiner~~ the administrative law judge shall report to the council respecting the proposed amendments to the system statements. The report shall contain findings of fact, conclusions, and recommendations and shall apportion the costs of the proceedings among the parties.

Sec. 8. Minnesota Statutes 2006, section 473.858, is amended to read:

**473.858 COMPREHENSIVE PLANS; LOCAL GOVERNMENTAL UNITS.**

Subdivision 1. **No conflicting zoning, fiscal device, official control.** Within nine months following the receipt of a metropolitan system statement for an amendment to a metropolitan system plan and within three years following the receipt of the a metropolitan system statement issued in conjunction with the decennial review required under section 473.864, subdivision 2, every local governmental unit shall have ~~prepared a reviewed and, if necessary, amended its~~ comprehensive plan in accordance with sections 462.355, ~~subdivision 4,~~ 473.175, and 473.851 to 473.871 and the applicable planning statute and shall have submitted the plan to the Metropolitan

Council for review pursuant to section 473.175. The provisions of sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871 shall supersede the provisions of the applicable planning statute wherever a conflict may exist. If the comprehensive municipal plan is in conflict with the zoning ordinance, the zoning ordinance shall be brought into conformance with the plan by local government units in conjunction with the review and, if necessary, amendment of its comprehensive plan required under section 473.864, subdivision 2. After August 1, 1995, a local government unit shall not adopt any fiscal device or official control which is in conflict with its comprehensive plan, including any amendments to the plan, or which permits activity in conflict with metropolitan system plans, as defined by section 473.852, subdivision 8. The comprehensive plan shall provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the comprehensive plan. For purposes of this section, a fiscal device or official control shall not be considered to be in conflict with a local government unit's comprehensive plan or to permit an activity in conflict with metropolitan system plans if such fiscal device or official control is adopted to ensure the planned, orderly, and staged development of urbanization or redevelopment areas designated in the comprehensive plan pursuant to section 473.859, subdivision 5.

Subd. 2. **Adjacent review, comment.** Local governmental units shall submit their proposed plans to adjacent governmental units, affected special districts lying in whole or in part within the metropolitan area, and affected school districts for review and comment at least six months prior to submission of the plan to the council and shall submit copies to them on the submission of the plan to the council. For minor plan amendments, the council may prescribe a shorter review and comment period, or may waive the review and comment period if the minor plan amendments involve lands that are not contiguous to other local governmental units.

Subd. 3. **When to council.** The plans shall be submitted to the council following approval recommendation by the planning ~~commission~~ agency of the unit and after consideration but before final approval by the governing body of the unit.

Subd. 4. **Status of old, new programs, plans, controls.** Comprehensive plans, capital improvement programs, sewer policy plans and official controls of local governmental units adopted prior to the requirements of sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871 shall remain in force and effect until amended, repealed or superseded by plans or controls adopted pursuant to sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871. Existing comprehensive plans, capital improvement programs, sewer policy plans, and official controls may be amended and new capital improvement programs and official controls may be prepared and adopted prior to the submission to the council of comprehensive plans required by sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871.

Sec. 9. Minnesota Statutes 2006, section 473.859, subdivision 1, is amended to read:

Subdivision 1. **Contents.** The comprehensive plan shall contain objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and waters within the jurisdiction of the local governmental unit through 1990 and may extend through any year thereafter which is evenly divisible by five. Each plan shall specify expected industrial and commercial development, planned population distribution, and local public facility capacities upon which the plan is based. Each plan shall contain a discussion of the use of the public facilities specified in the metropolitan system statement and the effect of the plan on adjacent local governmental units and affected school districts. Existing plans and official controls may be used in whole or in part following modification, as necessary, to satisfy the requirements of sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871. Each plan may contain an intergovernmental coordination element that describes how its planned land uses and urban services affect other communities, adjacent local government units, the region, and the state, and that includes guidelines for joint planning and decision making with other communities, school districts, and other jurisdictions for siting public schools, building public facilities, and sharing public services.

Each plan may contain an economic development element that identifies types of mixed use development, expansion facilities for businesses, and methods for developing a balanced and stable economic base.

The comprehensive plan may contain any additional matter which may be included in a comprehensive plan of the local governmental unit pursuant to the applicable planning statute.

Sec. 10. Minnesota Statutes 2006, section 473.866, is amended to read:

**473.866 CONTESTED CASES; ADMINISTRATIVE AND JUDICIAL REVIEW.**

The council's decision to require modification under section 473.175 may be contested by the affected local governmental unit. The unit shall have 60 days within which to request a hearing on the council's decision to require modification. If within 60 days the unit has not requested a hearing, the council shall make its final decision with respect to the required modifications. If an affected unit requests a hearing, the request for hearing shall be granted, and the hearing shall be conducted within 60 days by the state Office of Administrative Hearings in the manner provided by chapter 14 for contested cases. The 60-day period within which the hearing shall be conducted may be extended by mutual agreement of the council and the affected local governmental unit. The subject of the hearing shall not extend to questions concerning the need for or reasonableness of the metropolitan system plans or any part thereof. In the report of the administrative law judge the costs of the hearing shall be apportioned among the parties to the proceeding. Within 30 days after the receipt of the report the council shall, by resolution containing findings of fact and conclusions, make a final decision with respect to the required modifications of the comprehensive plan. Any party to the proceeding aggrieved by the decision of the council may appeal to the court in the manner provided in chapter 14 for contested cases. The record on appeal shall consist of: (1) the administrative law judge's record and report, and (2) the findings, conclusions and final decision of the council. The scope of review shall be that of section 14.69, provided that: (1) the court shall not give preference to either the administrative law judge's record and report or the findings, conclusions and final decision of the council, and (2) the decision of the court shall be based upon a preponderance of the evidence as contained in the record on appeal. The costs of the appeal shall be apportioned by the court.

Sec. 11. Minnesota Statutes 2006, section 473.867, subdivision 1, is amended to read:

Subdivision 1. **Advisory materials, models, assistance.** The council shall prepare and provide advisory materials, model plan provisions and official controls, and on the request of a local governmental unit may provide assistance, to accomplish the purposes of sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871. The council may also provide specific technical and legal assistance in connection with the preparation, adoption and defense of plans, programs, and controls.

Sec. 12. Minnesota Statutes 2006, section 473.867, subdivision 2, is amended to read:

Subd. 2. **Planning assistance fund.** The council ~~shall~~ may establish a planning assistance fund as a separate bookkeeping account in its general fund for the purpose of making grants and loans to local governmental units under this section. The council shall adopt uniform procedures for the award, disbursement and repayment of grants and loans.

Sec. 13. Minnesota Statutes 2006, section 473.869, is amended to read:

**473.869 EXTENSION.**

A local governmental unit may by resolution request that the council extend the time for fulfilling the requirements of sections 462.355, subdivision 4 1a, 473.175, and 473.851 to 473.871. A request for extension shall be accompanied by a description of the activities previously undertaken by a local governmental unit in fulfillment

of the requirements of sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871, and an explanation of the reasons necessitating and justifying the request. Upon a finding of exceptional circumstances or undue hardship, the council may, in its discretion, grant by resolution a request for extension and may attach reasonable requirements or conditions to the extension.

Sec. 14. Minnesota Statutes 2006, section 473.871, is amended to read:

**473.871 NEW MUNICIPAL SEWER SYSTEMS.**

Notwithstanding the provisions of sections 462.355, ~~subdivision 4~~, 473.175, and 473.851 to 473.871 the council shall have no authority under this chapter to require a local governmental unit to construct a new sewer system."

Page 3, after line 6, insert:

"Sec. 19. **REPEALER.**

Minnesota Statutes 2006, sections 473.1455; 473.247; and 473.868, are repealed."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1302, A bill for an act relating to metropolitan government; modifying provisions governing metropolitan livable communities fund; authorizing the creation of a nonprofit organization; authorizing the use of funds to establish the foundation; requiring a report; authorizing a transfer of funds between metropolitan livable communities fund accounts; authorizing a onetime transfer from the livable communities demonstration account for local planning assistance grants and loans.

