

STATE OF MINNESOTA

Journal of the House

EIGHTY-SEVENTH SESSION — 2012

ONE HUNDRED SIXTEENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 7, 2012

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

Prayer was offered by the Reverend Grady St. Dennis, House Chaplain.

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

The roll was called and the following members were present:

Abeler	Davids	Hackbarth	Lanning	Murphy, E.	Simon
Allen	Davnie	Hamilton	Leidiger	Murphy, M.	Slawik
Anderson, B.	Dean	Hancock	LeMieur	Murray	Slocum
Anderson, D.	Dettmer	Hansen	Lenczewski	Myhra	Smith
Anderson, P.	Dill	Hausman	Lesch	Nelson	Stensrud
Anderson, S.	Dittrich	Holberg	Liebling	Nornes	Swedzinski
Anzelc	Doepke	Hoppe	Lillie	Norton	Thissen
Atkins	Downey	Hornstein	Loeffler	O'Driscoll	Tillberry
Banaian	Drazkowski	Hortman	Lohmer	Paymar	Torkelson
Barrett	Eken	Hosch	Loon	Pelowski	Urdahl
Beard	Erickson	Howes	Mahoney	Peppin	Vogel
Benson, J.	Fabian	Huntley	Mariani	Persell	Wagenius
Benson, M.	Falk	Johnson	Marquart	Petersen, B.	Ward
Bills	Franson	Kahn	Mazorol	Poppe	Wardlow
Brynaert	Fritz	Kath	McDonald	Quam	Westrom
Buesgens	Garofalo	Kelly	McElfatrick	Rukavina	Winkler
Carlson	Gauthier	Kieffer	McFarlane	Runbeck	Woodard
Champion	Gottwalt	Kiel	McNamara	Sanders	Spk. Zellers
Clark	Greene	Kiffmeyer	Melin	Scalze	
Cornish	Greiling	Knuth	Moran	Schomacker	
Crawford	Gruenhagen	Kriesel	Morrow	Scott	
Daudt	Gunther	Laine	Mullery	Shimanski	

A quorum was present.

Murdock and Peterson, S., were excused.

Hilty was excused until 10:30 a.m. Hilstrom was excused until 10:35 a.m. Mack was excused until 10:50 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

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PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 30, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State, H. F. No. 2627.

Sincerely,

MARK DAYTON
Governor

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

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2012 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2012</i>	<i>Date Filed 2012</i>
2334		251	11:03 a.m. April 30	April 30
	2627	253	11:04 a.m. April 30	April 30
1597		254	11:04 a.m. April 30	April 30
2342		255	11:05 a.m. April 30	April 30
2535		257	11:05 a.m. April 30	April 30

Sincerely,

MARK RITCHIE
Secretary of State

116TH DAY]

MONDAY, MAY 7, 2012

9517

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 1, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State, H. F. Nos. 1607, 2638 and 2705.

Sincerely,

MARK DAYTON
Governor

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

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2012 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2012</i>	<i>Date Filed 2012</i>
	1607	258	1:45 p.m. May 1	May 1
	2638	259	1:46 p.m. May 1	May 1
	2705	260	1:49 p.m. May 1	May 1
2324		262	1:47 p.m. May 1	May 1
946		263	1:48 p.m. May 1	May 1
2493		264	6:09 p.m. May 1	May 1

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 2, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State, H. F. Nos. 2046 and 2136.

Sincerely,

MARK DAYTON
Governor

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

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2012 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2012</i>	<i>Date Filed 2012</i>
	2046	266	3:13 p.m. May 2	May 2
	2136	267	3:13 p.m. May 2	May 2
2098		268	3:15 p.m. May 2	May 2
288		269	3:16 p.m. May 2	May 2
1573		270	3:20 p.m. May 2	May 2

Sincerely,

MARK RITCHIE
Secretary of State

116TH DAY]

MONDAY, MAY 7, 2012

9519

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 2, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

I have vetoed and am returning H. F. No. 2821, Chapter No. 265, a bill modifying House of Representatives district boundaries in Senate districts 39 and 49. February 21, 2012 was the deadline for legislative action on drawing redistricting boundaries. Modifying the redistricting plan, months after the Special Redistricting Panel's order was released, is not appropriate. I encourage the cities and others, who requested those boundary changes to petition the Redistricting Panel for their desired corrections.

This bill would set a bad precedent and invite further legislative adjustments, which could lead to additional lawsuits and voter confusion. Moreover, I have been very clear, as was my predecessor, that any change in election law must have broad bipartisan support in order for me to support it. The votes in both Chambers on this bill did not meet that requirement.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 3, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State, H. F. Nos. 2164 and 2171.

Sincerely,

MARK DAYTON
Governor

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

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2012 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2012</i>	<i>Date Filed 2012</i>
1679		271	3:14 p.m. May 3	May 3
	2164	272	3:15 p.m. May 3	May 3
1528		273	3:16 p.m. May 3	May 3
	2171	277	3:17 p.m. May 3	May 3

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 3, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

I have vetoed and am returning H. F. No. 1870, Chapter No. 274.

Last year, the Legislature and my administration made exceptional progress in passing and implementing major K-12 education reforms. They included: Alternative Licensure for teachers, Early Childhood initiatives, Reading Proficiency by third grade, expanding Postsecondary Enrollment Options, and numerous others.

Most importantly, for the first time in a decade, we increased the state's per-pupil aid payment by \$50 per student for this year and by \$100 for next year. And we initiated both Teacher Evaluation and Principal Evaluation systems, which are now being established and will be implemented, according to the timetable established by the Legislature.

We accomplished a great deal last year, by working together. The US Department of Education's approval of our No Child Left Behind waiver, along with our successful Race to the Top application, is testimony to their confidence in the positive direction of Minnesota's education innovation. That tremendous progress is a tribute to the excellent leadership of Education Commissioner Brenda Cassellius and legislators of both parties.

In my "State of the State" address last February, I said, "I have a novel idea. Let's develop any education initiatives this year in cooperation with teachers, rather than in conflict with them."

Unfortunately, despite my request and despite the tremendous progress we made last year through bipartisan cooperation, members of the majority caucuses in both the House and the Senate have introduced 22 bills in this session, which are anti-public schools, anti-public school teachers, or anti-collective bargaining rights. Majority caucus members continue to denigrate Minnesota's public school teachers, with little or no recognition or appreciation for the extraordinarily dedicated work almost all of them do under ever-more challenging circumstances.

This bill, with the rhetoric accompanying it, is yet another example of this prejudice against public school teachers. Once again, they are singled out as "the problem," for which, some legislators' solution is to override the long-established rights of local school boards and teachers' elected representatives to negotiate the terms of their employment and their dismissals.

While the bill would displace the most prevalent system for determining teacher layoffs, by seniority, it would replace it with only vaguely formulated ideas. Effective 2016-17 for all districts, layoff, discharge, and demotion plans must be based on teacher licensure fields, the teacher's most recent evaluation outcomes from the least to most effective category, and from least to greatest seniority, including probationary teachers, within each category.

However, those evaluation methodologies have not yet been selected or tested. No successful business would tell its employees, "In four years, we are going to institute an entirely new system for deciding who stays and who goes. But we can't tell you what that system is, because we haven't figured it out yet." Who would not expect employees' morale and performance to suffer as a result?

There are currently underway properly careful development, then testing, and then training programs for both teacher and principal evaluations. As the attached Background Paper from the American Educational Research Association: Getting Teacher Evaluation Right: A Background Paper for Policy Makers documents, there is considerable disagreement about what are the effective measures to assess teachers' performance. If teachers' and principals' careers are to be decided by those measures, it is imperative that they be accurate, verifiable, and reliable.

This bill establishes September 2016 as the starting point for those new systems to determine layoffs. It is unclear why the Legislature feels such an urgency to mandate something that will not take effect for four years. After the evaluations have been designed and tested would be a far more appropriate time for the Legislature to determine, in 2015 or 2016, how best to incorporate them in layoff decisions.

Additionally, Commissioner Cassellius and I agree that the far greater challenge is how to use evaluations to outpace teachers and principals at the time problems develop, rather than waiting months or even years for a layoff situation to develop. That is why we believe the current approach, which was enacted last year with bipartisan support, is a more constructive and effective approach than this legislation.

For those reasons, I am vetoing this bill.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 3, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

I have vetoed and am returning H. F. No. 203, Chapter No. 275, a bill that would require legislative approval for agency rulemaking.

We share the goal of making state government more efficient, responsive, and streamlined. This bill contradicts that goal and would add another lengthy step to the existing rulemaking procedures. It is not clear what problems in the present rulemaking system the bill's proponents are trying to resolve. I believe it would be more effective for us to focus on specific areas of concern and discuss ways to improve them.

It is also worth noting that state agencies only engage in rulemaking if the Legislature has authorized them to do so. Once the rulemaking process has begun, there are additional opportunities for concerned Legislators to become involved, as set forth in Minnesota Statutes, sections 3.305 and 14.126. Legislators should exercise those prerogatives, if they have concerns.

In 2003, Governor Tim Pawlenty vetoed legislation with very similar language. In his veto of H. F. No. 624 he wrote:

"The bill essentially shifts authority for conducting rulemaking from the executive branch to the legislative branch. Under current law, the Legislature has granted the Governor's office final approval authority on all rulemakings. This is sound policy as it provides accountability in a way that does not paralyze either branch of government. House File No. 624 would impose that responsibility on the already over-stressed legislative process."

"The changes proposed in this legislation would also add considerable delay and cost to Minnesota's rulemaking process, by requiring legislative approval of all major rulemakings. Major rulemaking in Minnesota already takes 18 to 24 months to complete, if everything goes smoothly. Requiring legislative approval as an additional stop at the end of this process would make implementation of state laws and policies very cumbersome."

As I stated in my letter to the Legislature on April 14, 2011, Governor Pawlenty's objections remain as valid today as they were then.

For those same reasons, I have vetoed this bill.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 3, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

I have vetoed and am returning H. F. No. 8, Chapter No. 276, a bill that would authorize the use of premium trust accounts for the purpose of paying health insurance premiums.

On the one hand, the goals of this bill are closely aligned with those of the federal Affordable Care Act. Both offer new ideas for how to aggregate public and private sector contributions for purchasing private health insurance coverage. Both allow the government to take a more active role in determining how consumers find affordable health insurance policies. Both would expand and maximize the use of government-funded tax subsidies and employer contributions for the purchase of health insurance.

However, H. F. No. 8 approaches those shared goals through a multi-layered and complex system which weakens protections for consumers. The private sector bureaucracy mandated by the bill would require a different account for each contributor to any trust fund. Indeed, the accounts established with employers' funds would each need to be separate and distinct from contributions by the employee or any other contributing entity. This would create a complex maze of interwoven funding streams, accounts and contracts. Consumers might have even less ability to know and predict their health care resources and liabilities, putting them at even greater risk of being ensnared by the health care industry's debt collection tactics.

There is a much simpler alternative, which I support. A health insurance exchange would offer a consumer-friendly, online marketplace where consumers can choose a private health insurance plan without the need for multiple accounts, contracts, and other unnecessary roadblocks.

Our Health Insurance Exchange Task Force has made consensus recommendations for Health-Insurance Exchange legislation, which I believe would be the optimal approach.

Sincerely,

MARK DAYTON
Governor

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 1721

A bill for an act relating to economic development; authorizing redevelopment demolition loans; eliminating a semiannual report; establishing a small business advocate office in the Business Assistance Center; granting Albert Lea the authority to establish an industrial sewer charge rebate program; amending Minnesota Statutes 2010, sections 116J.555, subdivision 2; 116J.571; 116J.572; 116J.575, by adding a subdivision; 116J.66; proposing coding for new law in Minnesota Statutes, chapter 116J.

May 3, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

We, the undersigned conferees for H. F. No. 1721 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: BOB GUNTHER and RICH MURRAY.

Senate Conferees: JULIE A. ROSEN, JOHN C. PEDERSON and ROD SKOE.

Gunther moved that the report of the Conference Committee on H. F. No. 1721 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1721, A bill for an act relating to economic development; authorizing redevelopment demolition loans; eliminating a semiannual report; establishing a small business advocate office in the Business Assistance Center; granting Albert Lea the authority to establish an industrial sewer charge rebate program; amending Minnesota Statutes 2010, sections 116J.555, subdivision 2; 116J.571; 116J.572; 116J.575, by adding a subdivision; 116J.66; proposing coding for new law in Minnesota Statutes, chapter 116J.

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 111 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Gottwalt	Huntley	Lillie	Myhra
Allen	Crawford	Greene	Johnson	Loeffler	Nelson
Anderson, D.	Daudt	Greiling	Kahn	Mahoney	Nornes
Anderson, P.	Davids	Gruenhagen	Kath	Mariani	Norton
Anderson, S.	Davnie	Gunther	Kelly	Marquart	O'Driscoll
Anzenc	Dean	Hackbarth	Kieffer	Mazorol	Paymar
Atkins	Dettmer	Hamilton	Kiel	McDonald	Pelowski
Banaian	Dill	Hancock	Kiffmeyer	McElfatrick	Persell
Barrett	Dittrich	Hansen	Knuth	McFarlane	Poppe
Beard	Eken	Hausman	Kriesel	McNamara	Rukavina
Benson, J.	Fabian	Holberg	Laine	Melin	Sanders
Benson, M.	Falk	Hoppe	Lanning	Morrow	Scalze
Brynaert	Franson	Hornstein	Leidiger	Mullery	Schomacker
Carlson	Fritz	Hortman	LeMieur	Murphy, E.	Scott
Champion	Garofalo	Hosch	Lesch	Murphy, M.	Shimanski
Clark	Gauthier	Howes	Liebling	Murray	Simon

Slawik	Swedzinski	Torkelson	Wagenius	Winkler
Smith	Thissen	Urdahl	Ward	Woodard
Stensrud	Tillberry	Vogel	Westrom	Spk. Zellers

Those who voted in the negative were:

Anderson, B.	Doepke	Erickson	Loon	Petersen, B.	Slocum
Bills	Downey	Lenczewski	Moran	Quam	Wardlow
Buesgens	Drazkowski	Lohmer	Peppin	Runbeck	

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

CONFERENCE COMMITTEE REPORT ON H. F. No. 2685

A bill for an act relating to transportation; modifying provisions governing transportation policy and finance, including trunk highway designation, work and contracting on trunk highways, motor vehicles, motor vehicle weight limit regulations, motor vehicle titles, electric-assisted bicycles and related regulations, bridge inspections, special veterans license plates, pupil transportation, municipal state-aid street fund eligibility and apportionment, small vehicle passenger service, driver and vehicle information system, deputy registrars of motor vehicles, civilian escort drivers, bicycle equipment, school buses, small business contracts, and legislative reports; making contingent appropriations; setting fees; renumbering statutes; making technical changes; amending Minnesota Statutes 2010, sections 160.27, by adding a subdivision; 160.2715; 161.14, by adding a subdivision; 161.20, subdivision 4; 161.321; 161.3212; 162.09, by adding a subdivision; 165.01; 165.03; 168.002, subdivisions 19, 20; 168.012, by adding a subdivision; 168.013, subdivision 3, by adding a subdivision; 168.185; 168A.03, subdivision 1; 168A.07, subdivision 1; 169.011, subdivisions 4, 27, 44, 45; 169.06, subdivision 4; 169.222, subdivisions 4, 6, 7, by adding subdivisions; 169.223, subdivisions 1, 5; 169.72, subdivision 1; 169.86, subdivision 3b; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 171.01, subdivision 41; 171.02, subdivision 2b; 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by adding a subdivision; 299D.09; 473.388, subdivisions 2, 4; 604A.21, subdivision 5; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123, subdivision 1; 171.075, subdivision 1; 299A.705, subdivision 3; Laws 2009, chapter 158, section 10; Laws 2011, First Special Session chapter 3, article 1, section 4; proposing coding for new law in Minnesota Statutes, chapters 161; 171; 375; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

May 5, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

We, the undersigned conferees for H. F. No. 2685 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2685 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TRUNK HIGHWAY FUND APPROPRIATIONS

Section 1. **TRUNK HIGHWAY APPROPRIATIONS** **\$17,530,000**

Subdivision 1. **Appropriations for Transportation**

These appropriations are to the commissioner of transportation for the purposes specified in this section.

Unless otherwise specified, these appropriations are for fiscal year 2013 from the trunk highway fund and are available until expended.

Subd. 2. **Willmar District Headquarters** **7,500,000**

To design, construct, furnish, and equip a maintenance facility addition to the existing Willmar district headquarters building, and corresponding remodeling of the headquarters building.

Subd. 3. **Plymouth Truck Station** **5,600,000**

To construct and equip a new truck station and bridge crew building in Plymouth.

Subd. 4. **Cambridge Truck Station** **3,300,000**

To design, construct, furnish, and equip a new truck station facility in Cambridge, including ancillary buildings and site improvements.

Subd. 5. **Crookston, Eden Prairie, and Mendota Truck Station Design** **1,100,000**

To design new additions to the existing truck station buildings in Crookston, Eden Prairie, and Mendota.

Subd. 6. **Overweight Motor Vehicle Registration Collection** **30,000**

To modify Department of Transportation permit system to allow the department to collect additional registration taxes for overweight motor vehicles.

This appropriation is only available if legislation is enacted in the 2012 legislative session authorizing the commissioner to collect a surcharge or additional registration tax on motor vehicles.

Sec. 2. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2
TRUNK HIGHWAY BONDS

Section 1. **ROCHESTER MAINTENANCE FACILITY.**

\$16,100,000 is appropriated to the commissioner of transportation to design, construct, furnish, and equip the maintenance facility in Rochester and corresponding remodeling of the existing district headquarters building. This appropriation is from the bond proceeds account in the trunk highway fund.

Sec. 2. **BOND SALE EXPENSES.**

\$20,000 is appropriated from the bond proceeds account in the trunk highway fund to the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 167.50, subdivision 4.

Sec. 3. **TRUNK HIGHWAY FUND BOND PROCEEDS ACCOUNT.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$16,120,000 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 credited to the bond proceeds account in the trunk highway fund.

Sec. 4. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 3
TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2010, section 161.14, is amended by adding a subdivision to read:

Subd. 70. **Black and Yellow Trail.** Trunk Highway signed 14 as of the effective date of this section, from the border with South Dakota to the border with Wisconsin, is designated as the "Black and Yellow Trail." The commissioner shall adopt a suitable design to mark this highway and erect appropriate signs, subject to section 161.139.

Sec. 2. **[161.3207] CONSTRUCTION MANAGER/GENERAL CONTRACTOR CONTRACTS; DEFINITIONS.**

Subdivision 1. **Scope.** The terms used in sections 161.3207 to 161.3209 have the meanings given them in this section.

Subd. 2. **Acceptance.** "Acceptance" means an action of the commissioner authorizing the execution of a construction manager/general contractor contract.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of transportation.

Subd. 4. **Construction manager/general contractor.** "Construction manager/general contractor" means a proprietorship, partnership, limited liability partnership, joint venture, corporation, any type of limited liability company, professional corporation, or any legal entity selected by the commissioner to act as a construction manager to manage the construction process, which includes, but is not limited to, responsibility for the price, schedule, and execution of preconstruction services or the workmanship of construction performed according to section 161.3209, or both.

Subd. 5. Construction manager/general contractor contract. "Construction manager/general contractor contract" means a contract for construction of a project between a construction manager/general contractor and the commissioner, which must include terms providing for a price, construction schedule, and workmanship of the construction performed. The construction manager/general contractor contract may include provisions for incremental price contracts for specific work packages, additional work performed, contingencies, or other contract provisions that will allow the commissioner to negotiate time and cost changes to the contract.

Subd. 6. Past performance; experience. "Past performance" or "experience" does not include the exercise or assertion of a person's legal rights.

Subd. 7. Preconstruction services. "Preconstruction services" means all non-construction-related services that a construction manager/general contractor is allowed to perform before execution of a construction manager/general contractor contract or work package.

Subd. 8. Preconstruction services contract. "Preconstruction services contract" means a contract under which a construction manager/general contractor is paid on the basis of the actual cost to perform the work specified in the contract plus an amount for overhead and profit for all preconstruction services.

Subd. 9. Project. "Project" means any project selected by the commissioner as a construction manager/general contractor project under section 161.3208.

Subd. 10. Request for proposals; RFP. "Request for proposals" or "RFP" means the document or publication soliciting proposals for a construction manager/general contractor contract.

Subd. 11. Request for qualifications; RFO. "Request for qualifications" or "RFQ" means a document or publication used to prequalify and short-list potential construction managers/general contractors.

Subd. 12. Work package. "Work package" means the scope of work for a defined portion of a project. A defined portion includes construction services on any project aspect, including procuring materials or services.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 3. [161.3208] CONSTRUCTION MANAGER/GENERAL CONTRACTOR; AUTHORITY.

Subdivision 1. Selection authority; limitation. Notwithstanding sections 16C.25, 161.32, and 161.321, or any other law to the contrary, the commissioner may select a construction manager/general contractor as provided in section 161.3209, and award a construction manager/general contractor contract. The number of awarded contracts shall not exceed four in any calendar year.

Subd. 2. Determination. Final determination to use a construction manager/general contractor contracting procedure may be made only by the commissioner.

Subd. 3. Cancellation. The solicitation of construction manager/general contractor requests for qualifications or proposals does not obligate the commissioner to enter into a construction manager/general contractor contract. The commissioner may accept or reject any or all responses received as a result of the request. The solicitation of proposals may be canceled at any time at the commissioner's sole discretion if cancellation is considered to be in the state's best interest. If the commissioner rejects all responses or cancels the solicitation for proposals, the commissioner may resolicit a request for proposals using the same or different requirements.

Subd. 4. **Reporting.** The commissioner shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy and transportation finance each time the commissioner decides to use the construction manager/general contractor method of procurement and explain why that method was chosen.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 4. **[161.3209] CONSTRUCTION MANAGER/GENERAL CONTRACTOR; PROCEDURES.**

Subdivision 1. **Solicitation of proposals.** If the commissioner determines that a construction manager/general contractor method of procurement is appropriate for a project, the commissioner shall establish a two-phase procedure for awarding the construction manager/general contractor contract, as described in subdivisions 2 and 3.

Subd. 2. **Phase 1 - request for proposals.** (a) The commissioner shall prepare or have prepared an RFP for each construction manager/general contractor contract as provided in this section. The RFP must contain, at a minimum, the following elements:

- (1) the minimum qualifications of the construction manager/general contractor;
- (2) the procedures for submitting proposals and the criteria for evaluation of qualifications and the relative weight for each criteria;
- (3) the form of the contract to be awarded;
- (4) the scope of intended construction work;
- (5) a listing of the types of preconstruction services that will be required;
- (6) an anticipated schedule for commencing and completing the project;
- (7) any applicable budget limits for the project;
- (8) the requirements for insurance, statutorily required performance, and payment bonds;
- (9) the requirements that the construction manager/general contractor provide a letter from a surety or insurance company stating that the construction manager/general contractor is capable of obtaining a performance bond and payment bond covering the estimated contract cost;
- (10) the method for how construction manager/general contractor fees for the preconstruction services contract will be negotiated;
- (11) a statement that past performance or experience does not include the exercise or assertion of a person's legal rights; and
- (12) any other information desired by the commissioner.

(b) Before receiving any responses to the RFP:

(1) the commissioner shall appoint a technical review committee of at least five individuals, of which one is a Department of Transportation manager who is also a licensed professional engineer in Minnesota;

(2) the technical review committee shall evaluate the construction manager/general contractor proposals according to criteria and subcriteria published in the RFP and procedures established by the commissioner. The commissioner shall, as designated in the RFP, evaluate construction manager/general contractor proposals on the basis of best value as defined in section 16C.05, or using the qualifications-based selection process set forth in section 16C.095, except that subdivision 1 of section 16C.095 shall not apply. If the commissioner does not receive at least two proposals from construction managers, the commissioner may:

- (i) solicit new proposals;
- (ii) revise the RFP and thereafter solicit new proposals using the revised RFP;
- (iii) select another allowed procurement method; or
- (iv) reject the proposals; and

(3) the technical review committee shall evaluate the responses to the request for proposals and rank the construction manager/general contractor based on the predefined criteria set forth in the RFP in accordance with paragraph (a), clause (2).

(c) Unless all proposals are rejected, the commissioner shall conduct contract negotiations for a preconstruction services contract with the construction manager/general contractor with the highest ranking. If the construction manager/general contractor with the highest ranking declines or is unable to reach an agreement, the commissioner may begin contract negotiations with the next highest ranked construction manager/general contractor.

(d) Before issuing the RFP, the commissioner may elect to issue a request for qualifications (RFQ) and short-list the most highly qualified construction managers/general contractors. The RFQ must include the procedures for submitting statements of qualification, the criteria for evaluation of qualifications, and the relative weight for each criterion. The statements of qualifications must be evaluated by the technical review committee.

Subd. 3. **Phase 2 - construction manager/general contractor contract.** (a) Before conducting any construction-related services, the commissioner shall:

(1) conduct an independent cost estimate for the project or each work package; and

(2) conduct contract negotiations with the construction manager/general contractor to develop a construction manager/general contractor contract. This contract must include a minimum construction manager/general contractor self-performing requirement of 30 percent of the negotiated cost. Items designated in the construction manager/general contractor contract as specialty items may be subcontracted and the cost of any specialty item performed under the subcontract will be deducted from the cost before computing the amount of work required to be performed by the contractor.

(b) If the construction manager/general contractor and the commissioner are unable to negotiate a contract, the commissioner may use other contract procurement processes or may readvertise the construction manager/general contractor contract. The construction manager/general contractor may (1) bid or propose on the project if advertised under section 161.32 or 161.3206 or (2) join a design-build team if advertised under sections 161.3410 to 161.3428.

(c) The commissioner shall provide to all bidders or design-build teams, all data shared between the commissioner and the construction manager/general contractor during the contract negotiations under this subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 5. Minnesota Statutes 2010, section 161.3212, is amended to read:

161.3212 WORKING CAPITAL FUND.

The commissioner, to the extent allowed by other law or contract, may grant available money that has been appropriated for socially or economically disadvantaged business programs to a guaranty fund administered by a nonprofit organization that makes or guarantees working capital loans to ~~businesses~~ small business concerns owned and operated by socially ~~or~~ and economically disadvantaged ~~persons as defined~~ individuals. "Small business concern" and "socially and economically disadvantaged individual" have the meanings given them in Code of Federal Regulations, title 49, section ~~23.5~~ 26.5. The purpose of loans made or guaranteed by the organization must be to provide short-term working capital to enable eligible businesses to be awarded contracts for goods and services or for construction-related services from government agencies.

Money contributed from a constitutionally or statutorily dedicated fund must be used only for purposes consistent with the purposes of the dedicated fund.

Sec. 6. Minnesota Statutes 2010, section 162.02, subdivision 2, is amended to read:

Subd. 2. **Rules; advisory committee.** (a) The rules shall be made and promulgated by the commissioner acting with the advice of a committee selected by the several county boards acting through the officers of the statewide association of county commissioners. The committee shall be composed of nine members so selected that each member shall be from a different state highway construction district. Not more than five of the nine members of the committee shall be county commissioners. The remaining members shall be county highway engineers. In the event that agreement cannot be reached on any rule, the commissioner's determination shall be final. The rules shall be printed and copies forwarded to the county engineers of the several counties. ~~For the purposes of this section, the expedited process for adopting rules established in section 14.389 may be used.~~

(b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 7. Minnesota Statutes 2010, section 162.02, subdivision 3, is amended to read:

Subd. 3. **Rules have force of law.** The rules ~~shall~~ have the force and effect of law ~~upon compliance with the provisions of sections 14.05 to 14.28 as provided in chapter 14.~~

Sec. 8. Minnesota Statutes 2010, section 162.09, subdivision 2, is amended to read:

Subd. 2. **Rules; advisory committee.** (a) The rules shall be made and promulgated by the commissioner acting with the advice of a committee selected by the governing bodies of such cities, acting through the officers of the statewide association of municipal officials. The committee shall be composed of 12 members, so selected that there shall be one member from each state highway construction district and in addition one member from each city of the first class. Not more than six members of the committee shall be elected officials of the cities. The remaining members of the committee shall be city engineers. In the event that agreement cannot be reached on any rule the commissioner's determination shall be final. The rules shall be printed and copies forwarded to the clerks and engineers of the cities. ~~For the purposes of this section, the expedited process for adopting rules established in section 14.389 may be used.~~

(b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 9. Minnesota Statutes 2010, section 162.09, subdivision 3, is amended to read:

Subd. 3. **Rules have force of law.** The rules ~~shall~~ have the force and effect of law ~~upon compliance with the provisions of sections 14.05 to 14.28 as provided in chapter 14.~~

Sec. 10. Minnesota Statutes 2010, section 162.09, subdivision 4, is amended to read:

Subd. 4. **Federal census is conclusive.** (a) In determining whether any city has a population of 5,000 or more, the last federal census shall be conclusive, except as otherwise provided in this subdivision.

(b) The governing body of a city may contract with the United States Bureau of the Census to take a special census. A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under chapter 162. The special census shall remain in effect until the next federal census is completed and filed. The expense of taking the special census shall be paid by the city.

(c) If an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next federal census.

(d) The population of a city created by the consolidation of two or more previously incorporated cities shall be determined by the most recent population estimate of the Metropolitan Council or state demographer, until the first federal decennial census or special census taken after the consolidation.

(e) The population of a city that is not receiving a municipal state-aid street fund apportionment shall be determined, upon request of the city, by the most recent population estimate of the Metropolitan Council or state demographer. A municipal state-aid street fund apportionment received by the city must be based on this population estimate until the next federal decennial census or special census.

(f) A city that is found in the most recent federal decennial census to have a population of less than 5,000 is deemed for the purposes of this chapter and the Minnesota Constitution, article XIV, to have a population of 5,000 or more under the following circumstances: (1) immediately before the most recent federal decennial census, the city was receiving municipal state-aid street fund distributions; and (2) the population of the city was found in the most recent federal decennial census to be less than 5,000. Following the end of the first calendar year that ends in "5" after the decennial census and until the next decennial census, the population of any city must be determined under paragraphs (a) to (e).

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 11. Minnesota Statutes 2010, section 162.13, subdivision 1, is amended to read:

Subdivision 1. **Factors in formula.** After deducting for administrative costs and for the disaster fund and research account as heretofore provided, and for any allocation made under section 162.125, the remainder of the total sum provided for in subdivision 1 of section 162.12 shall be identified as the apportionment sum, and shall be apportioned by the commissioner to the cities having a population of 5,000 or more, in accordance with the following formula:

(1) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its money needs bears to the total money needs of all such cities.

(2) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its population bears to the total population of all such cities. For purposes of this subdivision, the population of a city is the greater of 5,000 or the number calculated under section 162.09, subdivision 4, paragraph (a), (b), (c), (d), or (e).

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 12. Minnesota Statutes 2010, section 162.155, is amended to read:

162.155 RULES FOR VARIANCES RULEMAKING.

(a) ~~The commissioner shall adopt rules, no later than January 1, 1980, in accordance with sections 15.041 to 15.052, setting forth the criteria to be considered by the commissioner in evaluating requests for variances under sections 162.02, subdivision 3a and 162.09, subdivision 3a. The rules shall~~ must include, but are not limited to, economic, engineering and safety guidelines.

(b) ~~The commissioner shall adopt rules establishing the engineering standards adopted pursuant to section for cost estimation under sections 162.07, subdivision 2, or and 162.13, subdivision 2, shall be adopted pursuant to the requirements of chapter 15 by July 1, 1980.~~

(c) The rules adopted by the commissioner under this section, and sections 162.02; 162.07, subdivision 2; 162.09; and 162.13, subdivision 2, are exempt from the rulemaking provisions of chapter 14. The rules are subject to section 14.386, except that, notwithstanding paragraph (b) of that section, the rules continue in effect until repealed or superseded by other law or rule.

Sec. 13. Minnesota Statutes 2010, section 165.01, is amended to read:

165.01 DEFINITIONS.

Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section and section 160.02 have the meanings given them.

Subd. 2. **AASHTO manual.** ~~"AASHTO manual" means the Manual for Condition Evaluation of Bridges, published by the American Association of State Highway and Transportation Officials. "The Manual for Bridge Evaluation," published by the American Association of State Highway and Transportation Officials, is incorporated by reference.~~

Subd. 3. **Bridge.** "Bridge" is defined as a structure, including supports erected over a depression or an obstruction, such as water, a highway, or a railway, having a track or passageway for carrying traffic or other moving loads, and having an opening measured horizontally along the center of the roadway of ten feet or more between undercopings of abutments, between the spring line of arches, or between the extreme ends of openings for multiple boxes. Bridge also includes multiple pipes where the clear distance between openings is less than one-half of the smaller contiguous opening. This definition of a bridge includes only those railroad and pedestrian bridges over a public highway or street.

Subd. 4. **National Bridge Inspection Standards (NBIS).** "NBIS" means standards established by the Federal Highway Administration in Code of Federal Regulations, title 23, part 650, subpart C, incorporated by reference.

Sec. 14. Minnesota Statutes 2010, section 165.03, is amended to read:

165.03 STRENGTH OF BRIDGE; INSPECTION.

Subdivision 1. **Standards generally.** Each bridge, including a privately owned bridge, must conform to the strength, width, clearance, and safety standards imposed by the commissioner for the connecting highway or street. This subdivision applies to a bridge that is constructed after August 1, 1989, on any public highway or street. The bridge must have sufficient strength to support with safety the maximum vehicle weights allowed under sections 169.822 to 169.829 and must have the minimum width specified in section 165.04, subdivision 3.

Subd. 1a. **Inspection.** (a) Each bridge must be inspected annually, unless a longer interval not to exceed ~~two years~~ 24 months for bridges or ~~four years~~ 48 months for bridges classified as culverts is authorized by the commissioner. The commissioner's authorization must be based on factors including, but not limited to, the age and condition of the bridge, the rate of deterioration of the bridge, the type of structure, the susceptibility of the bridge to failure, and the characteristics of traffic on the bridge. The commissioner may require interim inspections at intervals of less than one year on bridges that are posted, bridges subjected to extreme scour conditions, bridges subject to significant substructure movement or settlement, and for other reasons as specified or inferred in the AASHTO manual.

(b) Additional requirements apply to structures meeting the NBIS definition of a bridge:

(1) Underwater structural elements must be inspected at regular intervals not to exceed 60 months. The commissioner may require inspections at intervals of less than 60 months on certain underwater structural elements based on factors including, but not limited to, construction material, environment, age, scour characteristics, the condition ratings from past inspections, and any known deficiencies.

(2) Fracture critical members, or FCMs, must receive a hands-on fracture critical inspection at intervals not to exceed 24 months. The commissioner may require inspections at intervals of less than 24 months on certain FCMs based on factors including, but not limited to, age, traffic characteristics, and any known deficiencies.

(3) The commissioner may establish criteria to determine the level and frequency of these inspections. If warranted by special circumstances, the commissioner retains the authority to determine the inspection type and required inspection frequency for any bridge on the state inventory.

~~(b)~~ (c) The thoroughness of each inspection depends on such factors as age, traffic characteristics, state of maintenance, and known deficiencies. The evaluation of these factors is the responsibility of the engineer assigned the responsibility for inspection as defined by ~~rule adopted by~~ the commissioner of transportation.

Subd. 2. **Inspection and inventory responsibilities; rules; forms.** (a) The commissioner of transportation will adopt the National Bridge Inspection Standards (NBIS) established by the Federal Highway Administration in Code of Federal Regulations, title 23, part 650, subpart C, or its successor documents, for structures meeting the NBIS definition of a bridge. The commissioner shall establish inspection and inventory standards for structures defined as bridges by section 165.01, subdivision 3.

~~(a)~~ (b) The commissioner of transportation shall adopt official inventory and bridge inspection report forms for use in making bridge inspections by the owners or highway authorities specified by this subdivision. Inspections must be made at regular intervals, not to exceed ~~two years for bridges and not to exceed four years for culverts~~ the intervals outlined in subdivision 1a, by the following owner or official:

(1) the commissioner of transportation for all bridges located wholly or partially within or over the right-of-way of a state trunk highway;

(2) the county highway engineer for all bridges located wholly or partially within or over the right-of-way of any county or town road, or any street within a municipality that does not have a city engineer regularly employed;

(3) the city engineer for all bridges located wholly or partially within or over the right-of-way of any street located within or along municipal limits;

(4) the commissioner of transportation in case of a toll bridge that is used by the general public and that is not inspected and certified under subdivision 6; provided, that the commissioner of transportation may assess the owner for the costs of the inspection;

(5) the owner of a bridge over a public highway or street or that carries a roadway designated for public use by a public authority, if not required to be inventoried and inspected under clause (1), (2), (3), or (4).

~~(b)~~ (c) The commissioner of transportation shall prescribe the ~~standards for bridge inspection and inventory by~~ rules inspection and inventory procedures required to administer the bridge inspection program in Minnesota and has the authority to establish and publish standards that describe the inspection and inventory requirements to ensure compliance with paragraph (a) . The owner or highway authority shall inspect and inventory in accordance with these standards and furnish the commissioner with such data as may be necessary to maintain a central inventory.

Subd. 3. **County inventory and inspection records and reports.** The county engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2, paragraph ~~(a)~~ (b) , clause (2), with the inspection reports thereof, and shall certify annually to the commissioner, as prescribed by the commissioner, that inspections have been made at regular intervals, not to exceed ~~two years for bridges and not to exceed four years for culverts~~ the intervals outlined in subdivision 1a. A report of the inspections must be filed annually, on or before February 15 of each year, with the county auditor or town clerk, or the governing body of the municipality. The report must contain recommendations for the correction of or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 4. **Municipal inventory and inspection records and reports.** The city engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2, paragraph ~~(a)~~ (b) , clause (3), with the inspection reports thereof, and shall certify annually to the commissioner, as prescribed by the commissioner, that inspections have been made at regular intervals, not to exceed ~~two years for bridges and not to exceed four years for culverts~~ the intervals outlined in subdivision 1a. A report of the inspections must be filed annually, on or before February 15 of each year, with the governing body of the municipality. The report must contain recommendations for the correction of or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 5. **Agreement.** Agreements may be made among the various units of governments, or between governmental units and qualified engineering personnel to carry out the responsibilities for the bridge inspections and reports, as established by subdivision 2.

Subd. 6. **Other bridges.** The owner of a toll bridge and the owner of a bridge described in subdivision 2, paragraph ~~(a)~~ (b) , clause (5), shall certify to the commissioner, as prescribed by the commissioner, that inspections of the bridge or culvert have been made at regular intervals, not to exceed ~~two years for bridges and not to exceed four years for culverts~~ the intervals outlined in subdivision 1a. The certification must be accompanied by a report of the inspection. The report must contain recommendations for the correction of or legal posting of load limitations if the bridge is found to be understrength or unsafe.

Subd. 6a. **Bridge load rating and posting.** (a) The term "posting" means the placement of regulatory signs at a bridge indicating the safe load carrying capacity of the bridge.

(b) Each structure required to be inspected under subdivision 2, paragraph (a), must be load rated to determine its safe load carrying capacity, and this rating must be reported on a structure inventory sheet form provided by the commissioner of transportation. A structure must be rerated when it is determined that a significant change has occurred in the condition of the structure or due to additional dead load placed on the structure since the last load rating. Load ratings must be reviewed and the structure rerated if necessary when the allowable legal load using the structure is increased. Changes in the load rating of a bridge must be indicated on the structure inventory sheet form.

(c) If it is determined that the maximum legal load under state law exceeds the load permitted on the structure under the operating rating stress level assigned, the bridge must be posted. Posting signs adopted by the commissioner shall be used for the posting. The owner or highway authority shall post the bridge in accordance with the posted load assigned by the commissioner.

Subd. 7. **Department of Natural Resources bridge.** (a) Notwithstanding subdivision 2, the commissioners of transportation and natural resources shall negotiate a memorandum of understanding that governs the inspection of bridges owned, operated, or maintained by the commissioner of natural resources.

(b) The memorandum of understanding must provide for:

- (1) the inspection and inventory of bridges subject to federal law or regulations;
- (2) the frequency of inspection of bridges described in ~~paragraph (a)~~ subdivision 1a; and
- (3) who may perform inspections required under the memorandum of understanding.

Subd. 8. **Biennial report on bridge inspection quality assurance.** By February 1 of each odd-numbered year, the commissioner shall submit a report electronically to the members of the senate and house of representatives committees with jurisdiction over transportation policy and finance concerning quality assurance for bridge inspections. At a minimum, the report must:

- (1) summarize the bridge inspection quality assurance and quality control procedures used in Minnesota;
- (2) identify any substantive changes to quality assurance and quality control procedures made in the previous two years;
- (3) summarize and provide a briefing on findings from bridge inspection quality reviews performed in the previous two years;
- (4) identify actions taken and planned in response to findings from bridge inspection quality reviews performed in the previous two years;
- (5) summarize the results of any bridge inspection compliance review by the Federal Highway Administration; and
- (6) identify actions in response to the Federal Highway Administration compliance review taken by the department in order to reach full compliance.

Sec. 15. Minnesota Statutes 2010, section 168.002, subdivision 19, is amended to read:

Subd. 19. **Motorcycle.** ~~"Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including motor scooters and bicycles with motor attached, other than those vehicles defined as motorized bicycles in subdivision 20, but excluding a tractor~~ has the meaning given in section 169.011, subdivision 44.

Sec. 16. Minnesota Statutes 2010, section 168.002, subdivision 20, is amended to read:

Subd. 20. **Motorized bicycle.** ~~"Motorized bicycle" means a bicycle that is propelled by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic centimeters or less, and a maximum of two brake horsepower, which is capable of a maximum speed of not more than 30 miles per hour on a flat surface with not more than one percent grade in any direction when the motor is engaged. "Motorized bicycle" includes an electric-assisted bicycle as defined in section 169.011, subdivision 27~~ has the meaning given in section 169.011, subdivision 45.

Sec. 17. Minnesota Statutes 2010, section 168.012, is amended by adding a subdivision to read:

Subd. 2d. **Electric-assisted bicycles.** Electric-assisted bicycles must not be taxed as motor vehicles using the public streets and highways, and are exempt from the provisions of this chapter.

Sec. 18. Minnesota Statutes 2010, section 168.013, is amended by adding a subdivision to read:

Subd. 22. **Optional donation for education on anatomical gifts.** As part of procedures for payment of the vehicle registration tax under this section, the commissioner shall allow a vehicle owner to add to the tax a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075, for in-person transactions conducted by a deputy registrar appointed under section 168.33, subdivision 2. This subdivision applies to annual renewal registrations only, and does not apply to registrations authorized under sections 168.053 to 168.057, 168.127, 168.187, and 168.27.

EFFECTIVE DATE. This section is effective January 1, 2013.

Sec. 19. Minnesota Statutes 2011 Supplement, 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:

License Plate	Single	Double
Regular and Disability	\$4.50	\$6.00
Special	\$8.50	\$10.00
Personalized (Replacement)	\$10.00	\$14.00
Collector Category	\$13.50	\$15.00
Emergency Vehicle Display	\$3.00	\$6.00
Utility Trailer Self-Adhesive	\$2.50	
Vertical Motorcycle Plate	\$100.00	NA
Stickers		
Duplicate year	\$1.00	\$1.00
International Fuel Tax Agreement	\$2.50	

(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.

~~(d) As part of procedures for payment of the fee under paragraph (b), the commissioner shall allow a vehicle owner to add to the fee, a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.~~

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

Sec. 20. Minnesota Statutes 2011 Supplement, section 168.123, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 for each set of two plates, or for a single plate in the case of a motorcycle plate, payment of the registration tax required by law, and compliance with other applicable laws relating to vehicle registration and licensing, as applicable, the commissioner shall issue:

(1) special veteran's plates to an applicant who served in the active military service in a branch of the armed forces of the United States or of a nation or society allied with the United States in conducting a foreign war, was discharged under honorable conditions, and is a registered owner of a passenger automobile as defined in section 168.002, subdivision 24, recreational motor vehicle as defined in section 168.002, subdivision 27, or one-ton pickup truck as defined in section 168.002, subdivision 21b, but which is not a commercial motor vehicle as defined in section 169.011, subdivision 16; or

(2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a), (f), (h), (i), or (j), or another special plate designed by the commissioner to an applicant who is a registered owner of a motorcycle as defined in section 168.002, subdivision 19, and meets the criteria listed in this paragraph and in subdivision 2, paragraph (a), (f), (h), (i), or (j). Plates issued under this clause must be the same size as regular motorcycle plates. Special motorcycle license plates issued under this clause are not subject to section 168.1293.

(b) The additional fee of \$10 is payable for each set of veteran's plates, is payable only when the plates are issued, and is not payable in a year in which stickers are issued instead of plates.

(c) The veteran must have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application. If an applicant served in the active military service in a branch of the armed forces of a nation or society allied with the United States in conducting a foreign war and is unable to obtain a record of that service and discharge status, the commissioner of veterans affairs may certify the applicant as qualified for the veterans' plates provided under this section.

~~(d) For license plates issued for one-ton trucks described in paragraph (a), clause (1), the commissioner shall collect a surcharge of \$5 on each \$10 fee collected under paragraph (a). The surcharge must be deposited in the vehicle services operating account in the special revenue fund.~~

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

Sec. 21. Minnesota Statutes 2010, section 168A.03, subdivision 1, is amended to read:

Subdivision 1. **No certificate issued.** The registrar shall not issue a certificate of title for:

(1) a vehicle owned by the United States;

(2) a vehicle owned by a nonresident and not required by law to be registered in this state;

(3) a vehicle owned by a nonresident and regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;

(4) a vehicle moved solely by animal power;

(5) an implement of husbandry;

(6) special mobile equipment;

(7) a self-propelled wheelchair or invalid tricycle;

(8) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party holds an interest in the trailer or a certificate of title was previously issued by this state or any other state or (ii) designed primarily for agricultural purposes except a recreational vehicle or a manufactured home, both as defined in section 168.002, subdivisions 16 and 27;

(9) a snowmobile; ~~and~~

(10) a spotter truck, as defined in section 169.011, subdivision 77; and

(11) an electric-assisted bicycle, as defined in section 169.011, subdivision 27.

Sec. 22. Minnesota Statutes 2010, section 168A.07, subdivision 1, is amended to read:

Subdivision 1. **Ownership at issue; certificate withheld or bond filed.** In the event application is made in this state for a certificate of title on a vehicle and the department is not satisfied as to the ownership of the vehicle or the existence of security interests therein, the vehicle may be registered but the department, subject to subdivision 1a, shall either:

(1) withhold issuance of a certificate of title until the applicant shall present documents reasonably sufficient to satisfy the department of the applicant's ownership of the vehicle and as to any security interest therein; or

(2) as a condition to issuing a certificate of title, require the applicant to file a bond in the form and amount provided in subdivision 1b.

Subd. 1a. **Ownership at issue; requirements for certificate issuance.** (a) In the event application is made in this state for a certificate of title on a vehicle with a model year designated by the manufacturer of more than five years prior to the year in which application is made, and the applicant is unable to establish sole ownership of the vehicle because one or more owners, prior owners, or lienholders cannot be found, the department shall issue a certificate of title to the applicant if the applicant submits:

(1) the application;

(2) a bond in the form and amount provided in subdivision 1b;

(3) an affidavit that identifies the make, model year, and vehicle identification number of the vehicle, and includes a statement that:

(i) the applicant is an owner of the vehicle;

(ii) the applicant has physical possession of the vehicle; and

(iii) in attempting to transfer interest in the vehicle or obtain a certificate of title or lien release, the applicant was unable after using due diligence to (A) determine the names or locations of one or more owners, prior owners, or lienholders; or (B) successfully contact one or more owners, prior owners, or lienholders known to the applicant; and

(4) payment for required taxes and fees.