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 105 yeas and 28 nays as follows:

Those who voted in the affirmative were:

|              |           |           |            |           |              |
|--------------|-----------|-----------|------------|-----------|--------------|
| Abeler       | Cornish   | Gardner   | Jaros      | Lillie    | Murphy, E.   |
| Anderson, S. | Davnie    | Garofalo  | Johnson    | Loeffler  | Murphy, M.   |
| Anzelc       | Dean      | Greiling  | Juhnke     | Madore    | Nelson       |
| Atkins       | Dettmer   | Hamilton  | Kahn       | Mahoney   | Nornes       |
| Beard        | Dill      | Hansen    | Knuth      | Mariani   | Norton       |
| Benson       | Dittrich  | Hausman   | Koenen     | Marquart  | Olin         |
| Bigham       | Dominguez | Haws      | Kranz      | Masin     | Otremba      |
| Bly          | Doty      | Hilstrom  | Laine      | McFarlane | Ozment       |
| Brown        | Eken      | Hilty     | Lanning    | McNamara  | Paymar       |
| Brynaert     | Erhardt   | Hornstein | Lenczewski | Moe       | Pelowski     |
| Bunn         | Erickson  | Hortman   | Lesch      | Morgan    | Peterson, A. |
| Carlson      | Faust     | Hosch     | Liebling   | Morrow    | Peterson, N. |
| Clark        | Fritz     | Huntley   | Lieder     | Mullery   | Peterson, S. |

|          |           |         |            |         |               |
|----------|-----------|---------|------------|---------|---------------|
| Poppe    | Scalze    | Slawik  | Thissen    | Walker  | Wollschlager  |
| Rukavina | Sertich   | Slocum  | Tillberry  | Ward    | Spk. Kelliher |
| Ruth     | Shimanski | Solberg | Tingelstad | Wardlow |               |
| Ruud     | Simon     | Swails  | Tschumper  | Welti   |               |
| Sailer   | Simpson   | Thao    | Wagenius   | Winkler |               |

Those who voted in the negative were:

|            |          |            |         |          |         |
|------------|----------|------------|---------|----------|---------|
| Berns      | Eastlund | Hackbarth  | Kalin   | Peppin   | Urdahl  |
| Brod       | Emmer    | Heidgerken | Kohls   | Seifert  | Westrom |
| Buesgens   | Finstad  | Holberg    | Magnus  | Severson | Zellers |
| DeLaForest | Gottwalt | Hoppe      | Olson   | Smith    |         |
| Demmer     | Gunther  | Howes      | Paulsen | Sviggum  |         |

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

S. F. No. 1755, A bill for an act relating to local government; authorizing certain charitable organizations to participate in joint powers agreements; amending Minnesota Statutes 2006, sections 16C.03, subdivision 10; 16C.11.

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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens                Olson

The bill was passed and its title agreed to.

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

S. F. No. 1724 was reported to the House.

Holberg moved to amend S. F. No. 1724, the third engrossment, as follows:

Page 20, delete section 14

A roll call was requested and properly seconded.

The question was taken on the Holberg amendment and the roll was called. There were 71 yeas and 60 nays as follows:

Those who voted in the affirmative were:

|              |          |            |            |              |              |
|--------------|----------|------------|------------|--------------|--------------|
| Anderson, S. | Demmer   | Greiling   | Kohls      | Olson        | Simon        |
| Beard        | Dettmer  | Gunther    | Kranz      | Otremba      | Simpson      |
| Benson       | Dill     | Hackbarth  | Lanning    | Ozment       | Smith        |
| Berns        | Doty     | Hamilton   | Liebling   | Pelowski     | Sviggum      |
| Bigham       | Eastlund | Haws       | Magnus     | Peppin       | Tingelstad   |
| Brown        | Emmer    | Heidgerken | McFarlane  | Peterson, N. | Urdahl       |
| Brynaert     | Erhardt  | Hilstrom   | McNamara   | Peterson, S. | Wardlow      |
| Buesgens     | Erickson | Holberg    | Morgan     | Poppe        | Walti        |
| Carlson      | Faust    | Hoppe      | Morrow     | Ruth         | Westrom      |
| Cornish      | Finstad  | Hosch      | Mullery    | Seifert      | Wollschlager |
| Dean         | Garofalo | Howes      | Murphy, M. | Severson     | Zellers      |
| DeLaForest   | Gottwalt | Kalin      | Nornes     | Shimanski    |              |

Those who voted in the negative were:

|          |           |            |            |              |               |
|----------|-----------|------------|------------|--------------|---------------|
| Abeler   | Fritz     | Juhnke     | Madore     | Paulsen      | Swails        |
| Anzelc   | Gardner   | Kahn       | Mahoney    | Paymar       | Thao          |
| Atkins   | Hansen    | Knuth      | Mariani    | Peterson, A. | Thissen       |
| Bly      | Hausman   | Koene      | Marquart   | Rukavina     | Tillberry     |
| Brod     | Hilty     | Laine      | Masin      | Ruud         | Tschumper     |
| Bunn     | Hornstein | Lenczewski | Moe        | Sailer       | Wagenius      |
| Clark    | Hortman   | Lesch      | Murphy, E. | Sertich      | Walker        |
| Davnie   | Huntley   | Lieder     | Nelson     | Slawik       | Ward          |
| Dittrich | Jaros     | Lillie     | Norton     | Slocum       | Winkler       |
| Eken     | Johnson   | Loeffler   | Olin       | Solberg      | Spk. Kelliher |

The motion prevailed and the amendment was adopted.

Thao moved to amend S. F. No. 1724, the third engrossment, as amended, as follows:

Page 52, after line 8, insert:

"Sec. 44. Minnesota Statutes 2006, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as provided in paragraph (b), the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

(b) For an individual ~~in the chemical dependency field~~ who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and ~~whose disqualification was~~ who received a set aside prior to July 1, 2005, the commissioner must consider granting a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of care to children or vulnerable adults and the circumstances of the individual's departure from that service."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sviggum moved to amend S. F. No. 1724, the third engrossment, as amended, as follows:

Page 9, after line 18, insert:

"Sec. 3. Minnesota Statutes 2006, section 148B.555, is amended to read:

**148B.555 EXPERIENCED COUNSELOR TRANSITION.**

(a) An applicant for licensure who, prior to December 31, 2003, completed a master's or doctoral degree program in counseling or a related field, as determined by the board, and whose degree was from a counseling program recognized by the Council for Accreditation of Counseling and Related Education Programs (CACREP) or from an institution of higher education that is accredited by a regional accrediting organization recognized by the Council for Higher Education Accreditation (CHEA), need not comply with the requirements of section 148B.53, subdivision 1, paragraph (a), clause (3), or (b), so long as the applicant can document five years of full-time postdegree work experience within the practice of professional counseling as defined under section 148B.50, subdivisions 4 and 5.

(b) This section expires July 1, ~~2007~~ 2008.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Walker, Thao and Finstad moved to amend S. F. No. 1724, the third engrossment, as amended, as follows:

Page 20, after line 3 insert:

"Sec. 13. Minnesota Statutes 2006, section 245A.11, is amended by adding a subdivision to read:

Subd. 8. **Overnight supervision.** Notwithstanding Minnesota Rules, part 9555.5105, subpart 37, item B, the level of overnight supervision for a resident of an adult foster home shall be determined by the interdisciplinary team and the individual's residential placement agreement."

Page 76, line 5, after "245A.023;" insert "245A.11, subdivision 7;"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Liebling moved to amend S. F. No. 1724, the third engrossment, as amended, as follows:

Page 20, after line 24, insert:

"Sec. 14. **[245A.1435] REDUCTION OF RISK OF SUDDEN INFANT DEATH SYNDROME IN LICENSED PROGRAMS.**

When a license holder is placing an infant to sleep, the license holder must place the infant on the infant's back, unless the license holder has documentation from the infant's parent directing an alternative sleeping position for the infant, and must place the infant in a crib with a firm mattress. The license holder must not place pillows, quilts, comforters, sheepskin, pillow-like stuffed toys, or other soft products in the crib with the infant. Licensed child care providers must meet the crib requirements under section 245A.146."

A roll call was requested and properly seconded.

The question was taken on the Liebling amendment and the roll was called. There were 91 yeas and 40 nays as follows:

Those who voted in the affirmative were:

|          |           |           |            |           |              |
|----------|-----------|-----------|------------|-----------|--------------|
| Abeler   | Clark     | Greiling  | Juhnke     | Lillie    | Mullery      |
| Anzelc   | Davnie    | Hansen    | Kahn       | Loeffler  | Murphy, E.   |
| Atkins   | Dill      | Hausman   | Kalin      | Madore    | Nelson       |
| Benson   | Dittrich  | Haws      | Knuth      | Mahoney   | Norton       |
| Bigham   | Dominguez | Hilstrom  | Koenen     | Mariani   | Olin         |
| Bly      | Doty      | Hornstein | Laine      | Masin     | Otreмба      |
| Brod     | Eken      | Hortman   | Lanning    | McFarlane | Ozment       |
| Brown    | Faust     | Hosch     | Lenczewski | McNamara  | Paulsen      |
| Brynaert | Finstad   | Huntley   | Lesch      | Moe       | Paymar       |
| Bunn     | Fritz     | Jaros     | Liebling   | Morgan    | Pelowski     |
| Carlson  | Gardner   | Johnson   | Lieder     | Morrow    | Peterson, A. |

|              |          |           |            |               |
|--------------|----------|-----------|------------|---------------|
| Peterson, N. | Sailer   | Slocum    | Tingelstad | Wardlow       |
| Peterson, S. | Sertich  | Solberg   | Tschumper  | Welti         |
| Poppe        | Severson | Swails    | Wagenius   | Winkler       |
| Ruth         | Simon    | Thissen   | Walker     | Wollschlager  |
| Ruud         | Slawik   | Tillberry | Ward       | Spk. Kelliher |

Those who voted in the negative were:

|              |          |            |            |           |         |
|--------------|----------|------------|------------|-----------|---------|
| Anderson, S. | Demmer   | Gunther    | Howes      | Olson     | Sviggum |
| Beard        | Dettmer  | Hackbarth  | Kohls      | Peppin    | Thao    |
| Berns        | Eastlund | Hamilton   | Kranz      | Rukavina  | Urdahl  |
| Buesgens     | Emmer    | Heidgerken | Magnus     | Seifert   | Westrom |
| Cornish      | Erickson | Hilty      | Marquart   | Shimanski | Zellers |
| Dean         | Garofalo | Holberg    | Murphy, M. | Simpson   |         |
| DeLaForest   | Gottwalt | Hoppe      | Nornes     | Smith     |         |

The motion prevailed and the amendment was adopted.

S. F. No. 1724, A bill for an act relating to human services; making changes to licensing provisions; modifying data practices, program administration, disaster plans, education programs, conditional license provisions, suspensions, sanctions, and contested case hearings, child care center training, family child care training requirements, vulnerable adults, maltreatment of minors, background studies, disqualifications, reconsiderations, disqualification set-asides, fair hearings, appeals, changing definitions of neglect and physical abuse; amending Minnesota Statutes 2006, sections 13.46, subdivisions 2, 4; 245A.03, subdivision 2; 245A.04, subdivision 11, by adding subdivisions; 245A.06, subdivision 4; 245A.07, subdivisions 2a, 3, by adding a subdivision; 245A.08, subdivision 2a; 245A.10, subdivision 2; 245A.14, subdivision 8; 245A.144; 245A.1445; 245A.145, subdivision 1; 245A.18, subdivision 2; 245A.65, subdivision 1, by adding a subdivision; 245C.02, by adding a subdivision; 245C.05, subdivision 3; 245C.07; 245C.08; 245C.09, subdivision 1; 245C.11, by adding a subdivision; 245C.13, subdivision 2; 245C.14, subdivision 1; 245C.15, subdivisions 1, 2, 3, 4; 245C.16, subdivision 1; 245C.17, subdivisions 2, 3; 245C.21, subdivisions 2, 3; 245C.22, subdivisions 4, 5; 245C.24, subdivision 3; 245C.27, subdivision 1; 245C.28, subdivision 1; 245C.301; 256B.0919, by adding a subdivision; 256B.092, by adding a subdivision; 270B.14, subdivision 1; 626.556, subdivisions 2, 10e, 10i; 626.557, subdivisions 9c, 9d; 626.5572, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2006, sections 245A.023; 245A.14, subdivisions 7, 9, 9a, 12, 13; 245C.06; Minnesota Rules, parts 9502.0385; 9503.0035.

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 102 yeas and 30 nays as follows:

Those who voted in the affirmative were:

|              |          |           |          |            |         |
|--------------|----------|-----------|----------|------------|---------|
| Abeler       | Brod     | Dill      | Finstad  | Heidgerken | Jaros   |
| Anderson, S. | Brown    | Dittrich  | Fritz    | Hilstrom   | Johnson |
| Anzelc       | Brynaert | Dominguez | Gardner  | Hilty      | Juhnke  |
| Atkins       | Bunn     | Doty      | Greiling | Hornstein  | Kahn    |
| Benson       | Carlson  | Eken      | Hansen   | Hortman    | Kalin   |
| Bigham       | Clark    | Erhardt   | Hausman  | Hosch      | Knuth   |
| Bly          | Davnie   | Faust     | Haws     | Huntley    | Koenen  |

|            |           |            |              |            |               |
|------------|-----------|------------|--------------|------------|---------------|
| Kranz      | Mahoney   | Murphy, E. | Peterson, A. | Slawik     | Tschumper     |
| Laine      | Mariani   | Murphy, M. | Peterson, N. | Slocum     | Urdahl        |
| Lanning    | Marquart  | Nelson     | Peterson, S. | Smith      | Wagenius      |
| Lenczewski | Masin     | Norton     | Poppe        | Solberg    | Walker        |
| Lesch      | McFarlane | Olin       | Rukavina     | Sviggum    | Ward          |
| Liebling   | McNamara  | Otremba    | Ruth         | Swails     | Wardlow       |
| Lieder     | Moe       | Ozment     | Ruud         | Thao       | Welti         |
| Lillie     | Morgan    | Paulsen    | Sailer       | Thissen    | Winkler       |
| Loeffler   | Morrow    | Paymar     | Sertich      | Tillberry  | Wollschlager  |
| Madore     | Mullery   | Pelowski   | Simon        | Tingelstad | Spk. Kelliher |

Those who voted in the negative were:

|          |            |           |          |         |           |
|----------|------------|-----------|----------|---------|-----------|
| Beard    | DeLaForest | Erickson  | Hamilton | Magnus  | Severson  |
| Berns    | Demmer     | Garofalo  | Holberg  | Nornes  | Shimanski |
| Buesgens | Dettmer    | Gottwalt  | Hoppe    | Olson   | Simpson   |
| Cornish  | Eastlund   | Gunther   | Howes    | Peppin  | Westrom   |
| Dean     | Emmer      | Hackbarth | Kohls    | Seifert | Zellers   |

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

S. F. No. 1215, A bill for an act relating to health; making technical changes; eliminating radioactive material license renewal fee; establishing fees for ionizing radiation-producing equipment; modifying requirements for operating x-ray equipment; extending the expiration date for a task force; amending Minnesota Statutes 2006, sections 144.1205, subdivision 1; 144.121, subdivisions 1a, 5; 145.881, subdivision 1; repealing Minnesota Statutes 2006, section 144.121, subdivisions 1c, 4.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

|         |         |            |           |         |               |
|---------|---------|------------|-----------|---------|---------------|
| Simon   | Smith   | Thao       | Tschumper | Ward    | Winkler       |
| Simpson | Solberg | Thissen    | Urdahl    | Wardlow | Wollschlager  |
| Slawik  | Sviggum | Tillberry  | Wagenius  | Welti   | Zellers       |
| Slocum  | Swails  | Tingelstad | Walker    | Westrom | Spk. Kelliher |

The bill was passed and its title agreed to.

S. F. No. 1070 was reported to the House.

Atkins moved to amend S. F. No. 1070, the second engrossment, as follows:

Page 1, line 23, after "also" insert "authorize, under terms and conditions it chooses, consistent with state law, the sale, possession, and consumption of"

Page 1, line 23, delete "sell"

Page 4, line 3, delete "or any other location within" and insert "or at no more than seven other locations within"

Page 5, line 11, restore the following stricken language "on the campus of the College of Agriculture of the University of Minnesota"

The motion prevailed and the amendment was adopted.

S. F. No. 1070, A bill for an act relating to liquor; modifying liquor regulations; authorizing intoxicating liquor licenses; amending Minnesota Statutes 2006, sections 37.21, subdivisions 1, 2; 340A.301, subdivision 7; 340A.315, by adding a subdivision; 340A.404, subdivision 4a; 340A.408, subdivision 3; 340A.412, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

The question was taken on the passage of the bill and the roll was called. There were 111 yeas and 21 nays as follows:

Those who voted in the affirmative were:

|              |           |            |         |            |            |
|--------------|-----------|------------|---------|------------|------------|
| Anderson, S. | Cornish   | Gardner    | Howes   | Lenczewski | Moe        |
| Anzelc       | Davnie    | Greiling   | Huntley | Lesch      | Morgan     |
| Atkins       | Dean      | Hamilton   | Jaros   | Liebling   | Morrow     |
| Beard        | Demmer    | Hansen     | Johnson | Lieder     | Mullery    |
| Benson       | Dettmer   | Hausman    | Juhnke  | Lillie     | Murphy, E. |
| Bigham       | Dill      | Haws       | Kahn    | Loeffler   | Murphy, M. |
| Bly          | Dittrich  | Heidgerken | Kalin   | Madore     | Nelson     |
| Brod         | Dominguez | Hilstrom   | Knuth   | Mahoney    | Nornes     |
| Brown        | Doty      | Hilty      | Koenen  | Mariani    | Norton     |
| Brynaert     | Eken      | Hoppe      | Kohls   | Marquart   | Olin       |
| Bunn         | Erhardt   | Hornstein  | Kranz   | Masin      | Otremba    |
| Carlson      | Faust     | Hortman    | Laine   | McFarlane  | Ozment     |
| Clark        | Fritz     | Hosch      | Lanning | McNamara   | Paymar     |

|              |           |         |            |           |               |
|--------------|-----------|---------|------------|-----------|---------------|
| Pelowski     | Ruth      | Simon   | Sviggum    | Tschumper | Wollschlager  |
| Peterson, A. | Ruud      | Simpson | Swails     | Wagenius  | Zellers       |
| Peterson, N. | Sailer    | Slawik  | Thao       | Walker    | Spk. Kelliher |
| Peterson, S. | Sertich   | Slocum  | Thissen    | Ward      |               |
| Poppe        | Severson  | Smith   | Tillberry  | Welti     |               |
| Rukavina     | Shimanski | Solberg | Tingelstad | Winkler   |               |

Those who voted in the negative were:

|            |          |           |         |         |         |
|------------|----------|-----------|---------|---------|---------|
| Abeler     | Eastlund | Garofalo  | Holberg | Peppin  | Westrom |
| Berns      | Emmer    | Gottwalt  | Magnus  | Seifert |         |
| Buesgens   | Erickson | Gunther   | Olson   | Urdahl  |         |
| DeLaForest | Finstad  | Hackbarth | Paulsen | Wardlow |         |

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

S. F. No. 1675, A bill for an act relating to the military; expanding uses for money in the Minnesota "Support Our Troops" account; amending Minnesota Statutes 2006, section 190.19, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 167 was reported to the House.