(b) Unless the department has been notified of the pendency of an action to recover the bond under paragraph (a), clause (2), the department shall allow it to expire at the end of three years.

Subd. 1b. Bond requirements. A bond filed under this section must be in the form prescribed by the department and executed by the applicant, and either accompanied by the deposit of cash or executed by a surety company authorized to do business in this state, in an amount equal to 1-1/2 times the value of the vehicle as determined by the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest therein, or the successor in interest of any said person, against any expense, loss, or damage, including reasonable attorneys' fees, by reason of the issuance of the certificate of title to the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person shall have a right of action to recover on such bond for any breach of its conditions, but the aggregate liability of the surety to all such persons shall in no event exceed the amount of the bond. Unless the department has been notified of the pendency of an action to recover on the bond and if all questions as to ownership and outstanding security interests have been resolved to the satisfaction of the department, such bond, and any deposit accompanying it, shall be returned at the end of three years or prior thereto in the event the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered.

Sec. 23. Minnesota Statutes 2010, section 169.011, subdivision 4, is amended to read:

Subd. 4. **Bicycle.** (a) "Bicycle" means every device capable of being propelled solely by human power upon which any person may ride, having two tandem wheels ~~except scooters and similar devices~~, and including any device generally recognized as a bicycle though equipped with two front or rear wheels. Bicycle includes an electric-assisted bicycle, as defined in subdivision 27.

(b) "Bicycle" does not include scooters, motorized foot scooters, or similar devices.

Sec. 24. Minnesota Statutes 2010, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** "Electric-assisted bicycle" means a ~~motor vehicle~~ bicycle with two or three wheels that:

(1) has a saddle and fully operable pedals for human propulsion;

(2) meets the requirements:

(i) of federal motor vehicle safety standards for a motor-driven cycle in Code of Federal Regulations, title 49, sections 571.1 et seq. ; or

(ii) for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements; and

(3) has an electric motor that (i) has a power output of not more than 1,000 watts, (ii) is incapable of propelling the vehicle at a speed of more than 20 miles per hour, (iii) is incapable of further increasing the speed of the device when human power alone is used to propel the vehicle at a speed of more than 20 miles per hour, and (iv) disengages or ceases to function when the vehicle's brakes are applied.

Sec. 25. Minnesota Statutes 2010, section 169.011, subdivision 44, is amended to read:

Subd. 44. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including motor scooters ~~and bicycles with motor attached, other than those vehicles defined as~~. Motorcycle does not include (1) motorized bicycles as defined in subdivision 45, but excluding (2) electric-assisted bicycles as defined in subdivision 27, or (3) a tractor.

Sec. 26. Minnesota Statutes 2010, section 169.011, subdivision 45, is amended to read:

Subd. 45. **Motorized bicycle.** "Motorized bicycle" means a bicycle that is propelled by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic centimeters or less, and a maximum of two brake horsepower, which is capable of a maximum speed of not more than 30 miles per hour on a flat surface with not more than one percent grade in any direction when the motor is engaged. "Motorized bicycle" ~~includes~~ does not include an electric-assisted bicycle as defined in subdivision 27.

Sec. 27. Minnesota Statutes 2010, section 169.06, subdivision 4, is amended to read:

Subd. 4. **Obedience to traffic-control signal or flagger; presumptions.** (a) The driver of any vehicle shall obey the instructions of any official traffic-control device applicable thereto placed in accordance with the provisions of this chapter, unless otherwise directed by a police officer or by a ~~certified overdimensional load escort driver~~ flagger authorized under this subdivision, subject to the exceptions granted the driver of an authorized emergency vehicle in this chapter.

(b) No provision of this chapter for which official traffic-control devices are required shall be enforced against an alleged violator if at the time and place of the alleged violation an official device is not in proper position and sufficiently legible to be seen by an ordinarily observant person. Whenever a particular section does not state that official traffic-control devices are required, such section shall be effective even though no devices are erected or in place.

(c) Whenever official traffic-control devices are placed in position approximately conforming to the requirements of this chapter, such devices shall be presumed to have been so placed by the official act or direction of lawful authority, unless the contrary shall be established by competent evidence.

(d) Any official traffic-control device placed pursuant to the provisions of this chapter and purporting to conform to the lawful requirements pertaining to such devices shall be presumed to comply with the requirements of this chapter, unless the contrary shall be established by competent evidence.

(e) A flagger in a designated work zone may stop vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person operating a motor vehicle that has been stopped by a flagger in a designated work zone may proceed after stopping only on instruction by the flagger.

(f) An overdimensional load escort driver with a certificate issued under section 299D.085, while acting as a flagger escorting a legal overdimensional load, may stop vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person operating a motor vehicle that has been stopped by an escort driver acting as a flagger may proceed only on instruction by the flagger or a police officer.

(g) A person may stop and hold vehicles in place until it is safe for the vehicles to proceed, if the person: (1) holds a motorcycle road guard certificate issued under section 171.60; (2) meets the safety and equipment standards for operating under the certificate; (3) is acting as a flagger escorting a motorcycle group ride; (4) has notified each statutory or home rule charter city through which the motorcycle group is proceeding; and (5) has obtained consent from the chief of police, or the chief's designee, of any city of the first class through which the group is proceeding.

A flagger operating as provided under this paragraph may direct operators of motorcycles within a motorcycle group ride or other vehicle traffic, notwithstanding any contrary indication of a traffic-control device, including stop signs or traffic-control signals. A person operating a vehicle that has been stopped by a flagger under this paragraph may proceed only on instruction by the flagger or a police officer.

EFFECTIVE DATE. This section is effective one year after publication in the State Register of rules adopted under section 171.60, subdivision 5.

Sec. 28. Minnesota Statutes 2010, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) the commissioner of public safety or any law enforcement agency shall, upon written request of any individual involved in an accident or upon written request of the representative of the individual's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02, or other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident, disclose to the requester, the requester's legal counsel, or a representative of the requester's insurer the report required under subdivision 8;

(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;

(3) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

(4) the commissioner of public safety shall provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations; ~~and~~

(5) upon specific request, the commissioner of public safety shall provide the commissioner of transportation the information obtained regarding each traffic accident involving damage to identified state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

~~(6)~~ (6) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. No report shall be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety shall furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety shall charge authorized persons as described in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee collected under this paragraph must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. The commissioner may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner and law enforcement agencies shall charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner shall provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner shall include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

Sec. 29. Minnesota Statutes 2010, section 169.222, subdivision 6, is amended to read:

Subd. 6. **Bicycle equipment.** (a) No person shall operate a bicycle at nighttime unless the bicycle or its operator is equipped with (1) a lamp which ~~shall emit~~ emits a white light visible from a distance of at least 500 feet to the front; and ~~with~~ (2) a red reflector of a type approved by the Department of Public Safety which is visible from all distances from 100 feet to 600 feet to the rear when directly in front of lawful lower beams of headlamps on a motor vehicle.

(b) No person may operate a bicycle at any time when there is not sufficient light to render persons and vehicles on the highway clearly discernible at a distance of 500 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall be visible during the hours of darkness from 600 feet when viewed in front of lawful lower beams of headlamps on a motor vehicle. The reflective surfaces shall include reflective materials on each side of each pedal to indicate their presence from the front or the rear and with a minimum of 20 square inches of reflective material on each side of the bicycle or its operator. Any bicycle equipped with side reflectors as required by regulations for new bicycles prescribed by the United States Consumer Product Safety Commission shall be considered to meet the requirements for side reflectorization contained in this subdivision.

(c) A bicycle may be equipped with a front lamp that emits a white flashing signal, or a rear lamp that emits a red flashing signal, or both.

(d) A bicycle may be equipped with tires having studs, spikes, or other protuberances designed to increase traction.

~~(b)~~ (e) No person shall operate a bicycle unless it is equipped with a brake which will enable the operator to make the braked wheels skid on dry, level, clean pavement.

~~(e)~~ (f) No person shall operate upon a highway any two-wheeled bicycle equipped with handlebars so raised that the operator must elevate the hands above the level of the shoulders in order to grasp the normal steering grip area.

~~(d)~~ (g) No person shall operate upon a highway any bicycle which is of such a size as to prevent the operator from stopping the bicycle, supporting it with at least one foot on the highway surface and restarting in a safe manner.

Sec. 30. Minnesota Statutes 2010, section 169.222, is amended by adding a subdivision to read:

Subd. 6b. **Operator age.** No person under the age of 15 shall operate an electric-assisted bicycle.

Sec. 31. Minnesota Statutes 2010, section 169.222, subdivision 7, is amended to read:

Subd. 7. **Sale with reflectors and other equipment.** No person shall sell or offer for sale any new bicycle unless it is equipped with reflectors and other equipment as required by subdivision 6, ~~clauses (a) and paragraphs (b) and (c)~~ and by ~~the~~ applicable regulations for new bicycles prescribed by the United States Consumer Product Safety Commission.

Sec. 32. Minnesota Statutes 2010, section 169.223, subdivision 1, is amended to read:

Subdivision 1. **Safety equipment; parking.** ~~Except as otherwise provided in this section,~~ Section 169.974 relating to motorcycles is applicable to motorized bicycles, except as otherwise provided in this section and except that:

(1) protective headgear includes headgear that meets the ~~American National Standard for Protective Headgear for Bicyclists, ANSI Z90.4 1984, approved by the American National Standards Institute, Inc., standards under Code of Federal Regulations, title 16, part 1203, or successor requirements;~~

(2) a motorized bicycle equipped with a headlight and taillight meeting the requirements of lighting for motorcycles may be operated during nighttime hours;

(3) ~~except as provided in clause (5),~~ protective headgear is not required for operators 18 years of age or older; and

(4) the provisions of section 169.222, subdivision 9, governing the parking of bicycles apply to motorized bicycles;

~~(5) the operator of an electric-assisted bicycle must wear properly fitted and fastened headgear that meets the American National Standard for Protective Headgear for Bicyclists, ANSI Z90.4 1984, approved by the American National Standards Institute, Inc., when operating the electric-assisted bicycle on a street or highway; and~~

~~(6) eye protection devices are not required for operators of electric-assisted bicycles.~~

Sec. 33. Minnesota Statutes 2010, section 169.223, subdivision 5, is amended to read:

Subd. 5. **Other operation requirements and prohibitions.** (a) A person operating a motorized bicycle on a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except in one of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private road or driveway; or

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) Persons operating motorized bicycles on a roadway may not ride more than two abreast and may not impede the normal and reasonable movement of traffic. On a laned roadway, a person operating a motorized bicycle shall ride within a single lane.

(c) This section does not permit the operation of a motorized bicycle on a bicycle path or bicycle lane that is reserved for the exclusive use of nonmotorized traffic.

~~(d) Subject to the provisions of section 160.263, subdivision 3, a person may operate an electric-assisted bicycle on a bicycle lane. A person may operate an electric-assisted bicycle on the shoulder of a roadway if the electric-assisted bicycle is traveling in the same direction as the adjacent vehicular traffic.~~

Sec. 34. Minnesota Statutes 2010, section 169.72, subdivision 1, is amended to read:

Subdivision 1. **Solid rubber, metal, and studded tires; exceptions; permits.** (a) Every solid rubber tire on a vehicle ~~shall~~ must have rubber on its entire traction surface at least one inch thick above the edge of the flange of the entire periphery.

(b) No person shall operate or move on any highway any motor vehicle, trailer, or semitrailer, having any metal tire in contact with the roadway, except in case of emergency.

(c) Except as provided in this section, no tire on a vehicle moved on a highway shall have on its periphery any block, stud, flange, cleat, or spike or any other protuberances of any material other than rubber which projects beyond the tread of the traction surface of the tire.

~~(d) It shall be~~ is permissible to use any of the following on highways:

(1) implements of husbandry with tires having protuberances which will not injure the highway; and;

(2) tire chains of reasonable proportions upon any vehicle when required for safety because of snow, ice, or other conditions tending to cause a vehicle to skid; and

(3) tires on a bicycle as provided in section 169.222, subdivision 6.

~~(d)~~ (e) The commissioner and local authorities in their respective jurisdictions may, in their discretion, issue special permits authorizing the operation upon a highway of traction engines or tractors having movable tracks with transverse corrugations upon the periphery of such movable tracks or farm tractors or other farm machinery, the operation of which upon a highway would otherwise be prohibited under this chapter.

Sec. 35. Minnesota Statutes 2011 Supplement, section 169.86, subdivision 5, is amended to read:

Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. Unless otherwise specified, all such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

(6) noncommercial transportation of a boat by the owner or user of the boat;

(7) motor vehicles carrying bales of agricultural products authorized under section 169.862; and

(8) special milk-hauling vehicles authorized under section 169.867.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes and manufactured storage buildings;

(4) implements of husbandry;

(5) double-deck buses;

(6) commercial boat hauling and transporting waterfront structures, including, but not limited to, portable boat docks and boat lifts;

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c); and

(8) vehicles operating on that portion of marked Trunk Highway 36 described in section 169.81, subdivision 3, paragraph (e).

(e) For vehicles which have axle weights exceeding the weight limitations of sections 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limitations on axles	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) \$300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

~~(1) in fiscal years 2005 through 2010:~~

~~(i) (1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges; and~~

~~(ii) (2) all remaining money in each fiscal year must be deposited in a the bridge inspection and signing account in the special revenue fund as provided under subdivision 5a. Money in the account is appropriated to the commissioner for:~~

~~(A) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and~~

~~(B) erection of weight posting signs on local bridges; and~~

~~(2) in fiscal year 2011 and subsequent years must be deposited in the trunk highway fund.~~

(j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 36. Minnesota Statutes 2010, section 169.86, is amended by adding a subdivision to read:

Subd. 5a. **Bridge inspection and signing account; appropriation.** (a) A bridge inspection and signing account is established in the special revenue fund. The account consists of fees for special permits as specified under this chapter, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) The revenue in the bridge inspection and signing account under this subdivision is annually appropriated to the commissioner for:

(1) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and

(2) erection of weight-posting signs on local bridges.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 37. Minnesota Statutes 2010, section 169.865, subdivision 4, is amended to read:

Subd. 4. **Deposit of revenues; appropriation.** (a) Revenue from the permits issued by the commissioner under this section must be deposited:

~~(1) in fiscal years 2008 through 2011, in the bridge inspection and signing account in the special revenue fund; and~~

~~(2) in fiscal year 2012 and subsequent years, in the trunk highway fund as provided under section 169.86, subdivision 5a.~~

~~(b) The revenue in the bridge inspection and signing account under this section is annually appropriated to the commissioner for:~~

~~(1) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and~~

~~(2) erection of weight posting signs on local bridges.~~

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 38. Minnesota Statutes 2010, section 169.872, subdivision 1a, is amended to read:

Subd. 1a. **Limit on civil penalties.** A civil penalty for excessive weight under section 169.871 may be imposed based on a record of a shipment under this section only if a state law enforcement officer or motor transportation representative: (1) has inspected and copied the record within 14 days of the date the shipment was received by the person keeping the record; and (2) has assessed the penalty within 90 days of the date the officer or representative inspected and copied the record.

Sec. 39. Minnesota Statutes 2010, section 169.98, subdivision 1, is amended to read:

Subdivision 1. **Colors and markings.** (a) Except as provided in subdivisions 2 and 2a, all motor vehicles which are primarily used in the enforcement of highway traffic rules by the State Patrol or for general uniform patrol assignment by any municipal police department or other law enforcement agency, except conservation officers, shall have uniform colors and markings as provided in this subdivision. Motor vehicles of:

(1) municipal police departments, including the University of Minnesota Police Department and park police units, shall be predominantly blue, brown, green, black, or white;

(2) the State Patrol shall be predominantly maroon; and

(3) the county sheriff's office shall be predominantly brown, black, gold, or white.

(b) The identity of the governmental unit operating the vehicle shall be displayed on both front door panels and on the rear of the vehicle. The identity may be in the form of a shield or emblem, or may be the word "police," "sheriff," or the words "State Patrol" or "conservation officer," as appropriate, with letters not less than 2-1/2 inches high, one-inch wide and of a three-eighths inch brush stroke. The identity shall be of a color contrasting with the background color so that the motor vehicle is easily identifiable as belonging to a specific type of law enforcement agency. Each vehicle shall be marked with its own identifying number on the rear of the vehicle. The number shall be printed in the same size and color required pursuant to this subdivision for identifying words which may be displayed on the vehicle.

Sec. 40. Minnesota Statutes 2010, section 169.98, subdivision 3, is amended to read:

Subd. 3. **Security guard vehicle.** (a) All motor vehicles which are used by security guards in the course of their employment may have any color other than those specified in subdivision 1 for law enforcement vehicles. The identity of the security service shall be displayed on the motor vehicle as required for law enforcement vehicles.

(b) Notwithstanding subdivision 1, paragraph (a), clause (1), a security guard may continue to use a motor vehicle that is predominantly black in the course of the guard's employment if the vehicle was being used in this manner before August 1, 2002.

(c) Notwithstanding subdivision 1, paragraph (a), clause (3), a security guard may continue to use a motor vehicle that is predominantly gold in the course of the guard's employment if the vehicle was being used in this manner before August 1, 2012.

Sec. 41. Minnesota Statutes 2010, section 171.01, subdivision 41, is amended to read:

Subd. 41. **Motorized bicycle.** "~~Motorized bicycle" means a bicycle that is propelled by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic centimeters or less, and a maximum of two brake horsepower, which is capable of a maximum speed of not more than 30 miles per hour on a flat surface with not more than one percent grade in any direction when the motor is engaged. "Motorized bicycle" includes an electric-assisted bicycle as defined in section 169.011, subdivision 27~~ has the meaning given in section 169.011, subdivision 45.

Sec. 42. Minnesota Statutes 2011 Supplement, section 171.075, subdivision 1, is amended to read:

Subdivision 1. **Anatomical gift account.** An anatomical gift account is established in the special revenue fund. The account consist of funds donated under sections ~~168.12~~ 168.013, subdivision ~~5~~ 22, and 171.06, subdivision 2, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner for (1) grants under subdivision 2, and (2) administrative expenses in implementing the donation and grant program.

EFFECTIVE DATE. This section is effective January 1, 2013.

Sec. 43. **[171.60] MOTORCYCLE ROAD GUARD CERTIFICATE.**

Subdivision 1. **Certificate required.** No person may perform traffic control as a motorcycle road guard as provided under chapter 169 without a valid motorcycle road guard certificate issued by the commissioner.

Subd. 2. **Certification qualifications and standards.** Through the Minnesota Motorcycle Safety Center, the commissioner of public safety shall:

(1) establish qualifications and requirements for a person to obtain a motorcycle road guard certificate under this section, which must include:

(i) a minimum 18 years of age;

(ii) possession of a valid driver's license; and

(iii) successful completion of a motorcycle road guard certification course;

(2) develop and offer, whether by the Minnesota Motorcycle Safety Center or authorized agents, a motorcycle road guard certification course; and

(3) establish safety and equipment standards for a person who operates under a motorcycle road guard certificate, including but not limited to specifying requirements for a reflective safety vest.

Subd. 3. **Fee.** The commissioner of public safety shall assess a fee for each applicant for a motorcycle road guard certificate, calculated to cover the commissioner's cost of establishing and administering the program.

Subd. 4. **Penalty.** A person who violates any provision of this section is guilty of a petty misdemeanor.

Subd. 5. **Rulemaking.** The commissioner of public safety shall adopt rules to carry out the provisions of this section. Notwithstanding section 16A.1283, the rules must specify the fee to be assessed under subdivision 3.

EFFECTIVE DATE. Subdivisions 1 to 4 are effective one year after publication in the State Register of rules adopted under subdivision 5. Subdivision 5 is effective the day following final enactment.

Sec. 44. Minnesota Statutes 2010, section 174.03, is amended by adding a subdivision to read:

Subd. 1d. **Freight rail economic development study.** (a) The commissioner of transportation, in cooperation with the commissioner of the Department of Employment and Economic Development, shall conduct a freight rail economic development study. The study will assess the economic impact of freight railroads in the state and identify opportunities to expand business development and enhance economic competitiveness through improved utilization of freight rail options. Findings from the study shall be incorporated as an amendment to the statewide freight and passenger rail plan.

(b) The commissioner of transportation shall provide an interim progress report on the study by January 15, 2013, and a final report on September 1, 2013, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and over employment and economic development. The reports shall include any recommended legislative initiatives.

(c) The commissioner of transportation may expend up to \$216,000 in fiscal year 2013 under section 222.50, subdivision 7, to pay the costs of this study and report.

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

Sec. 45. **[174.40] SAFE ROUTES TO SCHOOL PROGRAM.**

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

(b) "Bond eligible cost" means expenditures under this section for acquisition of land or permanent easements, predesign, design, preliminary and final engineering, environmental analysis, construction, and reconstruction of publicly owned infrastructure in this state with a useful life of at least ten years that provides for nonmotorized transportation to and from a school; preparation of land for which a route to school is established, including demolition of structures and remediation of any hazardous conditions on the land; and the unpaid principal on debt issued by a political subdivision for a safe routes to school project.

(c) "Federal program" means the safe routes to school program under Title I, section 1404 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005, Public Law 109-59.

(d) "School" means a school, as defined in section 120A.22, subdivision 4, excluding a home school.

Subd. 2. **Program creation.** (a) A safe routes to school program is established to provide assistance in capital investments for safe and appealing nonmotorized transportation to and from a school. The commissioner shall develop and implement the safe routes to school program as provided in this section. Financial assistance under this section is to supplement or replace aid for infrastructure projects under the federal program.

(b) The commissioner may provide grants or other financial assistance for a safe routes to school project at the commissioner's discretion, subject to the requirements of this section.

Subd. 3. **Safe routes to school accounts.** (a) A safe routes to school account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance as provided under this section. All uses of funds from the account must be for publicly owned property.

(b) A safe routes to school account is established in the general fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.

Subd. 4. **State general obligation bond funds.** Minnesota Constitution, article XI, section 5, clause (a), requires that state general obligation bonds be issued to finance only the acquisition or betterment of public land, buildings, and other public improvements of a capital nature. The legislature has determined that many school transportation infrastructure projects will constitute betterments and capital improvements within the meaning of the Minnesota Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

Subd. 5. **Program administration.** (a) The commissioner shall establish general program requirements and a competitive process for financial assistance, including but not limited to eligibility requirements for grant recipients and projects; procedures for solicitation of grants; application requirements; procedures for payment of financial assistance awards; and a schedule for application, evaluation, and award of financial assistance.

(b) An application must include:

(1) a detailed and specific description of the project;

(2) an estimate, along with necessary supporting evidence, of the total costs for the project and the allocation of identified and proposed funding sources for the project;

(3) an assessment of the need for and benefits of the project;

(4) a resolution adopted by the governing body of the school for which a safe routes to school grant is requested, certifying that: (i) the governing body of the school supports the project; and (ii) funds, if any, required to be supplied by the school to complete the project are available and committed;

(5) a timeline indicating the major milestones of the project and their anticipated completion dates; and

(6) any additional information or material the commissioner prescribes.

(c) The commissioner shall make reasonable efforts to (1) publicize each solicitation for applications among all eligible recipients, and (2) provide technical and informational assistance in creating and submitting applications.

(d) By January 1, 2013, the commissioner of transportation shall publish and maintain a manual on the safe routes to school program that assists applicants for and recipients of financial assistance. The manual must include a list of eligibility and general program requirements, an explanation of the application process, and a review of the criteria used to evaluate projects.

Subd. 6. **Evaluation criteria.** The commissioner shall establish criteria for evaluation of applications and selection of projects. The criteria must include:

(1) establishment or capital improvement of transportation infrastructure that improves safety and encourages nonmotorized transportation to and from a school;

(2) compliance with all applicable requirements for capital infrastructure projects established by the Federal Highway Administration, U.S. Department of Transportation, for the federal program; and

(3) other components as determined by the commissioner.

Subd. 7. **Grant cancellation.** If, five years after execution of a grant agreement, the commissioner determines that the grantee has not proceeded in a timely manner with implementation of the project funded, the commissioner must cancel the grant and the grantee must repay to the commissioner all grant money paid to the grantee. Section 16A.642 applies to any appropriations made from the bond proceeds fund to the commissioner under this section that have not been awarded as financial assistance.