Davnie moved to amend S. F. No. 167, the second unofficial engrossment, as follows:

Page 12, after line 24, insert:

"Sec. 15. Minnesota Statutes 2006, section 268.085, subdivision 4, is amended to read:

Subd. 4. **Social Security benefits.** (a) Any applicant aged 62 or over ~~shall be~~ is required to state when filing an application for unemployment benefits and when filing continued ~~biweekly~~ requests for unemployment benefits ~~whether~~ if the applicant is receiving, has filed for, or intends to file for, primary Social Security old age benefits for any week during the benefit year.

If the effective date of the applicant's Social Security claim for old age benefits is, or will be, after the start of the base period, there shall must be deducted from an applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary Social Security old age benefit the applicant has received, has filed for, or intends to file for, with respect to that week.

If the effective date of the applicant's Social Security claim for old age benefits is before the start of the base period, there is no deduction from the applicant's weekly unemployment benefit amount.

(b) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week during the benefit year ~~shall must~~ be determined unable to work and unavailable for suitable employment for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is able to work and available for suitable employment.

If an applicant meets the requirements of clause (1) ~~or there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits. If only clause (2) applies,~~ then there ~~shall must~~ be deducted from the applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary Social Security disability benefits the applicant is receiving, has received, or has filed for, with respect to that week; provided, however, that if the Social Security Administration determines that an individual is not entitled to receive primary Social Security disability benefits for any week the applicant has applied for those benefits, the 50 percent deduction ~~shall does~~ not apply to that week.

(c) Information from the Social Security Administration ~~shall be~~ is considered conclusive, absent specific evidence showing that the information was erroneous.

(d) If the computation of the reduced unemployment benefits is not a whole dollar, it ~~shall be~~ is rounded down to the next lower whole dollar.

(e) This subdivision does not apply to Social Security survivor benefits.

**EFFECTIVE DATE.** This section is effective for unemployment insurance benefit accounts filed effective on or after September 30, 2007."

Page 92, delete section 53

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gunther moved to amend S. F. No. 167, the second unofficial engrossment, as amended, as follows:

Pages 121 and 122, delete section 1 and insert:

"Section 1. **UNEMPLOYMENT BENEFITS; CONTINUED REQUEST TIME PERIOD WAIVER.**

Notwithstanding the requirements of Minnesota Statutes, sections 268.085, subdivision 1, clause (1), and 268.086, the commissioner must accept continued requests for unemployment benefits and pay unemployment benefits to an applicant who:

(1) was employed as a technician or inspector for Northwest Airlines, Inc., prior to August 20, 2005;

(2) stopped working on or about August 20, 2005, because of a labor dispute between the Aircraft Mechanics Fraternal Association (AMFA) and Northwest Airlines, Inc.;

(3) did not file continued requests for unemployment benefits within the time periods required under Minnesota Statutes, section 268.086; and

(4) meets all the other requirements for the payment of unemployment benefits under Minnesota Statutes, section 268.069, subdivision 2.

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

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gunther amendment and the roll was called.

Pursuant to rule 2.05, Speaker pro tempore Thissen excused Lillie from voting on the Gunther amendment to S. F. No. 167, the second unofficial engrossment, as amended.

There were 50 yeas and 81 nays as follows:

Those who voted in the affirmative were:

|              |          |         |            |          |          |
|--------------|----------|---------|------------|----------|----------|
| Anderson, S. | Brod     | Bunn    | DeLaForest | Dittrich | Erhardt  |
| Beard        | Brynaert | Cornish | Demmer     | Eastlund | Erickson |
| Berns        | Buesgens | Dean    | Dettmer    | Emmer    | Finstad  |

|            |          |           |              |         |         |
|------------|----------|-----------|--------------|---------|---------|
| Garofalo   | Holberg  | McFarlane | Peterson, N. | Simpson | Winkler |
| Gottwalt   | Hoppe    | McNamara  | Ruth         | Sviggum | Zellers |
| Gunther    | Kohls    | Nornes    | Ruud         | Thissen |         |
| Hackbarth  | Lanning  | Olson     | Seifert      | Urdahl  |         |
| Hamilton   | Loeffler | Paulsen   | Severson     | Welti   |         |
| Heidgerken | Magnus   | Peppin    | Shimanski    | Westrom |         |

Those who voted in the negative were:

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

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

Masin and Mahoney moved to amend S. F. No. 167, the second unofficial engrossment, as amended, as follows:

Page 122, line 5, delete "not"

A roll call was requested and properly seconded.

The question was taken on the Masin and Mahoney amendment and the roll was called.

Pursuant to rule 2.05, Speaker pro tempore Thissen excused Lillie from voting on the Masin and Mahoney amendment to S. F. No. 167, the second unofficial engrossment, as amended.

There were 105 yeas and 26 nays as follows:

Those who voted in the affirmative were:

|              |          |           |          |            |         |
|--------------|----------|-----------|----------|------------|---------|
| Abeler       | Brown    | Demmer    | Fritz    | Heidgerken | Jaros   |
| Anderson, S. | Brynaert | Dettmer   | Gardner  | Hilstrom   | Johnson |
| Anzelc       | Bunn     | Dill      | Garofalo | Hilty      | Juhnke  |
| Atkins       | Carlson  | Dittrich  | Greiling | Hornstein  | Kahn    |
| Benson       | Clark    | Dominguez | Hamilton | Hortman    | Kalin   |
| Bigham       | Cornish  | Doty      | Hansen   | Hosch      | Knuth   |
| Bly          | Davnie   | Eken      | Hausman  | Howes      | Koenen  |
| Brod         | Dean     | Faust     | Haws     | Huntley    | Kranz   |

|            |            |              |          |            |               |
|------------|------------|--------------|----------|------------|---------------|
| Laine      | Marquart   | Nelson       | Poppe    | Solberg    | Walker        |
| Lenczewski | Masin      | Norton       | Rukavina | Sviggum    | Ward          |
| Lesch      | McFarlane  | Olin         | Ruth     | Swails     | Wardlow       |
| Liebling   | McNamara   | Otremba      | Ruud     | Thao       | Welti         |
| Lieder     | Moe        | Ozment       | Sailer   | Thissen    | Winkler       |
| Loeffler   | Morgan     | Paulsen      | Sertich  | Tillberry  | Wollschlager  |
| Madore     | Morrow     | Paymar       | Simpson  | Tingelstad | Spk. Kelliher |
| Magnus     | Mullery    | Pelowski     | Slawik   | Tschumper  |               |
| Mahoney    | Murphy, E. | Peterson, A. | Slocum   | Urdahl     |               |
| Mariani    | Murphy, M. | Peterson, S. | Smith    | Wagenius   |               |

Those who voted in the negative were:

|            |          |           |              |           |         |
|------------|----------|-----------|--------------|-----------|---------|
| Beard      | Emmer    | Gunther   | Lanning      | Seifert   | Zellers |
| Berns      | Erhardt  | Hackbarth | Nornes       | Severson  |         |
| Buesgens   | Erickson | Holberg   | Olson        | Shimanski |         |
| DeLaForest | Finstad  | Hoppe     | Peppin       | Simon     |         |
| Eastlund   | Gottwalt | Kohls     | Peterson, N. | Westrom   |         |

The motion prevailed and the amendment was adopted.

McNamara moved to amend S. F. No. 167, the second unofficial engrossment, as amended, as follows:

Page 122, delete lines 7 and 8 and insert:

**"EFFECTIVE DATE.** This section is effective August 17, 2007, only if Northwest Airlines, Inc. and the Aircraft Mechanics Fraternal Association (AMFA) are unable to reach an agreement that stipulates that Northwest Airlines, Inc. will provide supplemental unemployment benefits to each applicant who qualifies under this section."

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

Seifert offered an amendment to S. F. No. 167, the second unofficial engrossment, as amended.

#### POINT OF ORDER

Atkins raised a point of order pursuant to rule 3.21 that the Seifert amendment was not in order. Speaker pro tempore Thissen ruled the point of order well taken and the Seifert amendment out of order.

S. F. No. 167, A bill for an act relating to unemployment insurance; making various policy, housekeeping, and style changes to the Minnesota Unemployment Insurance Law; incorporating certain administrative rules into Minnesota Statutes; modifying fraud penalties; extending certain unemployment benefits; amending Minnesota Statutes 2006, sections 268.001; 268.03, subdivisions 1, 2; 268.035, subdivisions 1, 4, 9, 10, 11, 12, 13, 14, 15, 17, 20, 21a, 23, 23a, 24, 26, 29, 30, by adding a subdivision; 268.042, subdivisions 1, 3, 4; 268.043; 268.0435; 268.044, subdivisions 1, 1a, 2, 3, 4; 268.045, subdivision 1; 268.046; 268.047, subdivisions 1, 2, 3, 5; 268.051, subdivisions 1, 1a, 2, 3, 4, 4a, 5, 6, 7, 8, 9; 268.052, subdivisions 1, 2, 3, 4, 5; 268.0525; 268.053, subdivisions 1, 2, 3; 268.057, subdivisions 1, 2, 3, 4, 5, 6, 7, 10; 268.058; 268.059; 268.0625, subdivisions 4, 5; 268.063; 268.064; 268.065,

subdivisions 1, 3; 268.066; 268.067; 268.0675; 268.068; 268.069, subdivisions 1, 2, 3; 268.07, subdivisions 1, 2, 3a, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7, 8, 9, 11, 12, 13, 13a, 13b, 13c, 16; 268.086, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 268.087; 268.095, subdivisions 1, 2, 3, 4, 5, 6, 6a, 7, 10, 11; 268.101; 268.103, subdivisions 1, 2; 268.105, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7; 268.115; 268.125, subdivisions 3, 4, 5; 268.131, subdivision 1; 268.135; 268.145, subdivisions 1, 2, 3; 268.155; 268.18, subdivisions 1, 2, 2b, 4, 5, 6; 268.182, subdivisions 1, 2; 268.184, subdivisions 1, 1a; 268.186; 268.188; 268.19, subdivisions 1, 1a, 2; 268.192; 268.194, subdivisions 1, 2, 3, 4, 5, 6; 268.196, subdivisions 1, 3; 268.20; 268.21; 268.22; 268.23; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2006, sections 268.0435; 268.0511; 268.085, subdivision 10; 268.103, subdivision 4; Minnesota Rules, parts 3315.0210; 3315.0220; 3315.0515; 3315.0520; 3315.0525; 3315.0530, subparts 2, 3, 4, 5, 6; 3315.0540; 3315.0550; 3315.0910, subparts 1, 2, 3, 4, 5, 6, 7, 8; 3315.1005, subparts 1, 3; 3315.1315, subpart 4; 3315.2010; 3315.2810, subparts 2, 4.

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.

Pursuant to rule 2.05, Speaker pro tempore Thissen excused Lillie from voting on final passage of S. F. No. 167, as amended.

There were 97 yeas and 34 nays as follows:

Those who voted in the affirmative were:

|           |            |            |            |              |               |
|-----------|------------|------------|------------|--------------|---------------|
| Abeler    | Eken       | Huntley    | Mariani    | Pelowski     | Tillberry     |
| Anzelc    | Erhardt    | Jaros      | Marquart   | Peterson, A. | Tingelstad    |
| Atkins    | Faust      | Johnson    | Masin      | Peterson, N. | Tschumper     |
| Benson    | Fritz      | Juhnke     | McFarlane  | Peterson, S. | Urdahl        |
| Bigham    | Gardner    | Kahn       | McNamara   | Poppe        | Wagenius      |
| Bly       | Garofalo   | Kalin      | Moe        | Rukavina     | Walker        |
| Brown     | Greiling   | Knuth      | Morgan     | Ruud         | Ward          |
| Brynaert  | Hansen     | Koenen     | Morrow     | Sailer       | Wardlow       |
| Bunn      | Hausman    | Kranz      | Mullery    | Sertich      | Welti         |
| Carlson   | Haws       | Laine      | Murphy, E. | Simon        | Winkler       |
| Clark     | Heidgerken | Lenczewski | Murphy, M. | Slawik       | Wollschlager  |
| Cornish   | Hilstrom   | Lesch      | Nelson     | Slocum       | Spk. Kelliher |
| Davnie    | Hilty      | Liebling   | Norton     | Smith        |               |
| Dill      | Hornstein  | Lieder     | Olin       | Solberg      |               |
| Dittrich  | Hortman    | Loeffler   | Otremba    | Swails       |               |
| Dominguez | Hosch      | Madore     | Ozment     | Thao         |               |
| Doty      | Howes      | Mahoney    | Paymar     | Thissen      |               |

Those who voted in the negative were:

|              |            |           |         |           |         |
|--------------|------------|-----------|---------|-----------|---------|
| Anderson, S. | DeLaForest | Finstad   | Hoppe   | Paulsen   | Simpson |
| Beard        | Demmer     | Gottwalt  | Kohls   | Peppin    | Sviggum |
| Berns        | Dettmer    | Gunther   | Lanning | Ruth      | Westrom |
| Brod         | Eastlund   | Hackbarth | Magnus  | Seifert   | Zellers |
| Buesgens     | Emmer      | Hamilton  | Nornes  | Severson  |         |
| Dean         | Erickson   | Holberg   | Olson   | Shimanski |         |

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

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

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Sertich from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1978, A bill for an act relating to retirement; various retirement plans; authorizing an optional annuity election for the surviving spouse of a deceased former legislator; permitting the optional early division of legislators retirement plan retirement allowances upon a marriage dissolution; expanding the membership of the general state employees retirement plan and the State Patrol retirement plan; permitting withholding of insurance premiums from public safety employee annuities; providing special coverage to privatized employees of Lakefield Nursing Home, Lakeview Nursing Home, Oakland Park Nursing Home, and Hutchinson Area Health Care; permitting various prior service credit purchases; exempting certain Anoka County employees from reemployed annuitant earnings limitations; permitting certain combined service annuity back payments; permitting a delayed disability benefit application; making various administrative changes in various statewide retirement plans; modifying disability determination procedures and disability benefits in various plans administered by the Public Employees Retirement Association; authorizing investment in the State Board of Investment by the Minneapolis Employees Retirement Fund; relaxing certain Minneapolis Employees Retirement Fund liquidity transfer requirements; expanding the coverage group of the state employees correctional retirement plan to include various Department of Corrections and Department of Human Services employees; modifying various aspects of the volunteer fire supplemental benefit coverage; correcting various 2006 drafting errors; replacing the investment-related postretirement adjustment mechanism for the St. Paul Teachers Retirement Fund Association with a cost of living adjustment mechanism; extending the St. Paul Teachers Retirement Fund Association amortization target date; modifying certain Minneapolis Police Relief Association surviving spouse benefit amounts and validating prior payments; increasing the amount available for distribution by the Minneapolis Firefighters Relief Association as a postretirement adjustment; including the Public Employees Retirement Association staff in the state's postretirement option; extending the 2006 special retirement incentive to 2009 and making certain modifications; authorizing an additional postretirement adjustment for surviving spouses receiving benefits from the Thief River Falls Police Trust Fund; amending Minnesota Statutes 2006, sections 3.85, subdivisions 3, 10; 3A.02, subdivisions 1, 5; 3A.05; 13.632, subdivision 1; 43A.346, subdivisions 1, 2; 126C.41, subdivision 4; 352.01, subdivisions 2a, 2b, 11; 352.12, subdivision 2a; 352.27; 352.91, subdivisions 3d, 3e, 3f, 4b; 352.951; 352.98, by adding a subdivision; 352B.01, subdivision 2; 352D.02, subdivisions 1, 3; 352D.06, subdivision 3; 353.01, subdivisions 2a, 2b, 6, 16, 28, 37, by adding subdivisions; 353.03, subdivisions 3, 3a, 4; 353.27, by adding a subdivision; 353.28, subdivision 6; 353.29, subdivision 3; 353.30, subdivisions 1a, 1b, 1c; 353.32, subdivisions 1a, 1b; 353.33, subdivisions 1, 2, 4, 6, 7a; 353.34, subdivision 3; 353.651, subdivision 4; 353.656, subdivisions 1a, 3, 4, 5a, 6a, 8, 10, by adding subdivisions; 353.657, subdivisions 1, 2, 2a, 3; 353B.08, subdivision 11; 353E.06, subdivisions 1, 2, 4, 8; 353F.02, subdivision 4; 353F.04, subdivision 1; 354.05, subdivision 13; 354.093; 354.094; 354.095; 354.096, subdivision 2; 354.35; 354.44, subdivision 6; 354.45, subdivision 1a; 354.48, subdivision 3; 354A.12, subdivisions 3b, 3c, 3d; 354A.29, subdivisions 3, 4; 354B.21, subdivision 3; 355.01, subdivision 3h; 356.195, subdivision 1; 356.215, subdivision 11; 356.405; 356.46, subdivision 3; 356.87; 356A.06, subdivision 6; 422A.01, subdivision 13a; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 7, 8; 422A.101, subdivision 3; 423A.02, subdivisions 3, 5; 423B.10, subdivision 1; 423C.06, subdivision 2; 424A.10, subdivisions 1, 2, 3; 490.121, subdivisions 15a, 21f; 626.84, subdivision 1; Laws 1981, chapter 68, section 42, subdivision 1, as amended; Laws 2006, chapter 271, article 2, sections 12, subdivision 1; 13, subdivision 3; article 3, section 43; article 14, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 353E; 354; 356; repealing Minnesota Statutes 2006, sections 352.031; 353.30, subdivision 1; 353.33, subdivisions 6a, 6b, 8; 353.34, subdivision 7; 353.656, subdivisions 5, 9, 11, 12; 353.69; 354.071; 354.49, subdivision 5; 354A.12, subdivision 3d; 354A.29, subdivision 6; 356.90; 422A.101, subdivision 4.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

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

RECESS

RECONVENED

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

REPORT FROM THE COMMITTEE ON RULES AND  
LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Monday, May 14, 2007:

S. F. No. 475; H. F. No. 548; S. F. Nos. 563, 2226, 54 and 112; H. F. No. 2245; S. F. No. 1262; H. F. Nos. 1314 and 2268; and S. F. Nos. 961, 1377 and 303.