Subd. 8. **Legislative report.** By November 1 annually, the commissioner shall submit a report on the safe routes to school program to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance. The report must at a minimum:

(1) summarize program implementation;

(2) provide an overview of grant evaluation and criteria used in project selection;

(3) provide a brief description of each project funded in the previous fiscal year, including the amount of money provided from each safe routes to school account under this section and the amount provided under the federal program;

(4) summarize the status of the federal program or successor legislation; and

(5) identify any recommendations for legislative changes, including proposals to improve program effectiveness.

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

Sec. 46. Minnesota Statutes 2010, section 221.091, subdivision 2, is amended to read:

Subd. 2. **Small vehicle passenger service.** (a) A city that licenses and regulates small vehicle passenger service must do so by ordinance. The ordinance must, at a minimum, provide for driver qualifications, insurance, vehicle safety, and periodic vehicle inspections. A city that has adopted an ordinance complying with this subdivision may enforce the registration requirement in section 221.021.

~~(b) A person who provides small vehicle passenger service to an individual for the purpose of obtaining nonemergency medical care and who receives reimbursement under section 256B.0625, subdivision 17, for providing the service, must comply with the rules of the commissioner adopted under section 174.30.~~

Sec. 47. Minnesota Statutes 2010, section 222.63, subdivision 9, is amended to read:

Subd. 9. **Rail bank property use; petty misdemeanors penalties.** (a) Except for the actions of road authorities and their agents, employees, and contractors, and of utilities, in carrying out their duties imposed by permit, law, or contract, and except as otherwise provided in this section, it is unlawful to knowingly perform any of the following activities on rail bank property:

(1) obstruct any trail;

(2) deposit snow or ice;

- (3) remove or place any earth, vegetation, gravel, or rock without authorization;
 - (4) obstruct or remove any ditch-draining device, or drain any harmful or dangerous materials;
 - (5) erect a fence, or place or maintain any advertising, sign, or memorial, except upon authorization by the commissioner of transportation;
 - (6) remove, injure, displace, or destroy right-of-way markers or reference or witness monuments or markers placed to preserve section or quarter-section corners defining rail bank property limits;
 - (7) drive upon any portion of rail bank property, except at approved crossings, and except where authorized for snowmobiles, emergency vehicles, maintenance vehicles, or other vehicles authorized to use rail bank property;
 - (8) deface, mar, damage, or tamper with any structure, work, material, sign, marker, paving, guardrail, drain, or any other rail bank appurtenance; ~~or~~
 - (9) park, overhang, or abandon any unauthorized vehicle or implement of husbandry on, across, or over the limits of rail bank property; ~~;~~
 - (10) plow, disc, or perform any other detrimental operation; or
 - (11) place or maintain any permanent structure.
- (b) Unless a greater penalty is provided elsewhere in statute, ~~any~~ a violation of this subdivision is a petty misdemeanor. A second or subsequent violation is a misdemeanor.
- (c) The cost to remove, repair, or perform any other corrective action necessitated by a violation of this subdivision may be charged to the violator.

Sec. 48. Minnesota Statutes 2010, section 296A.07, subdivision 4, is amended to read:

Subd. 4. **Exemptions.** The provisions of subdivision 1 do not apply to gasoline or denatured ethanol purchased by:

- (1) a transit system or transit provider receiving financial assistance or reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384;
- (2) providers of transportation to recipients of medical assistance home and community-based services waivers enrolled in day programs, including adult day care, family adult day care, day treatment and habilitation, prevocational services, and structured day services;
- (3) an ambulance service licensed under chapter 144E; ~~or~~
- (4) providers of medical or dental services by a federally qualified health center, as defined under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990, with a motor vehicle used exclusively as a mobile medical unit; or
- ~~(5)~~ (5) a licensed distributor to be delivered to a terminal for use in blending.

EFFECTIVE DATE. Clause (2) is effective retroactively from January 1, 2012, and clause (4) is effective retroactively from January 1, 2011.

Sec. 49. Minnesota Statutes 2010, section 296A.08, subdivision 3, is amended to read:

Subd. 3. **Exemptions.** The provisions of subdivisions 1 and 2 do not apply to special fuel or alternative fuels purchased by:

(1) a transit system or transit provider receiving financial assistance or reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384;

(2) providers of transportation to recipients of medical assistance home and community-based services waivers enrolled in day programs, including adult day care, family adult day care, day treatment and habilitation, prevocational services, and structured day services;

(3) an ambulance service licensed under chapter 144E; ~~or~~

(4) providers of medical or dental services by a federally qualified health center, as defined under title 19 of the Social Security Act, as amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990, with a motor vehicle used exclusively as a mobile medical unit; or

~~(5) a licensed distributor to be delivered to a terminal for use in blending.~~

EFFECTIVE DATE. Clause (2) is effective retroactively from January 1, 2012, and clause (4) is effective retroactively from January 1, 2011.

Sec. 50. Minnesota Statutes 2010, section 297A.68, subdivision 19, is amended to read:

Subd. 19. **Petroleum products.** The following petroleum products are exempt:

(1) products upon which a tax has been imposed and paid under chapter 296A, and for which no refund has been or will be allowed because the buyer used the fuel for nonhighway use;

(2) products that are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures;

(3) products purchased by a transit system receiving financial assistance under section 174.24, 256B.0625, subdivision 17, or 473.384;

(4) products purchased by an ambulance service licensed under chapter 144E;

(5) products used in a passenger snowmobile, as defined in section 296A.01, subdivision 39, for off-highway business use as part of the operations of a resort as provided under section 296A.16, subdivision 2, clause (2); ~~or~~

(6) products purchased by a state or a political subdivision of a state for use in motor vehicles exempt from registration under section 168.012, subdivision 1, paragraph (b) ;

(7) products purchased by providers of transportation to recipients of medical assistance home and community-based services waivers enrolled in day programs, including adult day care, family adult day care, day treatment and habilitation, prevocational services, and structured day services; or

(8) products used in a motor vehicle used exclusively as a mobile medical unit for the provision of medical or dental services by a federally qualified health center, as defined under title 19 of the federal Social Security Act, as amended by Section 4161 of the Omnibus Budget Reconciliation Act of 1990.

EFFECTIVE DATE. Clause (7) is effective retroactively from January 1, 2012, and clause (8) is effective retroactively from January 1, 2011.

Sec. 51. Minnesota Statutes 2011 Supplement, section 297B.03, is amended to read:

297B.03 EXEMPTIONS.

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.67, subdivision 11;

(2) purchase or use of any motor vehicle by any person who was a resident of another state or country at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota and the motor vehicle was registered in the person's name in the other state or country;

(3) purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.90;

(4) purchase or use of any motor vehicle previously registered in the state of Minnesota when such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code;

(5) purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota-based private or for-hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales tax or sales tax on motor vehicles used in interstate commerce;

(6) purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution. "Automotive training programs" includes motor vehicle body and mechanical repair courses but does not include driver education programs;

(7) purchase of a motor vehicle by an ambulance service licensed under section 144E.10 when that vehicle is equipped and specifically intended for emergency response or for providing ambulance service;

(8) purchase of a motor vehicle by or for a public library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

(9) purchase of a ready-mixed concrete truck;

(10) purchase or use of a motor vehicle by a town for use exclusively for road maintenance, including snowplows and dump trucks, but not including automobiles, vans, or pickup trucks;

(11) purchase or use of a motor vehicle by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, except a public school, university, or library, but only if the vehicle is:

(i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(ii) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose;

(12) purchase of a motor vehicle for use by a transit provider exclusively to provide transit service is exempt if the transit provider is either (i) receiving financial assistance or reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29, 473.388, or 473.405;

(13) purchase or use of a motor vehicle by a qualified business, as defined in section 469.310, located in a job opportunity building zone, if the motor vehicle is principally garaged in the job opportunity building zone and is primarily used as part of or in direct support of the person's operations carried on in the job opportunity building zone. The exemption under this clause applies to sales, if the purchase was made and delivery received during the duration of the job opportunity building zone. The exemption under this clause also applies to any local sales and use tax; ~~and~~

(14) purchase of a leased vehicle by the lessee who was a participant in a lease-to-own program from a charitable organization that is:

(i) described in section 501(c)(3) of the Internal Revenue Code; and

(ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; ~~and~~

(15) purchase of a motor vehicle used exclusively as a mobile medical unit for the provision of medical or dental services by a federally qualified health center, as defined under title 19 of the Social Security Act, as amended by section 4161 of the Omnibus Budget Reconciliation Act of 1990.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made on and after January 1, 2011.

Sec. 52. Minnesota Statutes 2010, section 299D.085, subdivision 2, is amended to read:

Subd. 2. **Certificate.** Except as provided in subdivision 2a, no person may operate as an overdimensional load escort driver in this state without a certificate issued by the commissioner, or by a state with which the commissioner has entered into a reciprocal agreement. The commissioner shall assess a fee for each certificate applicant, calculated to cover the commissioner's cost of establishing and administering the program.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on the December 31 that occurs immediately after two years following the publication in the State Register of rules adopted under Laws 2010, chapter 311, section 3, subdivision 5.

Sec. 53. Minnesota Statutes 2010, section 299D.085, is amended by adding a subdivision to read:

Subd. 2a. **Exceptions.** A person who is a minimum of 18 years of age, possesses a valid operator's license for the type of vehicle being operated, and meets vehicle and safety equipment standards specified by the commissioner may operate without a certificate as an overdimensional load escort driver when: (1) the load consists of manufactured homes, as defined in section 327.31, subdivision 6, or modular homes, as defined in section 272.02, subdivision 85, paragraph (c); (2) the load does not extend over the centerline of a roadway; and (3) the vehicle carrying the overdimensional load is not routed to travel the wrong way on a roadway.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on the December 31 that occurs immediately after two years following the publication in the State Register of rules adopted under Laws 2010, chapter 311, section 3, subdivision 5.

Sec. 54. Minnesota Statutes 2010, 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 fee charged for services provided by the State Patrol with a vehicle ~~are \$73.60~~ is \$79.28 an hour ~~in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter.~~ The fees fee charged for services provided without a vehicle ~~are \$54~~ is \$59.28 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 in fiscal year 2012; and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and \$454.84 an hour for the Queen Air in fiscal year 2013 and thereafter.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 55. Minnesota Statutes 2010, section 473.39, is amended by adding a subdivision to read:

Subd. 1r. **Obligations.** After July 1, 2012, in addition to other authority under this section, the council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding \$39,600,000 for capital expenditures as prescribed in the council's transit capital improvement program and for related costs, including the costs of issuance and sale of the obligations. Of this authorization, up to \$4,200,000 may be made available to fund capital projects in amounts that would have otherwise been funded using replacement transit service provider reserves that were reduced in 2012 as a result of Laws 2011, First Special Session chapter 3, article 1, section 4.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 56. Laws 2009, chapter 158, section 10, is amended to read:

Sec. 10. **EFFECTIVE DATE.**

Sections 2 and 3 are effective August 1, 2009, and the amendments made in sections 2 and 3 to Minnesota Statutes, sections 169.011 and 169.045, expire July 31, ~~2012~~ 2014.

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

Sec. 57. **LEGISLATIVE ROUTE NO. 227 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 158, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Wadena County to transfer jurisdiction of Legislative Route No. 227 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 58. **LEGISLATIVE ROUTE NO. 258 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 189, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Brown County to transfer jurisdiction of Legislative Route No. 258 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 59. **LEGISLATIVE ROUTE NO. 291 REMOVED.**

(a) Minnesota Statutes, section 161.115, subdivision 222, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of the city of Hastings to transfer jurisdiction of Legislative Route No. 291 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 60. **I-94 NOISE IMPACTS STAKEHOLDER GROUP.**

(a) The commissioner of transportation shall establish a noise impacts stakeholder group in conjunction with all trunk highway projects on marked Interstate Highway 94, at or near the interchange with marked Trunk Highway 280 in St. Paul, for which preliminary engineering or preliminary design commences prior to January 1, 2018.

(b) At a minimum, membership of the stakeholder group consists of Department of Transportation project team representatives and interested community stakeholders.

(c) As part of the project development process for any project identified under paragraph (a), the commissioner shall consult with the stakeholder group to provide background information and data on noise impacts, review practices and evaluation options for noise mitigation, and obtain recommendations from the stakeholder group for noise mitigation components of the project design.

Sec. 61. **MUNICIPAL STATE-AID STREET FUND 2013 ALLOCATION.**

(a) Notwithstanding Minnesota Statutes, section 162.13, subdivision 1, the commissioner of transportation shall allocate the apportionment sum available in the municipal state-aid street fund, following the deductions under Minnesota Statutes, section 162.12, as provided in this section.

(b) The commissioner shall identify a remuneration sum for each city that:

(1) qualifies for municipal state-aid street funds under Minnesota Statutes, section 162.09, subdivision 4a; and

(2) was not allocated municipal state-aid street funds for calendar year 2012.

(c) The remuneration sum for each city equals the amount the city received under the allocation of municipal state-aid street funds for calendar year 2011.

(d) For the calendar year 2013 allocation only, the commissioner shall:

(1) allocate to the appropriate city an amount from the apportionment sum equal to the remuneration sum calculated in paragraph (c); and

(2) allocate the remaining apportionment sum as provided under Minnesota Statutes, section 162.13, subdivision 1.

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

Sec. 62. **REPORTS ON USE OF CONSTRUCTION MANAGER/GENERAL CONTRACTOR METHOD.**

Subdivision 1. **Submission of reports.** The commissioner shall report on experience with and evaluation of the construction manager/general contractor method of contracting authorized in Minnesota Statutes, sections 161.3207 to 161.3209. The reports must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy or transportation finance and in compliance with Minnesota Statutes, sections 3.195 and 3.197. An interim report must be submitted no later than 12 months following the commissioner's acceptance of five construction manager/general contractor contracts. A final report must be submitted no later than 12 months following the commissioner's acceptance of ten construction manager/general contractor contracts.

Subd. 2. **Content of reports.** The reports must include: (1) a description of circumstances of any projects as to which construction manager/general contractor requests for qualifications or requests for proposals were solicited, followed by a cancellation of the solicitation; (2) a description of projects as to which construction manager/general contractor method was utilized; (3) a comparison of project cost estimates with final project costs, if available; and (4) evaluation of the construction manager/general contractor method of procurement with respect to implications for project cost, use of innovative techniques, completion time, and obtaining maximum value. The final report must also include recommendations as to continued use of the program and desired modifications to the program, and recommended legislation to continue, discontinue, or modify the program.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 63. **REPORT ON WATER PERMITTING PROCESSES FOR TRANSPORTATION PROJECTS.**

By January 15, 2013, the commissioners of transportation, natural resources, and the Pollution Control Agency, in consultation with local road authorities and the Board of Water and Soil Resources, shall submit recommendations to the house of representatives and senate committees and divisions with primary jurisdiction over environment and natural resources policy and finance and transportation policy and finance on how water-related permitting for transportation projects can best be streamlined through creation of a single point of issuance system. The recommendations shall:

(1) outline a single point of issuance system in which road authorities applying for state water permits would interact with a single state agency serving as the sole intermediary on behalf of all state agencies with an interest in a road authority's water permit application;

(2) provide a goal for the maximum number of days the state believes are necessary to issue final water permitting decisions;

(3) identify how state entities with current oversight authority over water permitting decisions would allocate resources to accommodate a single point of issuance system; and

(4) suggest strategies to enhance the coordination of federal and state water permitting information gathering and decision-making.

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

Sec. 64. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>169.011, subdivision 83</u>	<u>168B.011, subdivision 12a</u>
<u>169.041</u>	<u>168B.035</u>
<u>169.64, subdivision 5</u>	<u>168B.16</u>
<u>169.86, subdivision 8</u>	<u>168B.15</u>
<u>465.75</u>	<u>168B.14</u>
<u>514.18, subdivision 1a</u>	<u>168B.045</u>

Sec. 65. **RULES REPEALER.**

Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; and 8810.9700, are repealed.

Sec. 66. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective August 1, 2012.

ARTICLE 4 TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2010, section 85.015, is amended by adding a subdivision to read:

Subd. 1d. **Bicycle use of trails.** The commissioner may not prohibit or otherwise restrict operation of an electric-assisted bicycle, as defined in section 169.011, subdivision 27, on any trail under this section for which bicycle use is permitted, unless the commissioner determines that operation of the electric-assisted bicycle is not consistent with (1) the safety or general welfare of trail users; or (2) the terms of any property conveyance.

Sec. 2. Minnesota Statutes 2010, section 85.018, subdivision 2, is amended to read:

Subd. 2. **Authority of local government.** (a) A local government unit that receives state grants-in-aid for any trail, with the concurrence of the commissioner, and the landowner or land lessee, may:

- (1) designate the trail for use by snowmobiles or for nonmotorized use from December 1 to April 1 of any year; and
- (2) issue any permit required under subdivisions 3 to 5.

(b) A local government unit that receives state grants-in-aid under section 84.794, subdivision 2, 84.803, subdivision 2, or 84.927, subdivision 2, for any trail, with the concurrence of the commissioner, and landowner or land lessee, may:

(1) designate the trail specifically for use at various times of the year by all-terrain or off-road vehicles or off-highway motorcycles, for nonmotorized use such as ski touring, snowshoeing, and hiking, and for multiple use, but not for motorized and nonmotorized use at the same time; and

(2) issue any permit required under subdivisions 3 to 5.

(c) A local unit of government that receives state grants-in-aid for any trail, with the concurrence of the commissioner and landowner or land lessee, may designate certain trails for joint use by snowmobiles, off-highway motorcycles, all-terrain vehicles, and off-road vehicles.

(d) A local unit of government may not prohibit or otherwise restrict operation of an electric-assisted bicycle, as defined in section 169.011, subdivision 27, on any trail under this section designated for bicycle use or nonmotorized use that includes bicycles, unless the local unit of government determines that operation of the electric-assisted bicycle is not consistent with (1) the safety or general welfare of trail users; or (2) the terms of any property conveyance.

Sec. 3. Minnesota Statutes 2010, section 85.018, subdivision 4, is amended to read:

Subd. 4. **Nonmotorized use trails.** No motorized vehicle shall be operated on a trail designated for nonmotorized use. This subdivision does not apply to (1) motorized wheelchairs or other motorized devices operated by an individual who is physically disabled; or (2) electric-assisted bicycles, as defined in section 169.011, subdivision 27.

Sec. 4. Minnesota Statutes 2010, section 160.263, subdivision 2, is amended to read:

Subd. 2. **Powers of political subdivisions.** (a) The governing body of any political subdivision may by ordinance or resolution:

(1) designate any roadway or shoulder or portion thereof under its jurisdiction as a bicycle lane or bicycle route;

(2) designate any sidewalk or portion thereof under its jurisdiction as a bicycle path provided that the designation does not destroy a pedestrian way or pedestrian access;

(3) develop and designate bicycle paths;

(4) designate as bikeways all bicycle lanes, bicycle routes, and bicycle paths.

(b) A governing body may not prohibit or otherwise restrict operation of an electric-assisted bicycle, as defined in section 169.011, subdivision 27, on any bikeway, roadway, or shoulder, unless the governing body determines that operation of the electric-assisted bicycle is not consistent with (1) the safety or general welfare of bikeway, roadway, or shoulder users; or (2) the terms of any property conveyance.

Sec. 5. **[160.266] MISSISSIPPI RIVER TRAIL.**

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

(1) "bicycle path" has the meaning given in section 169.011, subdivision 6; and

(2) "bikeway" has the meaning given in section 169.011, subdivision 9.

Subd. 2. **Creation.** The commissioner, in cooperation with road and trail authorities including the commissioner of natural resources, shall identify a bikeway that originates at Itasca State Park in Clearwater, Beltrami, and Hubbard Counties, then generally parallels the Mississippi River through the cities of Bemidji in Beltrami County, Grand Rapids in Itasca County, Brainerd in Crow Wing County, Little Falls in Morrison County, Sauk Rapids in Benton County, St. Cloud in Stearns County, Minneapolis in Hennepin County, St. Paul in Ramsey County, Hastings in Dakota County, Red Wing in Goodhue County, Wabasha in Wabasha County, Winona in Winona County, and La Crescent in Houston County to Minnesota's boundary with Iowa and there terminates. Where opportunities exist, the bikeway may be designated on both sides of the Mississippi River.

Subd. 3. **Connections with other bikeways.** (a) The commissioner, in cooperation with road and trail authorities including the commissioner of natural resources, shall:

(1) identify existing bikeways of regional significance that are in reasonable proximity but not connected to the bikeway established in this section, including but not limited to the Lake Wobegon Trail in the counties of Stearns and Todd; and

(2) support development of linkages between bikeways identified under clause (1) and the bikeway established in this section.

(b) The requirements of this subdivision are a secondary priority for use of funds available under this section following establishment and enhancement of the bikeway under subdivision 1.

Subd. 4. **Cooperation with other entities.** The commissioner may contract and enter into agreements with federal agencies, other state agencies, local governments, and private entities to establish, develop, maintain, and operate the bikeway and to interpret associated natural and cultural resources.

Subd. 5. **Funding.** Bicycle paths included within the bikeway and not administered by the commissioner of natural resources are eligible for funding from the environment and natural resources trust fund under chapter 116P, from the parks and trails grant program under section 85.535, from the local recreation grants program under section 85.019, subdivision 4b, and from other sources.

Sec. 6. Minnesota Statutes 2010, section 161.14, subdivision 66, is amended to read:

Subd. 66. **Veterans Memorial Highway.** ~~Legislative Route No. 31, signed as~~ Trunk Highway marked 200 as of July 1, 2010, from the border with North Dakota to the city of Mahanomen, is designated as the "Veterans Memorial Highway. " The commissioner shall adopt a suitable design to mark this highway and erect appropriate signs, subject to section 161.139.

Sec. 7. Minnesota Statutes 2010, section 161.14, is amended by adding a subdivision to read:

Subd. 70. **Arianna Celeste Macnamara Memorial Bridge.** The pedestrian bridge over Route No. 7, signed as Trunk Highway 14 on the effective date of this section, located in the city of Rochester west of Route No. 20, signed as U.S. Highway 52 on the effective date of this section, is designated as "Arianna Celeste Macnamara Memorial Bridge. " Subject to section 161.139, the commissioner shall adopt a suitable marking design to memorialize the bridge and shall erect the appropriate signs as close as practicable to the bridge.

Sec. 8. Minnesota Statutes 2010, section 161.14, is amended by adding a subdivision to read:

Subd. 71. **Deputy John W. Liebenstein Memorial Highway.** (a) That segment of Route No. 390, signed as Interstate Highway 35 on the effective date of this section and located in Rice County, is designated as "Deputy John W. Liebenstein Memorial Highway. " Subject to section 161.139, the commissioner shall adopt a suitable marking design to mark this highway and shall erect the appropriate signs as provided in paragraph (b).

(b) The commissioner of transportation shall erect suitable signs on marked Interstate Highway 35 as close as practicable to the following locations:

(1) one sign on the southbound entrance ramp of the interchange with Rice County State-Aid Highway 1; and

(2) one sign on the northbound entrance ramp of the interchange with Rice County State-Aid Highway 1.

Sec. 9. Minnesota Statutes 2010, section 162.081, subdivision 4, is amended to read:

Subd. 4. **Formula for distribution to towns; purposes.** (a) Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to each town treasurer must be made by March 1, annually, or within 30 days after receipt of payment from the commissioner. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. ~~A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied for taxes payable in the previous year for road and bridge purposes at least 0.04835 percent of taxable market value. For purposes of this eligibility requirement, taxable market value means taxable market value for taxes payable two years prior to the aid distribution year.~~

(b) Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town.