CALENDAR FOR THE DAY

H. F. No. 1063, A bill for an act relating to environment; adopting the Uniform Environmental Covenants Act; amending Minnesota Statutes 2006, sections 115.072; 115B.17, subdivision 15; proposing coding for new law as Minnesota Statutes, chapter 114E.

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 124 yeas and 7 nays as follows:

Those who voted in the affirmative were:

|              |            |           |          |           |            |
|--------------|------------|-----------|----------|-----------|------------|
| Abeler       | Brown      | Dill      | Gardner  | Hilty     | Juhnke     |
| Anderson, S. | Brynaert   | Dittrich  | Garofalo | Holberg   | Kahn       |
| Anzelc       | Bunn       | Dominguez | Gottwalt | Hoppe     | Kalin      |
| Atkins       | Carlson    | Doty      | Greiling | Hornstein | Knuth      |
| Beard        | Cornish    | Eastlund  | Gunther  | Hortman   | Koenen     |
| Benson       | Davnie     | Eken      | Hamilton | Hosch     | Kohls      |
| Berns        | Dean       | Erhardt   | Hansen   | Howes     | Kranz      |
| Bigham       | DeLaForest | Faust     | Hausman  | Huntley   | Laine      |
| Bly          | Demmer     | Finstad   | Haws     | Jaros     | Lanning    |
| Brod         | Dettmer    | Fritz     | Hilstrom | Johnson   | Lenczewski |

|          |            |              |           |            |               |
|----------|------------|--------------|-----------|------------|---------------|
| Lesch    | McFarlane  | Olin         | Ruth      | Smith      | Walker        |
| Liebling | McNamara   | Otremba      | Ruud      | Solberg    | Ward          |
| Lieder   | Moe        | Ozment       | Sailer    | Sviggum    | Wardlow       |
| Lillie   | Morgan     | Paulsen      | Seifert   | Swails     | Welti         |
| Loeffler | Morrow     | Paymar       | Sertich   | Thao       | Westrom       |
| Madore   | Mullery    | Pelowski     | Severson  | Thissen    | Winkler       |
| Magnus   | Murphy, E. | Peterson, A. | Shimanski | Tillberry  | Wollschlager  |
| Mahoney  | Murphy, M. | Peterson, N. | Simon     | Tingelstad | Zellers       |
| Mariani  | Nelson     | Peterson, S. | Simpson   | Tschumper  | Spk. Kelliher |
| Marquart | Nornes     | Poppe        | Slawik    | Urdahl     |               |
| Masin    | Norton     | Rukavina     | Slocum    | Wagenius   |               |

Those who voted in the negative were:

|          |           |            |        |
|----------|-----------|------------|--------|
| Buesgens | Erickson  | Heidgerken | Peppin |
| Emmer    | Hackbarth | Olson      |        |

The bill was passed and its title agreed to.

S. F. No. 54 was reported to the House.

Sertich moved to amend S. F. No. 54 as follows:

Page 1, after line 15, insert:

**"EFFECTIVE DATE.** This section is effective the day after the city council for the city of Hibbing and its chief clerical officer timely complete compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

The motion prevailed and the amendment was adopted.

S. F. No. 54, A bill for an act relating to economic development; dissolving the Hibbing Area Redevelopment Agency; transferring assets and liabilities to the Hibbing Economic Development Authority.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

|              |          |            |           |           |            |
|--------------|----------|------------|-----------|-----------|------------|
| Abeler       | Bly      | Cornish    | Dominguez | Finstad   | Hamilton   |
| Anderson, S. | Brod     | Davnie     | Doty      | Fritz     | Hansen     |
| Anzenc       | Brown    | Dean       | Eastlund  | Gardner   | Hausman    |
| Atkins       | Brynaert | DeLaForest | Eken      | Garofalo  | Haws       |
| Beard        | Buesgens | Demmer     | Emmer     | Gottwalt  | Heidgerken |
| Benson       | Bunn     | Dettmer    | Erhardt   | Greiling  | Hilstrom   |
| Berns        | Carlson  | Dill       | Erickson  | Gunther   | Hilty      |
| Bigham       | Clark    | Dittrich   | Faust     | Hackbarth | Holberg    |

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

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

Peterson, A., was excused for the remainder of today's session.

H. F. No. 548, A bill for an act relating to state government; requiring state agencies to consider former employees before contracting out previously eliminated jobs; amending Minnesota Statutes 2006, section 16C.08, 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 92 yeas and 39 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

|              |          |            |          |          |           |
|--------------|----------|------------|----------|----------|-----------|
| Abeler       | Berns    | Dean       | Dettmer  | Erickson | Gottwalt  |
| Anderson, S. | Brod     | DeLaForest | Eastlund | Finstad  | Gunther   |
| Beard        | Buesgens | Demmer     | Emmer    | Garofalo | Hackbarth |

|          |           |         |           |         |         |
|----------|-----------|---------|-----------|---------|---------|
| Hamilton | Lanning   | Olson   | Seifert   | Smith   | Zellers |
| Holberg  | Magnus    | Paulsen | Severson  | Sviggum |         |
| Hoppe    | McFarlane | Peppin  | Shimanski | Wardlow |         |
| Kohls    | Nornes    | Ruth    | Simpson   | Westrom |         |

The bill was passed and its title agreed to.

H. F. No. 2245 was reported to the House.

Demmer moved to amend H. F. No. 2245 as follows:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2006, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** (a) The basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. The formula allowance for fiscal year 2005 is \$4,601. The formula allowance for fiscal year 2006 is \$4,783. The formula allowance for fiscal year 2007 and subsequent years is \$4,974.

(b) The basic formula allowance in paragraph (a) is increased by \$421 for fiscal year 2008 and by \$453 for fiscal year 2009 and later. The increase in the formula allowance under this paragraph applies only for general education basic revenue and does not affect any other school formula.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008."

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. 2245, A bill for an act relating to education; increasing the basic revenue formula allowance; modifying general education aid; amending Minnesota Statutes 2006, sections 126C.10, subdivision 2; 126C.13, subdivision 4.

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 2 nays as follows:

Those who voted in the affirmative were:

|              |        |          |            |           |          |
|--------------|--------|----------|------------|-----------|----------|
| Abeler       | Benson | Brown    | Clark      | Demmer    | Doty     |
| Anderson, S. | Berns  | Brynaert | Cornish    | Dettmer   | Eastlund |
| Anzelc       | Bigham | Buesgens | Davnie     | Dill      | Eken     |
| Atkins       | Bly    | Bunn     | Dean       | Dittrich  | Emmer    |
| Beard        | Brod   | Carlson  | DeLaForest | Dominguez | Erhardt  |

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

Those who voted in the negative were:

|          |       |
|----------|-------|
| Garofalo | Olson |
|----------|-------|

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

H. F. No. 2268, A bill for an act relating to public finance; providing terms and conditions related to the issuance of obligations and the financing of public improvements and services; extending the time for certain publications of notices; authorizing and validating trusts to pay public postemployment benefits; amending Minnesota Statutes 2006, sections 118A.03, subdivision 3; 123B.61; 204B.46; 275.61, subdivision 1; 331A.05, subdivision 2; 365A.02; 365A.04; 365A.08; 365A.095; 373.01, subdivision 3; 373.40, subdivision 4; 375B.09; 383B.117, subdivision 2; 383B.77, subdivisions 1, 2; 410.32; 412.301; 428A.02, subdivision 1; 453A.02, subdivision 3; 473.39, by adding subdivisions; 475.52, subdivision 6; 475.53, subdivision 1; 475.58, subdivisions 1, 3b; proposing coding for new law in Minnesota Statutes, chapters 471; 475.

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 117 yeas and 14 nays as follows:

Those who voted in the affirmative were:

|              |           |            |           |            |           |
|--------------|-----------|------------|-----------|------------|-----------|
| Abeler       | Carlson   | Faust      | Hilstrom  | Knuth      | Madore    |
| Anderson, S. | Clark     | Finstad    | Hilty     | Koenen     | Magnus    |
| Anzelc       | Cornish   | Fritz      | Hornstein | Kohls      | Mahoney   |
| Atkins       | Davnie    | Gardner    | Hortman   | Kranz      | Mariani   |
| Benson       | Dettmer   | Garofalo   | Hosch     | Laine      | Marquart  |
| Berns        | Dill      | Greiling   | Howes     | Lanning    | Masin     |
| Bigham       | Dittrich  | Gunther    | Huntley   | Lenczewski | McFarlane |
| Bly          | Dominguez | Hamilton   | Jaros     | Lesch      | McNamara  |
| Brod         | Doty      | Hansen     | Johnson   | Liebling   | Moe       |
| Brown        | Eken      | Hausman    | Juhnke    | Lieder     | Morgan    |
| Brynaert     | Erhardt   | Haws       | Kahn      | Lillie     | Morrow    |
| Bunn         | Erickson  | Heidgerken | Kalin     | Loeffler   | Mullery   |

|            |              |           |         |            |               |
|------------|--------------|-----------|---------|------------|---------------|
| Murphy, E. | Paulsen      | Ruth      | Slawik  | Tillberry  | Welti         |
| Murphy, M. | Paymar       | Ruud      | Slocum  | Tingelstad | Westrom       |
| Nelson     | Pelowski     | Sailer    | Smith   | Tschumper  | Winkler       |
| Nornes     | Peppin       | Seifert   | Solberg | Urdahl     | Wollschlager  |
| Norton     | Peterson, N. | Sertich   | Sviggum | Wagenius   | Spk. Kelliher |
| Olin       | Peterson, S. | Shimanski | Swails  | Walker     |               |
| Otremba    | Poppe        | Simon     | Thao    | Ward       |               |
| Ozment     | Rukavina     | Simpson   | Thissen | Wardlow    |               |

Those who voted in the negative were:

|          |            |           |         |          |
|----------|------------|-----------|---------|----------|
| Beard    | DeLaForest | Emmer     | Holberg | Severson |
| Buesgens | Demmer     | Gottwalt  | Hoppe   | Zellers  |
| Dean     | Eastlund   | Hackbarth | Olson   |          |

The bill was passed and its title agreed to.

S. F. No. 303 was reported to the House.

Olson moved to amend S. F. No. 303, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 267, the first engrossment:

"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 4 ~~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."

The motion prevailed and the amendment was adopted.

Hilstrom and Olson moved to amend S. F. No. 303, the second engrossment, as amended, as follows:

Page 3, delete subdivision 3 and insert:

"Subd. 3. **Funds available Expenses.** ~~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 pay for the administrative expenses of the task force, including per diems and expenses of members and the services of a facilitator from the management analysis division of the Department of Administration.~~ The cost of preparing the report must be divided among the League of Minnesota Cities, the Coalition of Greater Minnesota Cities, and the Minnesota Association of Townships."

The motion prevailed and the amendment was adopted.

S. F. No. 303, 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.

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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Lenczewski            Thao

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

S. F. No. 961 was reported to the House.

Moe moved to amend S. F. No. 961, the second engrossment, as follows:

Page 1, delete section 2 and insert:

"Sec. 2. **[103F.227] SHORELAND DEVELOPMENT; EXISTING RESORTS.**

**Subdivision 1. Applicability.** This section applies statewide and preempts local ordinances that are inconsistent with its terms. A county or municipality may by ordinance impose upon resorts reasonable regulations to prevent and abate nuisances and to protect the public health, welfare, safety, and environment.

Subd. 2. **Resort defined.** For purposes of this section, "resort" means a shoreland commercial establishment, existing on or before August 1, 2007, that includes buildings, lodges, structures, dwelling units, camping or recreational vehicle sites, or enclosures, or any part thereof kept, used, maintained, or advertised as or held out to the public to be a place where sleeping accommodations are furnished to the public, primarily to persons seeking recreation, for periods of one day or longer, and having for rent three or more cabins, rooms, campsites, or enclosures. A shoreland commercial establishment must be primarily service oriented for transient lodging of guests. All cabins, rooms, dwelling units, camping or recreational vehicle sites, or enclosures must be included in the resort rental business. Resorts must not allow residential use of a dwelling unit or site, except dwellings used as residences for the service providers. To qualify as a resort under this section, a resort must be fully licensed and permitted under appropriate state and local regulations. The entire parcel of land must be controlled and managed by the licensee.

Subd. 3. **Maintenance and replacement.** (a) So long as the establishment continues to operate as a resort, a county or municipality must allow a resort owner to:

(1) maintain structures, including the replacement of aging or outdated components or systems of the structure, while not increasing the structure's footprint on the land; and

(2) replace structures damaged or lost to fire or natural disaster.

(b) Paragraph (a), clause (2), applies only when an application for a building permit is made within 180 days of the damage or loss.

Subd. 4. **Expansion.** A county or municipality must allow a resort owner to increase a structure footprint to minimally meet federal, state, or local dwelling standards or codes. To "minimally meet" the standards or codes means that the replacement structure does not add new architectural elements, such as more bedrooms, that did not exist in the original structure. Structural expansion under this subdivision must not result in a structure that is any larger than required to meet standards or codes or a structure or any portion that is any closer to the shoreline than prior to the expansion.

Subd. 5. **Change in ownership.** A change in ownership of a resort shall not be construed as a conversion to a different use so long as the new owner continues to use the property as a resort."

The motion prevailed and the amendment was adopted.

S. F. No. 961, A bill for an act relating to natural resources; providing for regulation of shoreland resorts; amending Minnesota Statutes 2006, section 103F.205, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103F.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

|              |        |        |          |          |         |
|--------------|--------|--------|----------|----------|---------|
| Abeler       | Atkins | Berns  | Brod     | Buesgens | Clark   |
| Anderson, S. | Beard  | Bigham | Brown    | Bunn     | Cornish |
| Anzenc       | Benson | Bly    | Brynaert | Carlson  | Davnie  |

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

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

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

There being no objection, the order of business reverted to Messages from the Senate.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 946, A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, tort claims, and state land sales; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying motor fuels and registration taxes; allocating motor vehicle sales tax revenue; modifying county state-aid allocation formula; modifying county wheelage tax; authorizing local transportation sales and use taxes; modifying provisions relating to various transportation-related funds and accounts; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; prohibiting future toll facilities; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3, by adding a subdivision; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 297A; repealing Minnesota Statutes 2006, section 174.32.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 145, A bill for an act relating to energy; providing for community-based energy development; requiring a plan to reduce greenhouse gas emissions; amending Minnesota Statutes 2006, sections 216B.1612, subdivisions 1, 2, 3, 5, by adding a subdivision; 216B.1691, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216F.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Prettner Solon, Kubly, Dibble, Carlson and Rosen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Hilty moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 145. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 596, A bill for an act relating to data practices; clarifying duties and classifications; making technical changes; providing for access to and classifications of data; amending Minnesota Statutes 2006, sections 13.02, subdivisions 8, 11; 13.04, subdivisions 3, 4; 13.05, subdivision 10; 13.072, subdivision 1; 13.08, subdivision 4; 13.32, subdivision 5; 13.35; 13.355, subdivision 1; 13.384, subdivisions 1, 2; 13.39, subdivisions 1, 2, 2a, 3; 13.392, subdivision 1; 13.393; 13.40, subdivisions 1, 3; 13.41, subdivision 3; 13.43, subdivisions 2, 5, 7, 9, 10, 11; 13.435; 13.44, subdivisions 1, 2, 3; 13.462; 13.48; 13.4965, subdivision 3; 13.552, subdivision 3; 13.591, subdivision 4; 13.72, by adding subdivisions; 13.861, subdivision 1; 13.87, subdivisions 1, 2; 84.0274, subdivision 5; 122A.33, subdivision 3; 171.07, subdivision 1a; 270B.01, subdivision 8; 270B.02, subdivision 3; 270B.085, by adding a subdivision; 270B.14, subdivision 3; 273.1315; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 2006, section 13.79, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Olson, M.; Moua; Metzen; Betzold and Limmer.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Simon moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 596. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1131, A bill for an act relating to game and fish; modifying Lake Superior commercial fishing provisions; amending Minnesota Statutes 2006, section 97C.835, subdivisions 1, 3, 8; proposing coding for new law in Minnesota Statutes, chapter 97C.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Chaudhary, Saxhaug and Pariseau.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Dill moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1131. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 145:

Hilty; Peterson, A.; Ruud; Kalin and Berns.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 596:

Simon, Hilstrom, Hortman, Kahn and Holberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1131:

Dill, Eken and Ozment.

#### MOTIONS AND RESOLUTIONS

Thissen moved that the name of Bly be added as an author on H. F. No. 167. The motion prevailed.

Ruud moved that the name of Bly be added as an author on H. F. No. 2477. The motion prevailed.

Speaker pro tempore Thissen requested that the House revert to the order of business Reports of Standing Committees and Divisions.

Seifert objected to the House reverting to the order of business Reports of Standing Committees and Divisions. Pursuant to rule 1.03, a majority of the whole house voted that the House revert to the order of business Reports of Standing Committees and Divisions.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 464, A bill for an act relating to insurance; creating a statewide health insurance pool for school district employees; appropriating money; amending Minnesota Statutes 2006, sections 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reported the same back with the following amendments:

Page 4, after line 19, insert:

"Subd. 9. **Actuarial study; MCHA and tax effects.** (a) The board shall have a study prepared by a qualified actuary that estimates for the first two fiscal years of operation of the pool:

(1) the rate of assessment for losses of the comprehensive health insurance plan under section 62E.11, subdivision 5, to be paid by the pool that would provide amounts equal to the assessments that would have been paid by providers of coverage to eligible employers if the pool had not been established; and

(2) the rate of tax under section 297I.05, subdivision 5, paragraph (b), that would provide amounts equal to the premiums tax that would have been paid by providers of coverage to eligible employers if the pool had not been established. This estimate must include the separate amounts of the tax that would have been paid under (i) section 297I.05, subdivisions 1 to 4, and (ii) section 297I.05, subdivision 5.