Sec. 10. Minnesota Statutes 2010, section 168.012, subdivision 1, is amended to read:

Subdivision 1. **Vehicles exempt from tax, fees, or plate display.** (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from those institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for charitable, religious, or educational purposes;

(5) vehicles owned by nonprofit charities and used exclusively for disaster response and related activities;

(6) vehicles owned by ambulance services licensed under section 144E.10 that are equipped and specifically intended for emergency response or providing ambulance services; and

(7) vehicles owned by a commercial driving school licensed under section 171.34, or an employee of a commercial driving school licensed under section 171.34, and the vehicle is used exclusively for driver education and training.

(b) Provided the general appearance of the vehicle is unmistakable, the following vehicles are not required to register or display number plates:

(1) vehicles owned by the federal government;

(2) fire apparatuses, including fire-suppression support vehicles, owned or leased by the state or a political subdivision;

(3) police patrols owned or leased by the state or a political subdivision; and

(4) ambulances owned or leased by the state or a political subdivision.

(c) Unmarked vehicles used in general police work, liquor investigations, or arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the Department of Corrections or by conservation officers of the Division of Enforcement and Field Service of the Department of Natural Resources, must be registered and must display appropriate license number plates, furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the Department of Corrections or by conservation officers must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a Department of Corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the Departments of Revenue and Labor and Industry, fraud unit, in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates, furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue or the commissioner of labor and industry. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) Unmarked vehicles used by the Division of Disease Prevention and Control of the Department of Health must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of health. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Division of Disease Prevention and Control.

(f) Unmarked vehicles used by staff of the Gambling Control Board in gambling investigations and reviews must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the board chair. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the Gambling Control Board.

(g) Unmarked vehicles used in general investigation, surveillance, supervision, and monitoring by the staff of the Department of Human Services Office of Special Investigations and the executive director of the Minnesota sex offender program must be registered and must display passenger vehicle classification license number plates, furnished by the registrar at cost. Original and renewal applications for passenger vehicle license plates must be accompanied by a certification signed by the commissioner of human services. The certification must be on a form prescribed by the commissioner and state that the vehicles must be used exclusively for the official duties of the Office of Special Investigations and the executive director of the Minnesota sex offender program.

(h) Each state hospital and institution for persons who are mentally ill and developmentally disabled may have one vehicle without the required identification on the sides of the vehicle. The vehicle must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the hospital administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the state hospital or institution.

(i) Each county social service agency may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. The vehicles must be registered and must display passenger vehicle classification license number plates. These plates must be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the agency administrator. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the official duties of the social service agency.

(j) All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle. This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 11. Minnesota Statutes 2010, section 168.013, subdivision 1e, is amended to read:

Subd. 1e. **Truck; tractor; combination; exceptions.** (a) On trucks and tractors except those in this chapter defined as farm trucks, on truck-tractor and semitrailer combinations except those defined as farm combinations, and on commercial zone vehicles, the tax based on total gross weight shall be graduated according to the Minnesota base rate schedule prescribed in this subdivision, but in no event less than \$120.

Minnesota Base Rate Schedule
Scheduled taxes include five percent
surtax provided for in subdivision 14

	TOTAL GROSS WEIGHT IN POUNDS			TAX
A	0	-	1,500	\$15
B	1,501	-	3,000	20
C	3,001	-	4,500	25
D	4,501	-	6,000	35
E	6,001	-	10,000	45

F	10,001	-	12,000	70
G	12,001	-	15,000	105
H	15,001	-	18,000	145
I	18,001	-	21,000	190
J	21,001	-	26,000	270
K	26,001	-	33,000	360
L	33,001	-	39,000	475
M	39,001	-	45,000	595
N	45,001	-	51,000	715
O	51,001	-	57,000	865
P	57,001	-	63,000	1015
Q	63,001	-	69,000	1185
R	69,001	-	73,280	1325
S	73,281	-	78,000	1595
T	78,001	-	80,000	1760

(b) For purposes of the Minnesota base rate schedule, for vehicles with six or more axles in the "S" and "T" categories, the base rates are \$1,520 and \$1,620 respectively.

(c) For each vehicle with a gross weight in excess of 80,000 pounds an additional tax of \$50 is imposed for each ton or fraction thereof in excess of 80,000 pounds, subject to subdivision 12 or section 169.86, subdivision 5a, as applicable.

(d) For purposes of registration identification, for vehicles registered in the "O" category, the owner must declare at the time of registration whether the vehicle will carry a weight of 55,000 pounds or more and therefore be subject to the federal heavy vehicle use tax. For those owners who declare a weight less than 55,000 pounds, a distinctive weight sticker must be issued and the owner is restricted to a gross vehicle weight of less than 55,000 pounds.

(e) Truck-tractors except those herein defined as farm and commercial zone vehicles shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of the truck-tractor and any semitrailer or semitrailers which the applicant proposes to combine with the truck-tractor.

(f) Commercial zone trucks include only trucks, truck-tractors, and semitrailer combinations which are operated by an interstate carrier registered under section 221.60, or by a carrier receiving operating authority under chapter 221, and operated solely within a zone exempt from regulation pursuant to United States Code, title 49, section 13506.

(g) The license plates issued for commercial zone vehicles shall be plainly marked. A person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the misdemeanor penalty, the registrar shall revoke the registration of the vehicle as a commercial zone vehicle and shall require that the vehicle be registered at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax may be refunded during the balance of the registration year.

(h) On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during each of the first eight years of vehicle life is 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax is 50 percent of the Minnesota base rate schedule.

(i) On trucks, truck-tractors and semitrailer combinations, except those defined as farm trucks and farm combinations, and except for those commercial zone vehicles specifically provided for in this subdivision, the tax for each of the first eight years of vehicle life is 100 percent of the tax imposed in the Minnesota base rate schedule, and during the ninth and succeeding years of vehicle life, the tax is 75 percent of the Minnesota base rate prescribed by this subdivision.

(j) For the purpose of registration, trailers coupled with a truck-tractor, semitrailer combination are semitrailers.

EFFECTIVE DATE. This section is effective October 1, 2012, and applies to all registrations that are effective on or after that date and special permits issued on or after that date.

Sec. 12. Minnesota Statutes 2010, section 168.013, subdivision 3, is amended to read:

Subd. 3. **Application; cancellation; excessive gross weight forbidden.** (a) The applicant for all licenses based on gross weight shall state the unloaded weight of the motor vehicle, trailer, or semitrailer and the maximum load the applicant proposes to carry on it, the sum of which constitutes the gross weight upon which the license tax must be paid. However, the declared gross weight upon which the tax is paid must not be less than 1-1/4 times the declared unloaded weight of the motor vehicle, trailer, or semitrailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18, and tow trucks or towing vehicles defined in section 169.011, subdivision 83. The gross weight of a tow truck or towing vehicle is the actual weight of the tow truck or towing vehicle fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the tow truck or towing vehicle.

(b) Except as provided by special permit issued under section 169.86, the gross weight of a motor vehicle, trailer, or semitrailer must not exceed the gross weight upon which the license tax has been paid by more than four percent or 1,000 pounds, whichever is greater; provided that, a vehicle transporting unfinished forest products on a highway, other than a highway that is part of the system of interstate and defense highways, unless a federal exemption is granted, in accordance with paragraph (d)(3):

(1) shall not exceed its gross vehicle weight upon which the license tax has been paid, or gross axle weight on any axle, by more than five percent and, notwithstanding other law to the contrary, is not subject to any fee, fine, or other assessment or penalty for exceeding a gross vehicle or axle weight by up to five percent; and

(2) between the dates set by the commissioner in accordance with section 169.826, subdivision 1, is not subject to any provision of paragraph (d) or chapter 169 limiting the gross axle weight of any individual axle unless the entire vehicle also exceeds its gross vehicle weight plus its weight allowance allowed in clause (1) and plus any weight allowance permitted under section 169.826, in which case the vehicle is subject to all applicable penalties for excess weight violations.

(c) The gross weight of the motor vehicle, trailer, or semitrailer for which the license tax is paid must be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 or section 169.86, subdivision 5a, as applicable, and the plate or plates must be kept clean and clearly visible at all times.

(d) The owner, driver, or user of a motor vehicle, trailer, or semitrailer, upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight, is guilty of a misdemeanor and subject to increased registration or reregistration according to the following schedule:

(1) Upon conviction for transporting a gross weight in excess of the gross weight for which a motor vehicle, trailer, or semitrailer is registered by more than the allowance set forth in paragraph (b) but less than 25 percent, or for operating or using a motor vehicle, trailer, or semitrailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by more than the allowance set forth in paragraph (b) but less than 25 percent, the owner, driver, or user of the motor vehicle, trailer, or semitrailer used to commit the violation, in addition to any penalty imposed for the misdemeanor, shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight the owner, driver, or user was convicted of carrying. The increase is computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the

violation occurred. If the additional registration tax computed upon that weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for the vehicle under sections 169.822 to 169.829, that additional amount must nevertheless be paid into the highway fund, but the additional tax thus paid does not authorize or permit any person to operate the vehicle with a gross weight in excess of the maximum legal weight as provided by sections 169.822 to 169.829. Unless the owner within 30 days after a conviction applies to increase the authorized weight and pays the additional tax as provided in this section, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued on that registration.

(2) Upon conviction of an owner, driver, or user of a motor vehicle, trailer, or semitrailer for transporting a gross weight in excess of the gross weight for which the motor vehicle, trailer, or semitrailer was registered by 25 percent or more or for operating or using the vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in sections 169.822 to 169.829 by 25 percent or more, and in addition to any penalty imposed for the misdemeanor, the registrar shall either (i) cancel the reciprocity privileges on the vehicle involved if the vehicle is being operated under reciprocity or (ii) if the vehicle is not being operated under reciprocity, cancel the certificate of registration on the vehicle operated and demand the return of the registration certificate and registration plates. The registrar may not cancel the registration or reciprocity privileges for any vehicle found in violation of seasonal load restrictions imposed under section 169.87 unless the axle weight exceeds the year-round weight limit for the highway on which the violation occurred. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed is paid.

(3) Clause (1) does not apply to the first haul of unprocessed or raw farm products or unfinished forest products, when the registered gross weight is not exceeded by more than ten percent. For purposes of this clause, "first haul" means (i) the first, continuous transportation of unprocessed or raw farm products from the place of production or on-farm storage site to any other location within ~~50~~ 100 miles of the place of production or on-farm storage site, or (ii) the continuous or noncontinuous transportation of unfinished forest products from the place of production to the place of final processing or manufacture located within 200 miles of the place of production.

(4) When the registration on a motor vehicle, trailer, or semitrailer is revoked by the registrar according to this section, the vehicle must not be operated on the highways of the state until it is registered or reregistered, as the case may be, and new plates issued, and the registration fee is the annual tax for the total gross weight of the vehicle at the time of violation. The reregistration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to section 168.181 or 168.187 must be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state.

EFFECTIVE DATE. This section is effective October 1, 2012, and applies to all registrations that are effective on or after that date and special permits issued on or after that date.

Sec. 13. Minnesota Statutes 2010, section 168.013, subdivision 12, is amended to read:

Subd. 12. **Additional tax for excessive gross weight.** (a) Whenever an owner has registered a vehicle and paid the tax as provided in subdivisions 1 to 1g, on the basis of a selected gross weight of the vehicle and thereafter such owner desires to operate such vehicle with a greater gross weight than that for which the tax has been paid, such owner shall be permitted to reregister such vehicle by paying the additional tax due thereon for the remainder of the calendar year for which such vehicle has been reregistered, the additional tax computed pro rata by the month, 1/12 of the annual tax due for each month of the year remaining in the calendar year, beginning with the first day of the month in which such owner desires to operate the vehicle with the greater weight. In computing the additional tax as aforesaid, the owner shall be given credit for the unused portion of the tax previously paid computed pro rata by the month, 1/12 of the annual tax paid for each month of the year remaining in the calendar year beginning with the first day of the month in which such owner desires to operate the vehicle with the greater weight. An owner will be permitted one reduction of gross weight or change of registration per year, which will result in a refund. This refund

will be prorated monthly beginning with the first day of the month after such owner applies to amend the registration. The application for amendment shall be accompanied by a fee of \$3, and all fees shall be deposited in the highway user tax distribution fund. Provided, however, the owner of a vehicle may reregister the vehicle for a weight of more than 81,000 pounds for one or more 30-day periods. For each 30-day period, the additional tax shall be equal to 1/12 of the difference between the annual tax for the weight at which the vehicle is registered and reregistered. ~~When a vehicle is reregistered in accordance with this provision, a distinctive windshield sticker provided by the commissioner of public safety shall be permanently displayed.~~

(b) This subdivision does not apply to the owner of a vehicle who pays the additional tax for excessive gross weight under section 169.86, subdivision 5a, when buying a permit to operate with the greater gross weight.

EFFECTIVE DATE. This section is effective with the registration period beginning October 1, 2012, and applies to all registrations that are effective on or after that date and special permits issued on or after that date.

Sec. 14. Minnesota Statutes 2010, section 168B.011, subdivision 12, is amended to read:

Subd. 12. **Public impound lot.** "Public impound lot" means an impound lot owned by or ~~contracting with~~ exclusively contracted solely for public use by a unit of government under section 168B.09.

Sec. 15. Minnesota Statutes 2010, section 169.035, subdivision 1, is amended to read:

Subdivision 1. **Working on highway.** (a) The provisions of this chapter shall not apply to persons, motor vehicles, and other equipment while actually engaged in work upon the highway, except as provided in paragraphs (b) and (c).

(b) This chapter shall apply to those persons and vehicles when traveling to or from such work, except that persons operating equipment owned, rented or hired by road authorities shall be exempt from the width, height and length provisions of sections 169.80 and 169.81 and shall be exempt from the weight limitations of this chapter while performing the following actions on behalf of the state or a local governmental unit:

(1) while loading, readying, or moving the vehicles or equipment in preparation for combating anticipated slippery road conditions or removing snow or ice;

(2) while actually engaged in snow or ice removal and or combating slippery road conditions, including but not limited to pretreatment and anti-icing activities; or

(3) while engaged in flood control operations on behalf of the state or a local governmental unit.

(c) Chapter 169A and section 169.444 apply to persons while actually engaged in work upon the highway.

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

Sec. 16. Minnesota Statutes 2010, section 169.035, is amended by adding a subdivision to read:

Subd. 4. **Trains.** (a) For purposes of this subdivision, "railroad operator" means a person who is a locomotive engineer, conductor, member of the crew of a railroad locomotive or train, or an operator of on-track equipment.

(b) A peace officer may not issue a citation for violation of this chapter or chapter 171 to a railroad operator involving the operation of a railroad locomotive or train, or on-track equipment while being operated upon rails.

(c) Notwithstanding section 171.08, a railroad operator is not required to display or furnish a driver's license to a peace officer in connection with the operation of a railroad locomotive or train, or on-track equipment while being operated upon rails.

Sec. 17. Minnesota Statutes 2010, section 169.06, subdivision 5, is amended to read:

Subd. 5. **Traffic-control signal.** (a) Whenever traffic is controlled by traffic-control signals exhibiting different colored lights, or colored lighted arrows, successively one at a time or in combination, only the colors Green, Red, and Yellow shall be used, except for special pedestrian signals carrying a word or legend. The traffic-control signal lights or colored lighted arrows indicate and apply to drivers of vehicles and pedestrians as follows:

(1) Green indication:

(i) Vehicular traffic facing a circular green signal may proceed straight through or turn right or left unless a sign ~~at such place~~ prohibits either turn. But vehicular traffic, including vehicles turning right or left, shall yield the right-of-way to other vehicles and to pedestrians lawfully within the intersection or adjacent crosswalk at the time this signal is exhibited. Vehicular traffic turning left or making a U-turn to the left shall yield the right-of-way to other vehicles approaching from the opposite direction so closely as to constitute an immediate hazard.

(ii) Vehicular traffic facing a green arrow signal, shown alone or in combination with another indication, may cautiously enter the intersection only to make the movement indicated by the arrow, or other movement as permitted by other indications shown at the same time. ~~Such~~ Vehicular traffic shall yield the right-of-way to pedestrians lawfully within an adjacent crosswalk and to other traffic lawfully using the intersection.

(iii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing any green signal, except when the sole green signal is a turn arrow, may proceed across the roadway within any marked or unmarked crosswalk. Every driver of a vehicle shall yield the right-of-way to such pedestrian, except that the pedestrian shall yield the right-of-way to vehicles lawfully within the intersection at the time that the green signal indication is first shown.

(2) Steady yellow indication:

(i) Vehicular traffic facing a steady circular yellow or yellow arrow signal is thereby warned that the related green movement is being terminated or that a red indication will be exhibited immediately thereafter when vehicular traffic must not enter the intersection, except for the continued movement allowed by any green arrow indication simultaneously exhibited.

(ii) Pedestrians facing a circular yellow signal, unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, are thereby advised that there is insufficient time to cross the roadway before a red indication is shown and no pedestrian shall then start to cross the roadway.

(3) Steady red indication:

(i) Vehicular traffic facing a circular red signal alone must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and shall remain standing until a green indication is shown, except as follows: (A) the driver of a vehicle stopped as close as practicable at the entrance to the crosswalk on the near side of the intersection or, if none, then at the entrance to the intersection in obedience to a red or stop signal, and with the intention of making a right turn may make the right turn, after stopping, unless an official sign has been erected prohibiting such movement, but shall yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection; or (B) the driver of a vehicle on a one-way street intersecting another one-way street on which traffic moves to the left shall

stop in obedience to a red or stop signal and may then make a left turn into the one-way street, unless an official sign has been erected prohibiting the movement, but shall yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(ii) Unless otherwise directed by a pedestrian-control signal as provided in subdivision 6, pedestrians facing a steady red signal alone shall not enter the roadway.

(iii) Vehicular traffic facing a steady red arrow signal, with the intention of making a movement indicated by the arrow, must stop at a clearly marked stop line but, if none, before entering the crosswalk on the near side of the intersection or, if none, then before entering the intersection and must remain standing until a permissive signal indication permitting the movement indicated by the red arrow is displayed, except as follows: when an official sign has been erected permitting a turn on a red arrow signal, the vehicular traffic facing a red arrow signal indication is permitted to enter the intersection to turn right, or to turn left from a one-way street into a one-way street on which traffic moves to the left, after stopping, but must yield the right-of-way to pedestrians and other traffic lawfully proceeding as directed by the signal at that intersection.

(b) In the event an official traffic-control signal is erected and maintained at a place other than an intersection, the provisions of this section are applicable except those which can have no application. Any stop required must be made at a sign or marking on the pavement indicating where the stop must be made, but in the absence of any such sign or marking the stop must be made at the signal.

(c) When a traffic-control signal indication or indications placed to control a certain movement or lane are so identified by placing a sign near the indication or indications, no other traffic-control signal indication or indications within the intersection controls vehicular traffic for that movement or lane.

Sec. 18. Minnesota Statutes 2010, section 169.06, subdivision 7, is amended to read:

Subd. 7. **Flashing signal.** When flashing red or yellow signals are used they shall require obedience by vehicular traffic as follows:

(a) When a circular red lens is illuminated with rapid intermittent flashes, drivers of vehicles shall stop at a clearly marked stop line, but if none, before entering the crosswalk on the near side of the intersection, or if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the intersection, and the right to proceed shall be subject to the rules applicable after making a stop at a stop sign.

(b) When a red arrow lens is illuminated with rapid intermittent flashes drivers of vehicles with the intention of making a movement indicated by the arrow shall stop at a clearly marked stop line, but if none, before entering the crosswalk on the near side of the intersection, or if none, then at the point nearest the intersecting roadway where the driver has a view of approaching traffic on the intersecting roadway before entering the intersection, and the right to proceed shall be subject to the rules applicable after making a stop at a stop sign.

(c) When a circular yellow lens is illuminated with rapid intermittent flashes, drivers of vehicles may proceed through the intersection or past the signals only with caution. Vehicular traffic, including vehicles turning right or left, shall yield the right-of-way to other vehicles and to pedestrians lawfully within the intersection or adjacent crosswalk at the time this signal is exhibited. Vehicular traffic turning left or making a U-turn to the left shall yield the right-of-way to other vehicles approaching from the opposite direction so closely as to constitute an immediate hazard.

(d) When a yellow arrow indication is illuminated with rapid intermittent flashes, drivers of vehicles with the intention of making a movement indicated by the arrow may proceed through the intersection or past the signals only with caution, but shall yield the right-of-way to other vehicles and to pedestrians lawfully within the

intersection or adjacent crosswalk at the time this signal is exhibited. Vehicular traffic turning left or making a U-turn to the left shall yield the right-of-way to other vehicles approaching from the opposite direction so closely as to constitute an immediate hazard.

Sec. 19. Minnesota Statutes 2010, section 169.19, subdivision 5, is amended to read:

Subd. 5. **Signal to turn.** A signal of intention to turn right or left shall be given continuously during not less than the last 100 feet traveled by the vehicle before turning. A person whose vehicle is exiting a roundabout is exempt from this subdivision.

Sec. 20. Minnesota Statutes 2010, section 169.222, subdivision 4, is amended to read:

Subd. 4. ~~**Riding on roadway or shoulder rules.**~~ (a) Every person operating a bicycle upon a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private road or driveway;

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle shall travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.

(g) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

Sec. 21. Minnesota Statutes 2010, section 169.306, is amended to read:

169.306 USE OF SHOULDERS BY BUSES.

(a) ~~The commissioner of transportation~~ A road authority, as defined in section 160.02, subdivision 25, is authorized to permit the use by transit buses and Metro Mobility buses use of a shoulder, as designated by the commissioner road authority, of a freeway or expressway, as defined in section 160.02, in Minnesota.

(b) If ~~the commissioner~~ a road authority permits the use of a freeway or expressway shoulder by transit buses, ~~the commissioner~~ road authority shall permit the use on that shoulder of a bus (1) with a seating capacity of 40 passengers or more operated by a motor carrier of passengers, as defined in section 221.012, subdivision 26, while operating in intrastate commerce or (2) providing regular route transit service, as defined in section 174.22, subdivision 8, or Metro Mobility services, and operated by or under contract with the Metropolitan Council, a local transit authority, or a transit authority created by the legislature. Drivers of these buses must have adequate training in the requirements of paragraph (c), as determined by the commissioner.

(c) Buses authorized to use the shoulder under this section may be operated on the shoulder only when main-line traffic speeds are less than 35 miles per hour, except as provided for in paragraph (f) . Drivers of buses being operated on the shoulder may not exceed the speed of main-line traffic by more than 15 miles per hour and may never exceed 35 miles per hour, except as provided for in paragraph (f) . Drivers of buses being operated on the shoulder must yield to merging, entering, and exiting traffic and must yield to other vehicles on the shoulder. Buses operated on the shoulder must be registered with the Department of Transportation.

(d) For the purposes of this section, the term "Metro Mobility bus" means a motor vehicle of not less than 20 feet in length engaged in providing special transportation services under section 473.386 that is:

(1) operated by or under contract with a public or private entity receiving financial assistance to provide transit services from the Metropolitan Council or the commissioner of transportation; and

(2) authorized by ~~the commissioner~~ a road authority to use freeway or expressway shoulders.

(e) This section does not apply to the operation of buses on dynamic shoulder lanes.

(f) The commissioner may authorize different operating conditions and maximum speeds, not to exceed the posted speed limit, based upon an engineering study and recommendation by the road authority. The engineering study must be conducted by the road authority and must conform with the manual and specifications adopted under section 169.06, subdivision 1, and applicable state and federal standards. The road authority shall consult the public transit operator before recommending operating conditions different from those authorized by law.

Sec. 22. Minnesota Statutes 2010, section 169.64, subdivision 2, is amended to read:

Subd. 2. **Colored light.** (a) Unless otherwise authorized by the commissioner of public safety, no vehicle shall be equipped, nor shall any person drive or move any vehicle or equipment upon any highway with any lamp or device displaying a red light or any colored light other than those required or permitted in this chapter.

(b) A vehicle manufactured for use as an emergency vehicle may display and use colored lights that are not otherwise required or permitted in this chapter, provided that the vehicle is owned and operated according to section 168.10, is owned and operated solely as a collector's item and not for general transportation purposes, and is registered under section 168.10, subdivision 1a, 1b, 1c, 1d, 1g, or 1h. A person may not activate the colored lights authorized under this paragraph on streets or highways except as part of a parade or other special event.

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

Sec. 23. Minnesota Statutes 2010, section 169.685, subdivision 6, is amended to read:

Subd. 6. **Exceptions.** (a) This section does not apply to:

(1) a person transporting a child in an emergency medical vehicle while in the performance of official duties and when the physical or medical needs of the child make the use of a child passenger restraint system unreasonable or when a child passenger restraint system is not available;

(2) a peace officer transporting a child while in the performance of official duties and when a child passenger restraint system is not available, provided that a seat belt must be substituted;

(3) a person while operating a motor vehicle for hire, including a taxi, airport limousine, and bus, but excluding a rented, leased, or borrowed motor vehicle; and

(4) a person while operating a school bus; ~~and~~ that has a gross vehicle weight rating of greater than 10,000 pounds.

~~(5) a person while operating a type III vehicle described in section 169.011, subdivision 71, paragraph (h), if the vehicle meets the seating and crash protection requirements of Federal Motor Vehicle Safety Standard 222, Code of Federal Regulations, title 49, part 571.~~

(b) A child passenger restraint system is not required for a child who cannot, in the judgment of a licensed physician, be safely transported in a child passenger restraint system because of a medical condition, body size, or physical disability. A motor vehicle operator claiming exemption for a child under this paragraph must possess a typewritten statement from the physician stating that the child cannot be safely transported in a child passenger restraint system. The statement must give the name and birth date of the child, be dated within the previous six months, and be made on the physician's letterhead or contain the physician's name, address, and telephone number. A person charged with violating subdivision 5 may not be convicted if the person produces the physician's statement in court or in the office of the arresting officer.

(c) A person offering a motor vehicle for rent or lease shall provide a child passenger restraint device to a customer renting or leasing the motor vehicle who requests the device. A reasonable rent or fee may be charged for use of the child passenger restraint device.

Sec. 24. Minnesota Statutes 2010, section 169.685, subdivision 7, is amended to read:

Subd. 7. **Appropriation; special account; legislative report.** The Minnesota child passenger restraint and education account is created in the state treasury, consisting of fines collected under subdivision 5 and other money appropriated or donated. The money in the account is annually appropriated to the commissioner of public safety, to be used to provide child passenger restraint systems to families in financial need ~~and, school districts and child care providers that provide for the transportation of pupils to and from school using type III vehicles or school buses with a gross vehicle weight rating of 10,000 pounds or less, and~~ to provide an educational program on the need for and proper use of child passenger restraint systems. The commissioner shall report to the legislature by February 1 of each odd-numbered year on the commissioner's activities and expenditure of funds under this section.

Sec. 25. Minnesota Statutes 2010, section 169.85, subdivision 2, is amended to read:

Subd. 2. **Unloading.** (a) Upon weighing a vehicle and load, as provided in this section, an officer may require the driver to stop the vehicle in a suitable place and remain standing until a portion of the load is removed that is sufficient to reduce the gross weight of the vehicle to the limit permitted under either section 168.013, subdivision 3, paragraph (b), or sections 169.823 to 169.829, whichever is the lesser violation, if any. A suitable place is a location where loading or tampering with the load is not prohibited by federal, state, or local law, rule, or ordinance.

(b) Except as provided in paragraph (c), a driver may be required to unload a vehicle only if the weighing officer determines that (1) on routes subject to the provisions of sections 169.823 to 169.829, the weight on an axle exceeds the lawful gross weight prescribed by sections 169.823 to 169.829, by 2,000 pounds or more, or the weight on a group of two or more consecutive axles in cases where the distance between the centers of the first and last axles of the group under consideration is ten feet or less exceeds the lawful gross weight prescribed by sections 169.823 to 169.829, by 4,000 pounds or more; or (2) the weight is unlawful on an axle or group of consecutive axles on a road restricted in accordance with section 169.87. Material unloaded must be cared for by the owner or driver of the vehicle at the risk of the owner or driver.

(c) ~~If~~ The driver is not required to unload under paragraph (b) when the gross weight of the vehicle does not exceed:

(1) the sum of the vehicle's registered gross weight plus, the weight allowance set forth in section 168.013, subdivision 3, paragraph (b), and plus, if applicable, the weight allowance permitted under section 169.826, then the driver is not required to unload under paragraph (b) ; or

(2) the weight allowed by special permit issued under section 169.86 for a vehicle that is operated in conformity with the limitations and conditions of the permit.

EFFECTIVE DATE. This section is effective October 1, 2012, and applies to all registrations that are effective on or after that date and special permits issued on or after that date.

Sec. 26. Minnesota Statutes 2010, section 169.86, subdivision 1, is amended to read:

Subdivision 1. **Permit authorities; restrictions.** (a) The commissioner, with respect to highways under the commissioner's jurisdiction, and local authorities, with respect to highways under their jurisdiction, may, in their discretion, upon application in writing and good cause being shown therefor, issue a special permit, in writing, authorizing the applicant to move a vehicle or combination of vehicles of a size or weight of vehicle or load exceeding the maximum specified in this chapter, exceeding the gross weight for which the vehicle is registered under chapter 168, or otherwise not in conformity with the provisions of this chapter, upon any highway under the jurisdiction of the party granting such permit and for the maintenance of which such party is responsible.

(b) Permits relating to over-width, over-length manufactured homes shall not be issued to persons other than manufactured home dealers or manufacturers for movement of new units owned by the manufactured home dealer or manufacturer, until the person has presented a statement from the county auditor and treasurer where the unit is presently located, stating that all personal and real property taxes have been paid. Upon payment of the most recent single year delinquent personal property or current year taxes only, the county auditor or treasurer must issue a taxes paid statement to a manufactured home dealer or a financial institution desiring to relocate a manufactured home that has been repossessed. This statement must be dated within 30 days of the contemplated move. The statement from the county auditor and treasurer where the unit is presently located, stating that all personal and real property taxes have been paid, may be made by telephone. If the statement is obtained by telephone, the permit shall contain the date and time of the telephone call and the names of the persons in the auditor's office and treasurer's office who verified that all personal and real property taxes had been paid.

(c) The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, except that the commissioner (1) may renew a permit that was granted before April 16, 1984, for the movement of a semitrailer or trailer that exceeds the length limitation in section 169.81, subdivision 2, or (2) may grant a permit authorizing the transportation of empty trailers that exceed 28-1/2 feet when using a B-train hitching mechanism as defined in Code of Federal Regulations, title 23, section 658.5, paragraph (o), from a point of manufacture in the state to the state border.

(d) The state as to state trunk highways, a statutory or home rule charter city as to streets in the city, or a town as to roads in the town, may issue permits authorizing the transportation of combinations of vehicles exceeding the limitations in section 169.81, subdivisions 2a and 3, over highways, streets, or roads within its boundaries. Combinations of vehicles authorized by this paragraph may be restricted as to the use of state trunk highways by the commissioner, to the use of streets by the city road authority, and to the use of roads by the town road authority. Nothing in this paragraph or section 169.81, subdivisions 2a and 3, alters or changes the authority vested in local authorities under section 169.04.

EFFECTIVE DATE. This section is effective October 1, 2012, and applies to all registrations that are effective on or after that date and special permits issued on or after that date.

Sec. 27. Minnesota Statutes 2010, section 169.86, subdivision 4, is amended to read:

Subd. 4. **Display and inspection of permit.** ~~Every such~~ A permit ~~shall~~ must be carried in the vehicle or combination of vehicles to which it refers and ~~shall~~ must be open to inspection by any ~~police~~ peace officer or authorized agent of any authority granting ~~such the~~ permit, ~~and~~. A permit may be carried in electronic format if it is easily read. No person shall violate any of the terms or conditions of ~~such a~~ special permit.

Sec. 28. Minnesota Statutes 2011 Supplement, section 169.86, subdivision 5, is amended to read:

Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. All ~~such~~ fees for permits issued by the commissioner of transportation ~~shall~~ must be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees ~~shall be~~ are:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles ~~which~~ that travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

(6) noncommercial transportation of a boat by the owner or user of the boat;

(7) motor vehicles carrying bales of agricultural products authorized under section 169.862; and

(8) special milk-hauling vehicles authorized under section 169.867.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes and manufactured storage buildings;

(4) implements of husbandry;

(5) double-deck buses;

(6) commercial boat hauling and transporting waterfront structures, including, but not limited to, portable boat docks and boat lifts;

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c); and

(8) vehicles operating on that portion of marked Trunk Highway 36 described in section 169.81, subdivision 3, paragraph (e).

(e) For vehicles ~~which~~ that have axle weights exceeding the weight limitations of sections 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Overweight Axle Group Cost Factors

Cost Per Mile For Each Group Of:

Weight (pounds) exceeding weight limitations on axles	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
30,001 - 140,000	\$700
40,001 - 145,000	\$800
<u>145,001 - 155,000</u>	<u>\$900</u>

If the gross weight of the vehicle is more than ~~145,000~~ 155,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) \$300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

(1) in fiscal years 2005 through 2010:

(i) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges;

(ii) all remaining money in each fiscal year must be deposited in a bridge inspection and signing account in the special revenue fund. Money in the account is appropriated to the commissioner for:

(A) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and

(B) erection of weight-posting signs on local bridges; and

(2) in fiscal year 2011 and subsequent years must be deposited in the trunk highway fund.

(j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

Sec. 29. Minnesota Statutes 2010, section 169.86, is amended by adding a subdivision to read:

Subd. 5a. Additional tax for excessive gross weight. When a special permit is issued under this chapter, the commissioner shall collect in addition to the permit fee an additional tax for excessive gross weight, if the weight allowed under the permit is greater than the gross weight for which the vehicle is registered under section 168.013. The tax shall be calculated as the difference between the registration tax paid under section 168.013, subdivision 1e,

and the additional tax that would be due under section 168.013, subdivision 1e, at the gross weight allowed under the permit, prorated by the number of days for which the permit is effective. Proceeds of the surcharge must be deposited in the state treasury and credited to the highway user tax distribution fund.

EFFECTIVE DATE. This section is effective with the registration period beginning October 1, 2012, and applies to all registrations that are effective on or after that date and special permits issued on or after that date.

Sec. 30. Minnesota Statutes 2010, section 169.99, subdivision 1b, is amended to read:

Subd. 1b. **Speed.** (a) For a citation issued before August 1, 2014, the uniform traffic ticket must provide a blank or space wherein an officer who issues a citation for a violation of a speed limit of 55 or 60 miles per hour must specify whether the speed was greater than ten miles per hour in excess of the speed limit.

(b) For a citation issued on or after August 1, 2014, the uniform traffic ticket must provide a blank or space wherein an officer who issues a citation for a violation of a speed limit of 55 or 60 miles per hour must specify whether the speed was greater than ten miles per hour in excess of a 55 miles per hour speed limit, or more than five miles per hour in excess of a 60 miles per hour speed limit.

Sec. 31. Minnesota Statutes 2010, section 169A.54, subdivision 1, is amended to read:

Subdivision 1. **Revocation periods for DWI convictions.** Except as provided in subdivision 7, the commissioner shall revoke the driver's license of a person convicted of violating section 169A.20 (driving while impaired) or an ordinance in conformity with it, as follows:

(1) not less than 30 days for an offense under section 169A.20, subdivision 1 (driving while impaired crime) ~~, not less than 30 days;~~

(2) not less than 90 days for an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test crime) ~~, not less than 90 days;~~

(3) not less than one year for:

(i) an offense occurring within ten years of a qualified prior impaired driving incident, ~~or;~~

(ii) an offense occurring after two qualified prior impaired driving incidents, ~~not less than one year,~~ ; or if

(iii) an offense occurring when a person has an alcohol concentration of twice the legal limit or more as measured at the time or within two hours of the time of the offense and the person has no qualified prior impaired driving incident within ten years;

(4) not less than two years for an offense occurring under clause (3), item (i) or (ii), and where the test results indicate an alcohol concentration of twice the legal limit or more, not less than two years and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70 (chemical use assessments);

~~(4)~~ (5) not less than three years for an offense occurring within ten years of the first of two qualified prior impaired driving incidents or occurring after three qualified prior impaired driving incidents, ~~not less than three years, together~~ and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; and

~~(5)~~ (6) not less than four years for an offense occurring within ten years of the first of three qualified prior impaired driving incidents, ~~not less than four years, together and~~ with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner; or

~~(6)~~ (7) not less than six years for an offense occurring after four or more qualified prior impaired driving incidents, ~~not less than six years, together and~~ with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 32. Minnesota Statutes 2010, section 169A.54, subdivision 6, is amended to read:

Subd. 6. **Applicability of implied consent revocation.** (a) Any person whose license has been revoked pursuant to section 169A.52 (license revocation for test failure or refusal) as the result of the same incident, and who does not have a qualified prior impaired driving incident, is subject to the mandatory revocation provisions of subdivision 1, clause (1) or (2), in lieu of the mandatory revocation provisions of section 169A.52.

(b) Paragraph (a) does not apply to:

(1) a person whose license has been revoked under subdivision 2 (driving while impaired by person under age 21); or

(2) a person whose driver's license has been revoked for, or who is charged with, (i) an alcohol concentration of twice the legal limit or more as measured at the time or within two hours of the time of the offense; or (ii) a violation of section 169A.20 (driving while impaired) with an aggravating factor described in section 169A.03, subdivision 3, clause ~~(2)~~ (3).

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 33. Minnesota Statutes 2010, section 171.03, is amended to read:

171.03 PERSONS EXEMPT.

The following persons are exempt from license hereunder:

(a) A person in the employ or service of the United States federal government is exempt while driving or operating a motor vehicle owned by or leased to the United States federal government.

(b) A person in the employ or service of the United States federal government is exempt from the requirement to possess a valid class A, class B, or class C commercial driver's license while driving or operating for military purposes a commercial motor vehicle for the United States federal government if the person is:

(1) on active duty in the U.S. Coast Guard;

(2) on active duty in a branch of the U.S. armed forces, which includes the Army, Air Force, Navy, and Marine Corps;

(3) a member of a reserve component of the U.S. armed forces; or

(4) on active duty in the Army National Guard or Air National Guard, which includes (i) a member on full-time National Guard duty, (ii) a member undergoing part-time National Guard training, and (iii) a National Guard military technician, who is a civilian required to wear a military uniform.

The exemption provided under this paragraph does not apply to a U.S. armed forces reserve technician.

(c) Any person while driving or operating any farm tractor or implement of husbandry temporarily on a highway is exempt. For purposes of this section, an all-terrain vehicle, as defined in section 84.92, subdivision 8, an off-highway motorcycle, as defined in section 84.787, subdivision 7, and an off-road vehicle, as defined in section 84.797, subdivision 7, are not implements of husbandry.

(d) A nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver.

(e) A nonresident who has in immediate possession a valid commercial driver's license issued by a state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state or jurisdiction is exempt.

(f) Any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, but only for a period of not more than 90 days in any calendar year, if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of the nonresident.

(g) Any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or jurisdiction or by military authorities of the United States may operate a motor vehicle as a driver, but only for a period of not more than 60 days after becoming a resident of this state, without being required to have a Minnesota driver's license as provided in this chapter.

(h) Any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state or jurisdiction in accordance with the standards of Code of Federal Regulations, title 49, part 383, is exempt for not more than 30 days after becoming a resident of this state.

(i) Any person operating a snowmobile, as defined in section 84.81, is exempt.

(j) A railroad operator, as defined in section 169.035, subdivision 4, paragraph (a), is exempt while operating a railroad locomotive or train, or on-track equipment while being operated upon rails. This exemption includes operation while crossing a street or highway, whether public or private.

Sec. 34. Minnesota Statutes 2010, section 171.061, subdivision 4, is amended to read:

Subd. 4. **Fee; equipment.** (a) The agent may charge and retain a filing fee of \$5 for each application. Except as provided in paragraph ~~(b)~~ (c), the fee shall cover all expenses involved in receiving, accepting, or forwarding to the department the applications and fees required under sections 171.02, subdivision 3; 171.06, subdivisions 2 and 2a; and 171.07, subdivisions 3 and 3a.

(b) The statutory fees and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The driver's license agent may collect a convenience fee on the statutory fees and filing fees not greater than the cost of processing a credit card or debit card transaction. The convenience fee must be used to pay the cost of processing credit card and debit card transactions. The commissioner shall adopt rules to administer this paragraph using the exempt procedures of section 14.386, except that section 14.386, paragraph (b), does not apply.

~~(b)~~ (c) The department shall maintain the photo identification equipment for all agents appointed as of January 1, 2000. Upon the retirement, resignation, death, or discontinuance of an existing agent, and if a new agent is appointed in an existing office pursuant to Minnesota Rules, chapter 7404, and notwithstanding the above or

Minnesota Rules, part 7404.0400, the department shall provide and maintain photo identification equipment without additional cost to a newly appointed agent in that office if the office was provided the equipment by the department before January 1, 2000. All photo identification equipment must be compatible with standards established by the department.

~~(e)~~ (d) A filing fee retained by the agent employed by a county board must be paid into the county treasury and credited to the general revenue fund of the county. An agent who is not an employee of the county shall retain the filing fee in lieu of county employment or salary and is considered an independent contractor for pension purposes, coverage under the Minnesota State Retirement System, or membership in the Public Employees Retirement Association.

~~(d)~~ (e) Before the end of the first working day following the final day of the reporting period established by the department, the agent must forward to the department all applications and fees collected during the reporting period except as provided in paragraph ~~(e)~~ (d).

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

Sec. 35. Minnesota Statutes 2010, section 171.12, subdivision 6, is amended to read:

Subd. 6. **Certain convictions not recorded.** (a) Except as provided in paragraph ~~(b)~~ (c), the department shall not keep on the record of a driver any conviction for a violation of a speed limit of 55 ~~or 60~~ miles per hour unless the violation consisted of a speed greater than ten miles per hour in excess of ~~a 55 miles per hour~~ the speed limit, ~~or more than five miles per hour in excess of a 60 miles per hour speed limit.~~

(b) Except as provided in paragraph (c), the department shall not keep on the record of a driver any conviction for a violation of a speed limit of 60 miles per hour unless the violation consisted of a speed greater than:

(1) ten miles per hour in excess of the speed limit, for any violation occurring on or after August 1, 2012, and before August 1, 2014; or

(2) five miles per hour in excess of the speed limit, for any violation occurring on or after August 1, 2014.

(c) This subdivision does not apply to (1) a violation that occurs in a commercial motor vehicle, or (2) a violation committed by a holder of a class A, B, or C commercial driver's license, without regard to whether the violation was committed in a commercial motor vehicle or another vehicle.

Sec. 36. Minnesota Statutes 2010, section 171.30, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a limited license to the driver under the conditions in paragraph (b) in any case where a person's license has been:

(1) suspended under section 171.18, 171.173, or 171.186;

(2) revoked, canceled, or denied under section:

(i) 169.792;

(ii) 169.797;

(iii) 169A.52:

- (A) subdivision 3, paragraph (a), clause (1) or (2);
- (B) subdivision 3, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;
- (C) subdivision 4, paragraph (a), clause (1) or (2), if the test results indicate an alcohol concentration of less than twice the legal limit;
- (D) subdivision 4, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;
- (iv) 171.17; or
- (v) 171.172; or
- (3) revoked, canceled, or denied under section 169A.54:
 - (i) subdivision 1, clause (1), if the test results indicate an alcohol concentration of less than twice the legal limit;
 - (ii) subdivision 1, clause (2);
 - (iii) subdivision 1, clause ~~(4)~~, (5), ~~or~~ (6), or (7), if in compliance with section 171.306; or
 - (iv) subdivision 2, if the person does not have a qualified prior impaired driving incident as defined in section 169A.03, subdivision 22, on the person's record, and the test results indicate an alcohol concentration of less than twice the legal limit.
- (b) The following conditions for a limited license under paragraph (a) include:
 - (1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;
 - (2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or
 - (3) if attendance at a postsecondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.
- (c) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation, and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.
- (d) For purposes of this subdivision:
 - (1) "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents; and
 - (2) "twice the legal limit" means an alcohol concentration of two times the limit specified in section 169A.20, subdivision 1, clause (5).

(e) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(f) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(g) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(h) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

(i) The commissioner shall not issue a limited driver's license to any person described in section 171.04, subdivision 1, clause (6), (7), (8), (11), or (14).

(j) The commissioner shall not issue a class A, class B, or class C limited license.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 37. Minnesota Statutes 2010, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. The commissioner shall require the participant to present an insurance identification card, policy, or written statement as proof of insurance coverage, and may require the insurance identification card provided be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant whose driver's license has been revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3), or section 169A.54, subdivision 1, clause (1), (2), ~~or (3)~~ , or (4), may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6), or section 169A.54, subdivision 1, clause ~~(4)~~, (5), ~~or (6)~~ or (7), may apply for a limited license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed chemical dependency treatment or rehabilitation program as recommended in a chemical use assessment, and if the participant meets the other applicable requirements of section 171.30. After completing a licensed chemical dependency treatment or rehabilitation program and one year of limited license use without violating the ignition interlock restriction, the conditions of limited license use, or program guidelines, the participant may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall cancel the driver's license, and the program participant may apply for another limited license according to this paragraph.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 38. Minnesota Statutes 2010, section 174.02, is amended by adding a subdivision to read:

Subd. 9. Pilot transportation project; alternative financing and investment. (a) The commissioner may select one pilot transportation project on the trunk highway system to implement the authority granted in this subdivision. In connection with the pilot project, the commissioner may enter into agreements with governmental or nongovernmental entities, including private and nonprofit entities, to finance or invest in the transportation project, including repayment agreements. An agreement under this subdivision is subject to (1) the availability of state money or other dedicated revenue or resources; and (2) the approval of the commissioner of management and budget.

(b) The commissioner shall submit to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation policy and finance a report detailing agreements executed under this subdivision. The listing must identify each agreement, the contracting entities, the contract amounts and duration, and any repayment requirements. The listing may be submitted electronically, and is subject to section 3.195, subdivision 1.

(c) The pilot project is subject to transportation planning, programming, and procurement requirements. Use of this subdivision must not result in the delay of any project programmed in the statewide transportation improvement program.

(d) This subdivision does not preempt any other statute or provide new toll facility authority or design-build contracting authority.

(e) Any repayment agreement under this subdivision must comply with all applicable debt and other financial policies and requirements.

Sec. 39. Minnesota Statutes 2010, section 174.56, is amended to read:

174.56 REPORT ON MAJOR HIGHWAY PROJECTS AND TRUNK HIGHWAY FUND EXPENDITURES.

Subdivision 1. **Report required.** (a) The commissioner of transportation shall submit a report ~~on January 15, 2009, and on January~~ by December 15 of each year thereafter, on (1) the status of major highway projects completed during the previous two years or under construction or planned during the year of the report and for the ensuing 15 years; and (2) trunk highway fund expenditures.

(b) For purposes of this section, a "major highway project" is a highway project that has a total cost for all segments that the commissioner estimates at the time of the report to be at least (1) ~~\$25,000,000~~ \$15,000,000 in the metropolitan highway construction district, or (2) ~~\$10,000,000~~ \$5,000,000 in any nonmetropolitan highway construction district.

Subd. 2. **Report contents; major highway projects.** For each major highway project the report must include:

(1) a description of the project sufficient to specify its scope and location;

(2) a history of the project, including, but not limited to, previous official actions by the department or the appropriate area transportation partnership, or both, the date on which the project was first included in the state transportation improvement plan, the cost of the project at that time, the planning estimate for the project, the engineer's estimate, the award price, the final cost as of six months after substantial completion, including any supplemental agreements and cost overruns or cost savings, the dates of environmental approval, the dates of municipal approval, the date of final geometric layout, and the date of establishment of any construction limits;

(3) the project's priority listing or rank within its construction district, if any, as well as the reasons for that listing or rank, the criteria used in prioritization or rank, any changes in that prioritization or rank since the project was first included in a department work plan, and the reasons for those changes; ~~and~~

(4) past and potential future reasons for delay in letting or completing the project, details of all project cost changes that exceed \$500,000, and specific modifications to the overall program that are made as a result of delays and project cost changes;

(5) two representative trunk highway construction projects, one each from the department's metropolitan district and from greater Minnesota, and for each project report the cost of environmental mitigation and compliance; and

(6) the annual budget for products and services for each Department of Transportation district and office, with comparison to actual spending and including measures of productivity for the previous fiscal year.

Subd. 2a. **Report contents; trunk highway fund expenditures.** The commissioner shall include in the report information on the total expenditures from the trunk highway fund during the previous fiscal year, for each Department of Transportation district, in the following categories: road construction; planning; design and engineering; labor; compliance with environmental regulations; administration; acquisition of right-of-way, including costs for attorney fees and other compensation for property owners; litigation costs, including payment of claims, settlements, and judgments; maintenance; and road operations.

Subd. 3. **Department resources.** The commissioner shall prepare and submit the report with existing department staff and resources.

EFFECTIVE DATE. This section is effective August 1, 2012, except that (1) the changes in subdivision 2, clause (2), apply to projects that are substantially completed on or after July 1, 2012; and (2) subdivision 2, clause (6), is effective beginning with the report due by December 15, 2013.

Sec. 40. Minnesota Statutes 2010, section 221.0314, subdivision 3a, is amended to read:

Subd. 3a. **Waiver for other medical condition.** (a) The commissioner may grant a waiver to a person who is not physically qualified to drive under Code of Federal Regulations, title 49, section 391.41, paragraph (b)(3) to (b)(13). A waiver granted under this subdivision applies to intrastate transportation only.

(b) A person who wishes to obtain a waiver under this subdivision must give the commissioner the following information:

- (1) the applicant's name, address, and telephone number;
- (2) the name, address, and telephone number of an employer coapplicant, if any;
- (3) a description of the applicant's experience in driving the type of vehicle to be operated under the waiver;
- (4) a description of the type of driving to be done under the waiver;
- (5) a description of any modifications to the vehicle the applicant intends to drive under the waiver that are designed to accommodate the applicant's medical condition or disability;
- (6) whether the applicant has been granted another waiver under this subdivision;
- (7) a copy of the applicant's current driver's license;
- (8) a copy of a medical examiner's certificate showing that the applicant is medically unqualified to drive unless a waiver is granted;
- (9) a statement from the applicant's treating physician that includes:
 - (i) the extent to which the physician is familiar with the applicant's medical history;
 - (ii) a description of the applicant's medical condition for which a waiver is necessary;
 - (iii) assurance that the applicant has the ability and willingness to follow any course of treatment prescribed by the physician, including the ability to self-monitor or manage the medical condition; and
 - (iv) the physician's professional opinion that the applicant's condition will not adversely affect the applicant's ability to operate a motor vehicle safely; and
- (10) any other information considered necessary by the commissioner including requiring a physical examination or medical report from a physician who specializes in a particular field of medical practice.

(c) In granting a waiver under this subdivision, the commissioner may impose conditions the commissioner considers necessary to ensure that an applicant is able to operate a motor vehicle safely and that the safety of the general public is protected.

(d) A person who is granted a waiver under this subdivision must:

- (1) at intervals specified in the waiver, give the commissioner periodic reports from the person's treating physician, or a medical specialist if the commissioner so requires in the waiver, that contain the information described in paragraph (b), clause (9), together with a description of any episode that involved the person's loss of consciousness or loss of ability to operate a motor vehicle safely; and

(2) immediately report the person's involvement in an accident for which a report is required under section 169.09, subdivision 7.

(e) The commissioner shall deny an application if, during the three years preceding the application:

(1) the applicant's driver's license has been suspended under section 171.18, paragraph (a), clauses (1) to (9), (11), and (12), canceled under section 171.14, or revoked under section 171.17, 171.172, or 171.174; ~~or~~

(2) the applicant has been convicted of a violation under section 171.24; or

~~(2)~~ (3) the applicant has been convicted of a disqualifying offense, as defined in Code of Federal Regulations, title 49, section 383.51, paragraph (b), which is incorporated by reference.

(f) The commissioner may deny an application or may immediately revoke a waiver granted under this subdivision. Notice of the commissioner's reasons for denying an application or for revoking a waiver must be in writing and must be mailed to the applicant's or waiver holder's last known address by certified mail, return receipt requested. A person whose application is denied or whose waiver is revoked is entitled to a hearing under chapter 14.

(g) A waiver granted under this subdivision expires on the date of expiration shown on the medical examiner's certificate described in paragraph (b), clause (8).

Sec. 41. Minnesota Statutes 2010, section 222.50, subdivision 4, is amended to read:

Subd. 4. **Contract.** The commissioner may negotiate and enter into contracts for the purpose of rail service improvement and may incorporate funds available from the federal ~~rail service continuation program~~ government. The participants in these contracts shall be railroads, rail users, and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the rail service improvement account.

Sec. 42. Minnesota Statutes 2010, section 222.51, is amended to read:

222.51 PARTICIPATION BY POLITICAL SUBDIVISION.

The governing body of any political subdivision of the state may, with the approval of the commissioner, appropriate money for rail service improvement and may participate in the state rail service improvement program and ~~the federal rail service continuation program~~ programs.

Sec. 43. Minnesota Statutes 2010, section 222.53, is amended to read:

222.53 ACCEPTANCE OF FEDERAL MONEY.

The commissioner may exercise those powers necessary for the state to qualify for, accept, and disburse any federal money ~~that may be made available pursuant to the provisions of the federal rail service continuation program~~, including the power to:

(1) establish an adequate plan for rail service in the state as part of an overall planning process for all transportation services in the state, including a suitable process for updating, revising, and amending the plan;

(2) administer and coordinate the plan with other state agencies, and provide for the equitable distribution of resources;

(3) develop, promote, and support safe, adequate, and efficient rail transportation services; employ qualified personnel; maintain adequate programs of investigation, research, promotion, and development, with provisions for public participation; and take all practical steps to improve transportation safety and reduce transportation-related energy utilization and pollution;

(4) adopt and maintain adequate procedures for financial control, accounting, and performance evaluation in order to assure proper use of state and federal money; and

(5) do all things otherwise necessary to maximize federal assistance to the state ~~under the federal rail service continuation program.~~

Sec. 44. Minnesota Statutes 2010, section 574.26, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation; road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public transit buses that manufactures at least 100 public transit buses in a calendar year. For purposes of this section, "public transit bus" means a motor vehicle designed to transport people, with a design capacity for carrying more than 40 passengers, including the driver. The term "public transit bus" does not include a school bus, as defined in section 169.011, subdivision 71.

(b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32 do not apply to any projects of the Department of Transportation (1) costing less than ~~\$75,000~~ the amount in section 471.345, subdivision 3, or (2) involving the permanent or semipermanent installation of heavy machinery, fixtures, or other capital equipment to be used primarily for maintenance or repair.

(c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal, grading, or other similar routine road maintenance on town roads.

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

Sec. 45. Minnesota Statutes 2010, section 574.26, subdivision 2, is amended to read:

Subd. 2. **Terms.** Except as provided in sections 574.263 and 574.264 or if the amount of the contract is ~~\$75,000~~ or less than the amount in section 471.345, subdivision 3, a contract with a public body for the doing of any public work is not valid unless the contractor gives (1) a performance bond to the public body with whom the contractor entered into the contract, for the use and benefit of the public body to complete the contract according to its terms, and conditioned on saving the public body harmless from all costs and charges that may accrue on account of completing the specified work, and (2) a payment bond for the use and benefit of all persons furnishing labor and materials engaged under, or to perform the contract, conditioned for the payment, as they become due, of all just claims for the labor and materials. Reasonable attorneys' fees, costs, and disbursements may be awarded in an action to enforce claims under the act if the action is successfully maintained or successfully appealed.

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

Sec. 46. **VARIANCE; SEAPLANE BASE.**

The commissioner of transportation shall grant a variance for Elbow Lake Municipal-Pride of the Prairie Airport, airport code Y63, to be licensed as a public seaplane base on Flekkefjord Lake. The commissioner shall establish conditions or limitations as may be necessary.

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

Sec. 47. **PAYNESVILLE AIRPORT.**

(a) Notwithstanding any law, rule, or agreement to the contrary, the commissioner of transportation may enter into an agreement with the city of Paynesville to allow funds granted by the state to the city for land acquisition purposes for the marked Trunk Highway 23 bypass project to instead be used by June 30, 2015, as the state's share of funds for airport improvements and other aeronautical purposes at the city's airport.

(b) Funds not spent pursuant to paragraph (a) by June 30, 2015, must be paid to the commissioner of transportation and deposited in the state airports fund.

Sec. 48. **ADDITIONS TO REPORTS ON MAJOR HIGHWAY PROJECTS AND TRUNK HIGHWAY FUND EXPENDITURES.**

For 2013 and 2014 reports required under Minnesota Statutes, section 174.56, the commissioner of transportation shall include the results of evaluations of management systems currently used by the Department of Transportation. The evaluations must specify the extent to which the management of data in these systems is consistent with existing policies and the need for statewide, reliable, and verifiable information. The evaluations must be performed either by the department's office of internal audit or by an independent external auditor. The 2013 report must include the evaluation of construction management systems and the program and project management system. The 2014 report must include the evaluation of pavement management systems and bridge management systems.

Sec. 49. **LEGISLATIVE REPORT ON SPEED VIOLATIONS ON DRIVING RECORD.**

By January 15, 2015, the commissioners of transportation and public safety shall jointly submit a report on recording speed limit violations on a person's driver record to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance. The report must include analysis based on empirical data of impacts on public safety, frequency of speeding, crash rates, travel time efficiency, travel time reliability, and data privacy that are directly or reasonably attributable to the change to Minnesota Statutes, section 171.12, subdivision 6, made by this act.

Sec. 50. **REPEALER.**

(a) Minnesota Statutes 2010, sections 161.08, subdivision 2; 168.012, subdivision 1b; and 222.48, subdivision 3a, are repealed.

(b) Minnesota Statutes 2010, section 169A.54, subdivision 5, is repealed effective July 1, 2012.

Sec. 51. **EFFECTIVE DATE.**

Unless otherwise specified, this article is effective August 1, 2012."

Delete the title and insert:

"A bill for an act relating to transportation; making appropriations; authorizing the sale and issuance of state bonds; modifying provisions governing transportation and public safety policies, including bicycles and bikeways, highways and bridges, motor vehicles, motor vehicle markings and equipment, traffic regulations, driver education, driver licensing, driver's license exemptions, DWI violations, alternative financing for transportation projects, contracting requirements, bus operations, railroads, motor carriers and commercial drivers, aeronautics and airports, state aid, traffic regulations and reports, vehicle titles, school buses, overweight vehicles, fuel tax and motor vehicle sales tax exemptions, and agency reporting and studies; providing for rulemaking; removing obsolete language;

making technical and clarifying changes; repealing certain provisions; amending Minnesota Statutes 2010, sections 85.015, by adding a subdivision; 85.018, subdivisions 2, 4; 160.263, subdivision 2; 161.14, subdivision 66, by adding subdivisions; 161.3212; 162.02, subdivisions 2, 3; 162.081, subdivision 4; 162.09, subdivisions 2, 3, 4; 162.13, subdivision 1; 162.155; 165.01; 165.03; 168.002, subdivisions 19, 20; 168.012, subdivision 1, by adding a subdivision; 168.013, subdivisions 1e, 3, 12, by adding a subdivision; 168A.03, subdivision 1; 168A.07, subdivision 1; 168B.011, subdivision 12; 169.011, subdivisions 4, 27, 44, 45; 169.035, subdivision 1, by adding a subdivision; 169.06, subdivisions 4, 5, 7; 169.09, subdivision 13; 169.19, subdivision 5; 169.222, subdivisions 4, 6, 7, by adding a subdivision; 169.223, subdivisions 1, 5; 169.306; 169.64, subdivision 2; 169.685, subdivisions 6, 7; 169.72, subdivision 1; 169.85, subdivision 2; 169.86, subdivisions 1, 4, by adding a subdivision; 169.865, subdivision 4; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 169.99, subdivision 1b; 169A.54, subdivisions 1, 6; 171.01, subdivision 41; 171.03; 171.061, subdivision 4; 171.12, subdivision 6; 171.30, subdivision 1; 171.306, subdivision 4; 174.02, by adding a subdivision; 174.03, by adding a subdivision; 174.56; 221.0314, subdivision 3a; 221.091, subdivision 2; 222.50, subdivision 4; 222.51; 222.53; 222.63, subdivision 9; 296A.07, subdivision 4; 296A.08, subdivision 3; 297A.68, subdivision 19; 299D.085, subdivision 2, by adding a subdivision; 299D.09; 473.39, by adding a subdivision; 574.26, subdivisions 1a, 2; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123, subdivision 1; 169.86, subdivision 5; 171.075, subdivision 1; 297B.03; Laws 2009, chapter 158, section 10; proposing coding for new law in Minnesota Statutes, chapters 160; 161; 171; 174; repealing Minnesota Statutes 2010, sections 161.08, subdivision 2; 168.012, subdivision 1b; 169A.54, subdivision 5; 222.48, subdivision 3a; Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700."

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

House Conferees: MICHAEL BEARD, MIKE BENSON and MICHAEL V. NELSON.

Senate Conferees: JOE GIMSE, D. SCOTT DIBBLE and JOHN STERLING HOWE.

Beard moved that the report of the Conference Committee on H. F. No. 2685 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2685, A bill for an act relating to transportation; modifying provisions governing transportation policy and finance, including trunk highway designation, work and contracting on trunk highways, motor vehicles, motor vehicle weight limit regulations, motor vehicle titles, electric-assisted bicycles and related regulations, bridge inspections, special veterans license plates, pupil transportation, municipal state-aid street fund eligibility and apportionment, small vehicle passenger service, driver and vehicle information system, deputy registrars of motor vehicles, civilian escort drivers, bicycle equipment, school buses, small business contracts, and legislative reports; making contingent appropriations; setting fees; renumbering statutes; making technical changes; amending Minnesota Statutes 2010, sections 160.27, by adding a subdivision; 160.2715; 161.14, by adding a subdivision; 161.20, subdivision 4; 161.321; 161.3212; 162.09, by adding a subdivision; 165.01; 165.03; 168.002, subdivisions 19, 20; 168.012, by adding a subdivision; 168.013, subdivision 3, by adding a subdivision; 168.185; 168A.03, subdivision 1; 168A.07, subdivision 1; 169.011, subdivisions 4, 27, 44, 45; 169.06, subdivision 4; 169.222, subdivisions 4, 6, 7, by adding subdivisions; 169.223, subdivisions 1, 5; 169.72, subdivision 1; 169.86, subdivision 3b; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 171.01, subdivision 41; 171.02, subdivision 2b; 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by adding a subdivision; 299D.09; 473.388, subdivisions 2, 4; 604A.21, subdivision 5; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123, subdivision 1; 171.075, subdivision 1; 299A.705, subdivision 3; Laws 2009, chapter 158, section 10; Laws

2011, First Special Session chapter 3, article 1, section 4; proposing coding for new law in Minnesota Statutes, chapters 161; 171; 375; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

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 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Hamilton	Laine	Mullery	Simon
Allen	Dean	Hancock	Lanning	Murphy, E.	Slawik
Anderson, B.	Dettmer	Hansen	Leidiger	Murphy, M.	Slocum
Anderson, D.	Dill	Hausman	LeMieur	Murray	Smith
Anderson, P.	Dittrich	Hilstrom	Lenczewski	Myhra	Stensrud
Anderson, S.	Doepke	Hilty	Lesch	Nelson	Swedzinski
Anzelc	Downey	Holberg	Liebling	Nornes	Thissen
Atkins	Drazkowski	Hoppe	Lillie	Norton	Tillberry
Banaian	Eken	Hornstein	Loeffler	O'Driscoll	Torkelson
Barrett	Erickson	Hortman	Lohmer	Paymar	Urdahl
Beard	Fabian	Hosch	Loon	Pelowski	Vogel
Benson, J.	Falk	Howes	Mahoney	Peppin	Wagenius
Benson, M.	Franson	Huntley	Mariani	Persell	Ward
Bills	Fritz	Johnson	Marquart	Petersen, B.	Wardlow
Brynaert	Garofalo	Kahn	Mazorol	Poppe	Westrom
Carlson	Gauthier	Kath	McDonald	Quam	Winkler
Champion	Gottwalt	Kelly	McElpatrick	Runbeck	Woodard
Clark	Greene	Kieffer	McFarlane	Sanders	Spk. Zellers
Cornish	Greiling	Kiel	McNamara	Scalze	
Crawford	Gruenhagen	Kiffmeyer	Melin	Schomacker	
Daudt	Gunther	Knuth	Moran	Scott	
Davids	Hackbarth	Kriesel	Morrow	Shimanski	

Those who voted in the negative were:

Buesgens Rukavina

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

FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 1752.

H. F. No. 1752 was reported to the House.

Holberg moved to suspend rule 4.05 relating to Amendment Limits for the first Howes amendment.

A roll call was requested and properly seconded.

The question was taken on the Holberg motion and the roll was called. There were 102 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Hausman	Kriesel	Melin	Scalze
Allen	Davnie	Hilstrom	Laine	Moran	Schomacker
Anderson, D.	Dean	Hilty	Lanning	Morrow	Simon
Anderson, P.	Dettmer	Holberg	LeMieur	Mullery	Slawik
Anderson, S.	Dill	Hoppe	Lenczewski	Murphy, E.	Slocum
Anzelc	Dittrich	Hornstein	Lesch	Murphy, M.	Swedzinski
Atkins	Eken	Hortman	Liebling	Murray	Thissen
Banaian	Fabian	Hosch	Lillie	Nelson	Tillberry
Beard	Falk	Howes	Loeffler	Nornes	Torkelson
Benson, J.	Fritz	Huntley	Mack	Norton	Urdahl
Brynaert	Gauthier	Johnson	Mahoney	O'Driscoll	Vogel
Carlson	Gottwalt	Kahn	Mariani	Paymar	Wagenius
Champion	Greene	Kath	Marquart	Pelowski	Ward
Clark	Greiling	Kelly	Mazorol	Persell	Westrom
Cornish	Gunther	Kieffer	McElpatrick	Poppe	Winkler
Crawford	Hamilton	Kiel	McFarlane	Rukavina	Woodard
Daudt	Hansen	Knuth	McNamara	Sanders	Spk. Zellers

Those who voted in the negative were:

Anderson, B.	Doepke	Garofalo	Leidiger	Peppin	Shimanski
Barrett	Downey	Gruenhagen	Lohmer	Petersen, B.	Smith
Benson, M.	Drazkowski	Hackbarth	Loon	Quam	Stensrud
Bills	Erickson	Hancock	McDonald	Runbeck	Wardlow
Buesgens	Franson	Kiffmeyer	Myhra	Scott	

The motion prevailed.

Myhra was excused between the hours of 10:50 a.m. and 11:10 a.m.

Howes moved to amend H. F. No. 1752, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

SUMMARY

<u>University of Minnesota</u>	<u>\$64,060,000</u>
<u>Minnesota State Colleges and Universities</u>	<u>132,126,000</u>
<u>Education</u>	<u>1,000,000</u>
<u>Minnesota State Academies</u>	<u>1,000,000</u>
<u>Perpich Center for Arts Education</u>	<u>263,000</u>
<u>Natural Resources</u>	<u>46,500,000</u>
<u>Pollution Control Agency</u>	<u>2,000,000</u>
<u>Board of Water and Soil Resources</u>	<u>12,000,000</u>
<u>Agriculture</u>	<u>706,000</u>
<u>Rural Finance Authority</u>	<u>33,000,000</u>
<u>Zoological Garden</u>	<u>4,000,000</u>
<u>Administration</u>	<u>50,555,000</u>
<u>Amateur Sports</u>	<u>375,000</u>
<u>Military Affairs</u>	<u>23,500,000</u>
<u>Transportation</u>	<u>49,400,000</u>
<u>Metropolitan Council</u>	<u>12,836,000</u>
<u>Human Services</u>	<u>5,683,000</u>
<u>Veterans Affairs</u>	<u>7,416,000</u>
<u>Corrections</u>	<u>9,128,000</u>
<u>Employment and Economic Development</u>	<u>78,500,000</u>
<u>Public Facilities Authority</u>	<u>23,500,000</u>
<u>Housing Finance Agency</u>	<u>5,500,000</u>
<u>Minnesota Historical Society</u>	<u>3,250,000</u>
<u>Bond Sale Expenses</u>	<u>560,000</u>
<u>TOTAL</u>	<u>\$566,858,000</u>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	<u>456,483,000</u>
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	<u>70,375,000</u>
<u>State Transportation Fund (General Fund Debt Service)</u>	<u>40,000,000</u>

APPROPRIATIONSSec. 2. **UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation** **\$64,060,000**

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

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)** **50,000,000**

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

Subd. 3. **Twin Cities Campus**

Combined Heat and Power Plant **10,000,000**

To predesign and design the renovation of the Old Main Steam Plant facility on the Twin Cities campus.

Subd. 4. Itasca Biological Station**Itasca Facility Improvements****4,060,000**

To design, construct, furnish, and equip a new technology-rich biological laboratory and classroom facility, and to design, construct, furnish, and equip the renovation of the historic Lakeside Lab and to remove obsolete single-function buildings at the University of Minnesota facility in Itasca State Park.

Subd. 5. University Share

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

Subd. 6. Unspent Appropriations

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

Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES**Subdivision 1. Total Appropriation****\$132,126,000**

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

Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)**20,000,000**

For the purposes specified in Minnesota Statutes, section 135A.046, including safety and statutory compliance, building envelope integrity, mechanical systems, and space restoration.

Subd. 3. Anoka-Ramsey Community College, Coon Rapids**Bioscience and Allied Health Addition and Renovation****980,000**

To complete design for the construction of a Bioscience and Allied Health addition and to design, renovate, and equip classrooms and related space.

Subd. 4. **Bemidji State University**

Business Building Addition, Renovation Design, Demolition

3,303,000

To abate and demolish Maple Hall and Sanford Hall, and to complete design for the renovation of Decker Hall, Hobson Hall, and Memorial Hall into multiuse classrooms and study spaces, including replacing the HVAC system and constructing an addition to Memorial Hall for better accessibility.

Subd. 5. **Century College**

Classroom Addition

5,000,000

To complete design of and to construct, renovate, furnish, and equip classrooms and related spaces.

Subd. 6. **Dakota County Technical College**

Transportation and Emerging Technologies Lab Renovation

7,230,000

To complete design of and to renovate, furnish, and equip transportation and emerging technologies classrooms, laboratories, and related spaces.

Subd. 7. **Minnesota State University, Mankato**

2,065,000

To design a clinical science building at Minnesota State University, Mankato.

Subd. 8. **Minneapolis Community and Technical College**

Workforce Program Renovation

13,389,000

To complete design of and to renovate, furnish, and equip instructional space, support space, and infrastructure for workforce programs.

Subd. 9. **North Hennepin Community College**

Bioscience and Health Careers Addition

26,292,000

To complete design of and to construct, furnish, and equip Bioscience and Health Careers laboratories, classrooms, and related spaces.

Subd. 10. **Northland Community and Technical College**

Aviation Maintenance Facility Expansion

300,000

To design the expansion and renovation of the aviation maintenance facilities at Northland Community and Technical College.

Subd. 11. **Ridgewater College, Willmar**

Technical Instruction Lab Renovation

13,851,000

To design, renovate, furnish, and equip classroom, student service, instructional lab, and related spaces and to demolish the Administration Building.

Subd. 12. **St. Cloud Technical and Community College**

4,000,000

To complete the design of, and to construct, renovate, furnish, equip, and demolish space for the medium heavy truck and autobody program on the St. Cloud Technical and Community College campus.

Subd. 13. **St. Paul College**

Health and Science Alliance Center

1,500,000

To design the Health and Science Alliance Center addition and to design, renovate, furnish, and equip, existing health spaces.

Subd. 14. **Minnesota West Community and Technical College, Worthington**

Renovation and Addition

4,606,000

To renovate, furnish, and equip existing classroom and lab spaces and to design, construct, furnish, and equip a classroom, lab, and entryway addition, and replace HVAC systems.

Subd. 15. **Northeast Higher Education District - Itasca Community College**

Renovation, Addition, and Demolition

4,549,000

To complete the design of and to renovate, furnish, and equip existing instructional and student services spaces, to design, construct, furnish, and equip an addition with multipurpose classrooms, and to demolish Donovan Hall.

Subd. 16. Rochester Community and Technical College**Work Force Center Colocation**8,746,000

To complete the design of and to construct, furnish, and equip an addition to the Heintz Center at Rochester Community and Technical College and to renovate the heating, ventilating, and air conditioning systems. The addition will house the Rochester Area Work Force Center. The board of trustees must consult with the commissioner of employment and economic development on the design of the renovations and addition. The board must enter into a lease agreement with the commissioner of employment and economic development for use of the work force center. The lease agreement must provide that lease payments made by the commissioner will pay for the college's reasonable costs in support of the work force center and the debt service required of the board associated with the work force center portion of the project. Notwithstanding the ten-year lease limit under Minnesota Statutes, section 16B.24, subdivision 6, the commissioner of administration may enter into a lease agreement of up to 20 years for the space to house the Rochester Area Work Force Center at the Rochester Community and Technical College.

Subd. 17. South Central College, Faribault**Classroom Renovation and Addition**13,315,000

To complete design of and to renovate, construct, furnish, and equip classrooms, a learning resource center, and related spaces, and laboratories.

Subd. 18. Southwest Minnesota State University, Marshall**Science Lab Renovation**500,000

To complete design for renovation of the Science and Math building and classroom spaces and an addition to the Plant Science building.

Subd. 19. Science, Technology, Engineering, and Math Initiatives2,500,000

To design, renovate, furnish, and equip science laboratories at campuses statewide. Campuses may use internal and nonstate funds to increase the size of the projects. This appropriation may be used at the following campuses: Bemidji State University; Century College; Inver Hills Community College; Minnesota State Community and Technical College, Moorhead; Minnesota State University, Moorhead; Hibbing Community College; Itasca Community College; Mesabi Range Community and Technical College, Eveleth; and Pine Technical College.

Subd. 20. Debt Service

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

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

Subd. 21. Unspent Appropriations

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

(b) The unspent portion of an appropriation for a project in this section that is complete is available for Higher Education Asset Preservation and Replacement (HEAPR) under this subdivision at the same campus as the project for which the original appropriation was made, and the debt service requirement under subdivision 20 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 4. **EDUCATION****\$1,000,000**

To the commissioner of education for library accessibility and improvement grants under Minnesota Statutes, section 134.45.

Sec. 5. **MINNESOTA STATE ACADEMIES****\$1,000,000**

To the commissioner of administration for asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 6. **PERPICH CENTER FOR ARTS EDUCATION**Subdivision 1. **Total Appropriation****\$263,000**

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

Subd. 2. **Loading Dock Repair**64,000

To complete design of and repair the loading dock and dock steps.

Subd. 3. **Road Repair**99,000

To complete design and repair roadway.

Subd. 4. **Storm Drainage**100,000

To complete design of and install storm drainage on the northwest corner of campus.

Sec. 7. **NATURAL RESOURCES**Subdivision 1. **Total Appropriation****\$46,500,000**

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

Subd. 2. **Flood Hazard Mitigation Grants**30,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

Levee projects, to the extent practicable, shall meet the state standard of three feet above the 100-year flood elevation.

Project priorities shall be determined by the commissioner as appropriate, based on need.

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

Subd. 3. Dam Repair, Reconstruction, and Removal 3,000,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

Subd. 4. Roads and Bridges 2,000,000

For the design, reconstruction, resurfacing, replacement, and construction of publicly owned DNR-maintained roads, culverts, and bridges.

Subd. 5. State Forest Land Restoration 2,500,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and for timber stand improvement.

Subd. 6. State Parks and Trails Renewal and Development 4,000,000

For renewal, modification, replacement, or development of buildings and recreational infrastructure in state parks, state recreation areas, state trails, small craft harbors/marinas, fishing pier sites, and state forests.

Subd. 7. Lake Vermillion State Park 2,000,000

For the development of Lake Vermillion State Park, established under Minnesota Statutes, section 85.012, subdivision 38a.

Subd. 8. Lake Zumbro 3,000,000

For a grant to Olmsted County for the removal of sedimentation in Lake Zumbro, including final engineering, dredging, and dredged soil disposal from the sites identified in the Preliminary Engineering Report for Dredging Lake Zumbro. This project is designed to improve the recreational economy, water quality, and habitat, and increase water storage capacity within the lake to achieve renewable energy goals by optimizing long-term hydroelectric operations. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 9. Unspent Appropriations

The unspent portion of an appropriation, but not to exceed ten percent of the appropriation, for a project in this section that is complete, other than an appropriation for flood hazard mitigation, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 84.946. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred for asset preservation.

Sec. 8. POLLUTION CONTROL AGENCY**\$2,000,000**

To the Pollution Control Agency to design and construct remedial systems and acquire land at landfills throughout the state in accordance with the closed landfill program under Minnesota Statutes, sections 115B.39 to 115B.42.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES**Subdivision 1. Total Appropriation****\$12,000,000**

To the Board of Water and Soil Resources for the purposes specified in the following subdivisions.

Subd. 2. RIM Conservation Reserve**6,000,000**

(a) To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands; restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality; support fish and wildlife habitat; reduce flood damage; and provide other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this program. Of this appropriation, up to ten percent may be used to implement the program.

(b) The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration, including overseeding and harvesting of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions of the area enrolled in the easement. This shall occur after seed production and minimize impacts on wildlife. Of this appropriation, up to five percent may be used for restoration, including overseeding.

Subd. 3. **Wetland Replacement Due to Public Road Projects**

6,000,000

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair or reconstruction, replacement, or rehabilitation of existing public roads as required by Minnesota Statutes, section 103G.222.

The purchase price paid for acquisition of land, fee, or perpetual easement must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands and to acquire existing wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

Sec. 10. **AGRICULTURE**

\$706,000

To the commissioner of administration for design and installation of an emergency power system for the shared Agriculture and Health Lab Building.

Sec. 11. **RURAL FINANCE AUTHORITY**

\$33,000,000

For the purposes set forth in the Minnesota Constitution, article XI, section 5, paragraph (h), to the Rural Finance Authority to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first to basic beginning farmer loans, second to seller-sponsored loans, and third to agricultural improvement loans.

Sec. 12. **MINNESOTA ZOOLOGICAL GARDEN**

\$4,000,000

To the Minnesota Zoological Garden for capital asset preservation and betterments to infrastructure and exhibits at the Minnesota Zoo to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 13. **ADMINISTRATION****Subdivision 1. Total Appropriation****\$50,555,000**

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

Subd. 2. Asset Preservation500,000

For asset preservation studies and projects on properties managed by the commissioner. This appropriation must be spent in accordance with Minnesota Statutes, section 16B.307. This appropriation includes money to complete design for and to renovate or replace the house of representatives TV control room heating, ventilating, and air conditioning system in the Capitol building.

Subd. 3. Capitol Restoration Appropriation44,000,000

(a) This appropriation may be used for one or more of the following purposes:

(1) to design, construct, and equip a new tunnel extending from the Capitol building and passing under University Avenue, and associated improvements, in accordance with recommendation number 6 of the Comprehensive Master Plan and the final report of the Committee on Capitol Complex Security, dated April 1, 2011, with construction to be coordinated with light rail construction time frames;

(2) for predesign and design of the renovation and restoration of the State Capitol building, including preparation of design guidelines and a historic structures report;

(3) for repairs to exterior stone, window replacement, and preparation of mechanical space in the attic of the State Capitol building;

(4) for construction to restore and improve the Capitol building and grounds, including exterior stone repair and the construction activities listed as part of sequence A in the 2012 Comprehensive Master Plan dated February 2012, prepared by MOCA, including hazardous materials abatement; and

(5) up to \$5,000,000 of this appropriation may be used to predesign, design, conduct hazardous materials abatement, construct, renovate and remodel, and furnish and equip the State Office Building, Administration Building, Centennial Office Building, 321 Grove Street Buildings, and such other properties located on the Capitol campus as determined by the commissioner to meet temporary and permanent office and other space needs

occasioned by and in furtherance of an efficient restoration of the State Capitol building and for the efficient and effective function of the tenants currently located in the Capitol building.

(b) Money appropriated under paragraph (a), clauses (1) to (3), may be spent as of the effective date.

(c) Money appropriated under paragraph (a), clauses (4) and (5), may not be spent unless and until the conditions in Minnesota Statutes, section 15B.15, have been met.

Subd. 4. Capital Asset Preservation and Replacement Account 1,000,000

To be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 5. Hennepin County, Washburn Center for Children 5,000,000

For a grant to Hennepin County to acquire and prepare a site for and to predesign, design, construct, furnish, and equip a new Washburn Center for Children that will be used to provide mental health services to children. The county is authorized to take actions and enter into agreements needed to perform the functions set forth in this section, and the agreements may include provisions and conditions that the county negotiates. The county may enter into a lease or management contract for the new center with a nonprofit entity. The lease or management contract must comply with the requirements of Minnesota Statutes, section 16A.695. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed or expended from nonstate resources.

Subd. 6. Peace Officers Memorial 55,000

To complete design and renovation of the Peace Officers Memorial on the Capitol grounds.

Sec. 14. AMATEUR SPORTS \$375,000

To the Minnesota Amateur Sports Commission to replace HVAC heating and cooling units in the Indoor Sports Hall at the National Sports Center in Blaine.

Sec. 15. MILITARY AFFAIRS

Subdivision 1. Total Appropriation \$23,500,000

To the adjutant general for the purposes specified in this section.

Subd. 2. Asset Preservation4,000,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Camp Ripley Education Center Addition19,500,000

To complete the construction, furnishing, and equipping of an addition to the Camp Ripley Education Center (Building #6-76). The addition will include lodging, classroom, and dining facilities.

Subd. 4. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 16. TRANSPORTATION**Subdivision 1. Total Appropriation****\$49,400,000**

This appropriation is to the commissioner of transportation for the purposes specified in this section.

Subd. 2. Local Bridge Replacement and Rehabilitation30,000,000

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50. To the extent practicable, the commissioner shall expend the funds as provided under Minnesota Statutes, section 174.50, subdivisions 6c and 7, paragraph (c).

Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including but not limited to:

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

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

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

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

Subd. 3. Local Road Improvement Fund Grants

10,000,000

From the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50, for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, or for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

Subd. 4. Greater Minnesota Transit

6,400,000

For capital assistance for publicly owned greater Minnesota transit systems to be used to design, construct, and equip transit capital facilities under Minnesota Statutes, section 174.24, subdivision 3c.

Subd. 5. Railroad Warning Devices Replacement

2,000,000

To design, construct, and equip the replacement of active highway rail grade crossing warning safety devices that have reached the end of their useful life.

Subd. 6. Port Development Assistance

1,000,000

For grants under Minnesota Statutes, chapter 457A, for publicly owned capital projects.

Sec. 17. METROPOLITAN COUNCIL

Subdivision 1. Total Appropriation

\$12,836,000

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

Subd. 2. Metropolitan Regional Parks Capital Improvements

4,586,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. This appropriation must not be used to purchase easements.

Subd. 3. Municipal Wastewater Systems - Inflow and Infiltration Grants4,000,000

For grants to cities within the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, for capital improvements in municipal wastewater collection systems to reduce the amount of inflow and infiltration to the council's metropolitan sanitary sewer disposal system. To be eligible for a grant, a city must be identified by the council as a contributor of excessive inflow or infiltration. Grants from this appropriation are for up to 50 percent of the cost to mitigate inflow and infiltration in the publicly owned municipal wastewater collection systems. The council must award grants based on applications from eligible cities that identify eligible capital costs and include a timeline for inflow and infiltration mitigation construction, pursuant to guidelines established by the council.

Subd. 4. Phillips Community Center1,750,000

For a grant to the Minneapolis Park and Recreation Board to predesign, design, engineer, reconstruct, renovate, furnish, and equip the Phillips Community Center indoor competitive swimming pool and to predesign, design, engineer, and construct an additional indoor multipurpose family pool and facilities associated with an aquatic center in the community center, subject to Minnesota Statutes, section 16A.695.

This appropriation is not available until the commissioner determines that at least \$350,000 is committed from nonstate sources.

Subd. 5. Minneapolis Transportation Interchange2,500,000

For a grant to Hennepin County or the Hennepin County Regional Railroad Authority for environmental analysis, engineering, design, acquisition of real property or interests in real property, and site preparation for and construction of the Minneapolis Transportation Interchange Facility located in the vicinity of the confluence of the Hiawatha Light Rail Transit line and the Northstar Commuter Rail line.

This appropriation is not available until the Counties Transit Improvement Board has committed at least an equal amount to the project.

Sec. 18. HUMAN SERVICES**Subdivision 1. Total Appropriation****\$5,683,000**

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

Subd. 2. Asset Preservation**2,000,000**

For asset preservation improvements and betterments of a capital nature at Department of Human Services facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minnesota Security Hospital - Phase I**3,683,000**

For predesign and design of the first phase of a two-phase project to remodel existing facilities and develop new residential, program, activity, and ancillary facilities for the Minnesota Security Hospital on the upper campus of the St. Peter Regional Treatment Center.

Sec. 19. VETERANS AFFAIRS**Subdivision 1. Total Appropriation****\$7,416,000**

To the commissioner of administration for the purposes specified in this section. The commissioner must allocate money appropriated in this section so as to maximize the use of all available federal funding.

Subd. 2. Asset Preservation**3,000,000**

For asset preservation improvements and betterments of a capital nature at veterans homes and cemeteries statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minneapolis Veterans Home Building 17 South**3,050,000**

For predesign and design for demolition of the south wing of Building 17 and adjoining facilities, and designing the south wing of Building 17 as a new skilled nursing building. This appropriation may also be used to design a new distribution service tunnel on the Minneapolis campus.

Subd. 4. Minneapolis Veterans Home Centralized Pharmacy**1,366,000**

To predesign, design, remodel, and furnish historic Building 13 to be used as the veterans homes' central pharmacy.

Sec. 20. CORRECTIONS**Subdivision 1. Total Appropriation****\$9,128,000**

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

Subd. 2. Asset Preservation**5,000,000**

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. Minnesota Correctional Facility - Stillwater**Well and Water Treatment Facility****3,391,000**

To complete design; cap an old well; install a new well; replace piping between wells, water tower, and facility intake; replace water treatment equipment; and design, construct, furnish, and equip a new building to house water treatment equipment.

Subd. 4. Northeast Regional Correctional Center (NERCC)**737,000**

For a grant to the Arrowhead Regional Corrections Joint Powers Board for asset preservation improvements and betterments of a capital nature at the Northeast Regional Correctional Center (NERCC).

Subd. 5. Unspent Appropriations

The unspent portion of an appropriation for a project in this section that is complete, upon written notice to the commissioner of management and budget, is available for asset preservation under Minnesota Statutes, section 16B.307, at the same correctional facility as the project for which the original appropriation was made. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

Sec. 21. EMPLOYMENT AND ECONOMIC DEVELOPMENT**Subdivision 1. Total Appropriation****\$78,500,000**

To the commissioner of employment and economic development for the purposes specified in this section.

Subd. 2. Greater Minnesota Business Development Public Infrastructure Grant Program**6,000,000**

For grants under Minnesota Statutes, section 116J.431.

This appropriation may be used for a grant to the Lake Superior-Poplar River Water District to acquire property interests for, engineer, design, permit, and construct works and systems to transport and treat water from Lake Superior through the Poplar River Valley to serve domestic and irrigation water users and

commercial, stock watering, and industrial users. Notwithstanding Minnesota Statutes, section 116J.431, a grant to the district is not subject to any limit in grant amount or match requirement, but a grant to the district is not available until at least \$1,200,000 has been committed to the project from nonstate sources. Expenditures made on or after October 1, 2011, shall count towards the nonstate match.

Subd. 3. Redevelopment Account

3,000,000

For purposes of the redevelopment account under Minnesota Statutes, sections 116J.571 to 116J.575.

Subd. 4. Transportation Economic Development Program

3,000,000

For grants under Minnesota Statutes, section 116J.436.

Subd. 5. Business Development Through Capital Project Grants

50,000,000

For grants under Minnesota Statutes, section 116J.433.

Subd. 6. Austin Port Authority - Research and Technology Center

13,500,000

For a grant to the Austin Port Authority to design and construct a new building addition to the Hormel Institute, including research labs, research technology space, and support offices. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

Subd. 7. Bemidji Regional Public Television Station

3,000,000

For a grant to the city of Bemidji to construct, furnish, and equip a regional public television station in the city of Bemidji. This appropriation is not available until the commissioner determines that a 25 percent match has been committed to the project from nonstate sources.

Sec. 22. PUBLIC FACILITIES AUTHORITY

Subdivision 1. Total Appropriation

\$23,500,000

To the Public Facilities Authority for the purposes specified in this section.

Subd. 2. State Match for Federal Grants**8,500,000**

To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081.

This appropriation must be used for qualified capital projects.

Subd. 3. Wastewater Infrastructure Funding Program**15,000,000**

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

If a grant is made from this appropriation to the Central Iron Range Sanitary Sewer District to supplement previous wastewater infrastructure funding grants to design, construct, furnish, and equip new wastewater treatment facilities, lift stations, and forcemains, it is not subject to the limitations on the availability or amount of the grant in Minnesota Statutes, section 446A.072, but the grant must not exceed \$5,000,000.

Sec. 23. HOUSING FINANCE AGENCY**\$5,500,000**

To the Housing Finance Agency to finance the rehabilitation of public housing under Minnesota Statutes, section 462A.202, subdivision 3a. For purposes of this section, "public housing" means housing for low-income persons and households financed by the federal government and owned and operated by public housing authorities and agencies formed by cities and counties. Eligible public housing authorities must have a public housing assessment system rating of standard or above. Priority must be given to proposals that maximize federal or local resources to finance the capital costs. The priority in Minnesota Statutes, section 462A.202, subdivision 3a, for projects to increase the supply of affordable housing and the restrictions of Minnesota Statutes, section 462A.202, subdivision 7, do not apply to this appropriation.

Sec. 24. MINNESOTA HISTORICAL SOCIETY**Subdivision 1. Total Appropriation****\$3,250,000**

To the Minnesota Historical Society for the purposes in this section.

Subd. 2. Historic Sites Asset Preservation**2,500,000**

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

Subd. 3. County and Local Preservation Grants750,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

Sec. 25. BOND SALE EXPENSES**\$560,000**

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

Sec. 26. BOND SALE AUTHORIZATION.

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$526,858,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$40,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 27. [15B.155] CAPITOL RESTORATION PROJECT.

Subdivision 1. **Consultation and collaboration.** The commissioner shall consult and collaborate with representatives designated by the governor, the majority leader of the senate, the speaker of the house, the chief justice of the Minnesota Supreme Court, the attorney general, Capitol Area and Architectural Planning Board, and the director of the Minnesota Historical Society regarding the design and construction process for the restoration of the Capitol building.

Subd. 2. **Changes to space allocation.** No changes shall be made to the current amount and location of space in the Capitol building for the house of representatives, senate, Supreme Court, and constitutional officers, unless approved as follows:

(1) for space currently allocated to the house of representatives, by the chief clerk of the house of representatives;

(2) for space currently allocated to the senate, by the secretary of the senate;

(3) for space currently allocated to the judicial branch, by the court administrator; and

(4) for space currently allocated to the attorney general's office, by the attorney general.

Subd. 3. **Sequencing.** Construction work shall be sequenced to maintain occupancy in the house of representatives and senate chambers during regular legislative sessions, unless otherwise approved by the speaker of the house and the majority leader of the senate for respective chambers.

Subd. 4. **Duties of commissioner.** (a) By January 15, 2013, the commissioner of administration shall submit a space recommendation report to the majority leader of the senate, the speaker of the house, and the chairs of the legislative committees with primary jurisdiction over the Capitol Area Architectural and Planning Board. The space recommendation report shall identify appropriate and required functions of the Capitol building and make recommendations to address space requirements for the tenants currently located in the Capitol building for the effective and efficient function of state government. In preparing the report, the commissioner shall consult with the Capitol Preservation Commission and representatives designated by the governor, the secretary of the senate, the chief clerk of the house of representatives, the director of the Minnesota Historical Society, and the state court administrator. Before the appropriations in subdivision 2, clauses (4) and (5), may be spent, the recommendations in the report must be approved by the governor, the secretary of the senate, and the chief clerk of the house of representatives.

(b) By July 15, 2013, the commissioner shall submit a report describing final plans and specifications for the restoration of the Capitol building to the majority leader of the senate, the speaker of the house, and to the chairs of the committees in the senate and house of representatives with primary jurisdiction over the Capitol Area Architectural and Planning Board. Before the appropriations in subdivision 2, clauses (4) and (5), may be spent, the plans and specifications must be approved by the governor, the secretary of the senate, and the chief clerk of the house of representatives.

(c) Notwithstanding sections 16C.05, subdivision 2, paragraph (b); and 16C.08, subdivision 3, clause (5), the commissioner of administration may enter into consultant and construction contracts on the Capitol restoration and repair project with a term of up to ten years.

(d) Notwithstanding section 16B.31, subdivision 2, the commissioner of administration may proceed with the Capitol restoration and repair project before obtaining an appropriation to complete the entire project.

(e) On or before December 1 of each year until final completion of the restoration project, the commissioner of administration shall submit in writing to the governor, chairs of the senate Finance and Capital Investment Committees, and chairs of the house of representatives Ways and Means and Capital Investment Committees the estimated annual amount needed for the restoration project for the upcoming fiscal year. The construction manager and the commissioner shall enter into a guaranteed maximum price contract. In the absence of an appropriation sufficient for the continued performance of work on an annual basis as determined by the commissioner of administration, the construction manager shall not be bound to complete the remaining work within the guaranteed maximum price in the contract.

(f) With the approval of the commissioner of administration, the construction manager may bid trade work in accordance with section 16C.34, subdivision 3, before the enactment of an appropriation sufficient to fully fund the trade work for completion of the full project described in the Comprehensive Master Plan. The construction manager shall enter into guaranteed maximum price contracts with subcontractors for the trade work. In the event the legislature fails to appropriate money sufficient for the continued performance of work on an annual basis as determined by the commissioner of administration, the subcontractors shall not be bound to complete the remaining work within the guaranteed maximum price in the contract. Contracts with subcontractors for trade work under this paragraph must include terms consistent with this paragraph.

Sec. 28. Minnesota Statutes 2010, section 16A.633, is amended by adding a subdivision to read:

Subd. 4. **Report on jobs created or retained.** By September 1 of each odd-numbered year, the commissioner must report to legislative committees with jurisdiction over capital investment on the jobs created or retained as a result of capital project funding by the state, whether with state general obligation bond proceeds or other state funding sources, during the previous biennium. Each state agency must provide the commissioner the information necessary, and must require its capital project grantees to provide the information necessary, for the commissioner to

make the report. The report must include, but is not limited to, the following information: the number and types of jobs for each project, whether the jobs are new or retained, where the jobs are located, and pay ranges of the jobs. The Board of Regents of the University of Minnesota, the Board of Trustees of the Minnesota State Colleges and Universities, and each state agency receiving an appropriation for a capital project shall collect and provide the information at the time and in the manner required by the commissioner.

Sec. 29. Minnesota Statutes 2011 Supplement, section 16A.641, subdivision 7, is amended to read:

Subd. 7. **Credit of proceeds.** (a) Proceeds of bonds issued under each law must be credited by the commissioner to a special fund, as provided in this subdivision. For the purpose of this subdivision, "proceeds of bonds" means and includes the principal amount of the bonds and any premium and accrued interest received on the sale of the bonds.

(b) Accrued interest received on sale of the bonds must be credited