(b) The board shall provide the study to the commissioners of commerce and revenue by January 1, 2009.

(c) After review of the study and after making any necessary modifications or adjustments, the commissioner of commerce shall certify the rate under section 62E.11, subdivision 5, paragraph (b), clause (2), and shall notify the board and the association of the rate by March 1, 2009. The rate certified applies until modified by legislation enacted into law.

(d) After review of the study and after making any necessary modifications or adjustments, the commissioner of revenue shall certify the rate of tax under section 297I.05, subdivision 5, paragraph (b), by March 1, 2009. The rate certified applies until modified by legislation enacted into law."

Page 5, line 30, delete ".3885" and insert "the rate certified by the commissioner under section 62A.662, subdivision 9, paragraph (c)"

Page 6, line 9, after "62A.662" insert ", to the extent the board receives amounts for coverage not otherwise subject to tax under this section" and delete ".36 percent of" and insert "the percentage rate certified by the commissioner under section 62E.11, subdivision 5, paragraph (b), multiplied by the"

Page 6, lines 13 and 14, reinstate the stricken language and delete the new language

Page 6, after line 17, insert:

"(d) By March 1, 2009, based on the study prepared under section 62A.662, subdivision 9, paragraph (a), the commissioner shall certify the percentage of all revenues, including penalties and interest, collected under this chapter from the Minnesota School Employee Insurance Board, that are to be deposited in the general fund and the health care access fund. The commissioner shall deposit the revenues and pay refunds of overpayments of tax imposed on the Minnesota School Employee Insurance Board based on the certified percentage. Amounts are appropriated from the respective funds to the commissioner to make any refunds of tax imposed under paragraph (b)."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 562, A bill for an act relating to towns; appropriating money for town road signs.

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

The report was adopted.

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

H. F. No. 1283, A bill for an act relating to employment; requiring independent contractor exemption certificates; providing penalties; authorizing notice to the commissioners of revenue and employment and economic development; requiring the commissioner of revenue to review certifications of independent contractor status; proposing coding for new law in Minnesota Statutes, chapter 181; repealing Minnesota Statutes 2006, sections 176.042; 268.035, subdivision 9.

Reported the same back with the following amendments:

Page 8, line 3, delete "general fund" and insert "construction code fund and are appropriated to the commissioner of labor and industry in fiscal years 2008 and 2009 to administer and enforce the provisions of this act"

Page 8, delete section 2

Renumber the sections in sequence and correct the internal references

With the recommendation that when so amended the bill pass.

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 1973, A bill for an act relating to local government; enabling the merger of the Minneapolis Public Library and the Hennepin County library system; authorizing the transfer of property, assets, and certain bond proceeds related to the Minneapolis Public Library to Hennepin County; authorizing the transfer of Minneapolis Public Library employees to Hennepin County; amending Minnesota Statutes 2006, sections 275.065, subdivision 3; 383B.237; 383B.239; 383B.245; 383B.247.

Reported the same back with the following amendments:

Page 3, line 14, after the period, insert:

"A transferred employee in a nonsupervisory, nonconfidential position must also retain representation by an exclusive representative if:

(i) the employee's position in the county classification system is comparable to the position last held within the Minneapolis Public Library; and

(ii) an exclusive representative had represented the employee while an employee of the Minneapolis library system."

Page 9, line 12, delete "ten" and insert "11"

Page 10, line 16, after the period, insert "The Minneapolis Library Board, the city of Minneapolis, and Hennepin County must not file a certificate of local approval until the Minneapolis Library Board, the city of Minneapolis, and the exclusive representatives of the Minneapolis library employees have reached an agreement addressing the impact of the merger on employees."

With the recommendation that when so amended the bill pass.

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 1978, A bill for an act relating to retirement; various retirement plans; authorizing an optional annuity election for the surviving spouse of a deceased former legislator; permitting the optional early division of legislators retirement plan retirement allowances upon a marriage dissolution; expanding the membership of the general state employees retirement plan and the State Patrol retirement plan; permitting withholding of insurance premiums from public safety employee annuities; providing special coverage to privatized employees of Lakefield Nursing Home, Lakeview Nursing Home, Oakland Park Nursing Home, and Hutchinson Area Health Care; permitting various prior service credit purchases; exempting certain Anoka County employees from reemployed annuitant earnings limitations; permitting certain combined service annuity back payments; permitting a delayed disability benefit application; making various administrative changes in various statewide retirement plans; modifying disability determination procedures and disability benefits in various plans administered by the Public Employees Retirement Association; authorizing investment in the State Board of Investment by the Minneapolis Employees Retirement Fund; relaxing certain Minneapolis Employees Retirement Fund liquidity transfer requirements; expanding the coverage group of the state employees correctional retirement plan to include various Department of Corrections and Department of Human Services employees; modifying various aspects of the volunteer fire supplemental benefit

coverage; correcting various 2006 drafting errors; replacing the investment-related postretirement adjustment mechanism for the St. Paul Teachers Retirement Fund Association with a cost of living adjustment mechanism; extending the St. Paul Teachers Retirement Fund Association amortization target date; modifying certain Minneapolis Police Relief Association surviving spouse benefit amounts and validating prior payments; increasing the amount available for distribution by the Minneapolis Firefighters Relief Association as a postretirement adjustment; including the Public Employees Retirement Association staff in the state's postretirement option; extending the 2006 special retirement incentive to 2009 and making certain modifications; authorizing an additional postretirement adjustment for surviving spouses receiving benefits from the Thief River Falls Police Trust Fund; amending Minnesota Statutes 2006, sections 3.85, subdivisions 3, 10; 3A.02, subdivisions 1, 5; 3A.05; 13.632, subdivision 1; 43A.346, subdivisions 1, 2; 126C.41, subdivision 4; 352.01, subdivisions 2a, 2b, 11; 352.12, subdivision 2a; 352.27; 352.91, subdivisions 3d, 3e, 3f, 4b; 352.951; 352.98, by adding a subdivision; 352B.01, subdivision 2; 352D.02, subdivisions 1, 3; 352D.06, subdivision 3; 353.01, subdivisions 2a, 2b, 6, 16, 28, 37, by adding subdivisions; 353.03, subdivisions 3, 3a, 4; 353.27, by adding a subdivision; 353.28, subdivision 6; 353.29, subdivision 3; 353.30, subdivisions 1a, 1b, 1c; 353.32, subdivisions 1a, 1b; 353.33, subdivisions 1, 2, 4, 6, 7a; 353.34, subdivision 3; 353.651, subdivision 4; 353.656, subdivisions 1a, 3, 4, 5a, 6a, 8, 10, by adding subdivisions; 353.657, subdivisions 1, 2, 2a, 3; 353B.08, subdivision 11; 353E.06, subdivisions 1, 2, 4, 8; 353F.02, subdivision 4; 353F.04, subdivision 1; 354.05, subdivision 13; 354.093; 354.094; 354.095; 354.096, subdivision 2; 354.35; 354.44, subdivision 6; 354.45, subdivision 1a; 354.48, subdivision 3; 354A.12, subdivisions 3b, 3c, 3d; 354A.29, subdivisions 3, 4; 354B.21, subdivision 3; 355.01, subdivision 3h; 356.195, subdivision 1; 356.215, subdivision 11; 356.405; 356.46, subdivision 3; 356.87; 356A.06, subdivision 6; 422A.01, subdivision 13a; 422A.05, subdivision 2c; 422A.06, subdivisions 3, 5, 7, 8; 422A.101, subdivision 3; 423A.02, subdivisions 3, 5; 423B.10, subdivision 1; 423C.06, subdivision 2; 424A.10, subdivisions 1, 2, 3; 490.121, subdivisions 15a, 21f; 626.84, subdivision 1; Laws 1981, chapter 68, section 42, subdivision 1, as amended; Laws 2006, chapter 271, article 2, sections 12, subdivision 1; 13, subdivision 3; article 3, section 43; article 14, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3A; 352; 353; 353E; 354; 356; repealing Minnesota Statutes 2006, sections 352.031; 353.30, subdivision 1; 353.33, subdivisions 6a, 6b, 8; 353.34, subdivision 7; 353.656, subdivisions 5, 9, 11, 12; 353.69; 354.071; 354.49, subdivision 5; 354A.12, subdivision 3d; 354A.29, subdivision 6; 356.90; 422A.101, subdivision 4.

Reported the same back with the following amendments:

Page 121, line 3, reinstate the stricken "\$1,000" and delete "\$1,695"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

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

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

The report was adopted.

Sertich from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 1075, A bill for an act relating to the State Board of Investment; requiring divestment from certain investments relating to Sudan; proposing coding for new law in Minnesota Statutes, chapter 11A.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 464, 562, 1283, 1973, 1978 and 2293 were read for the second time.

### **SECOND READING OF SENATE BILLS**

S. F. No. 1075 was read for the second time.

### **ADJOURNMENT**

Sertich moved that when the House adjourns today it adjourn until 9:00 a.m., Tuesday, May 15, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Thissen declared the House stands adjourned until 9:00 a.m., Tuesday, May 15, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives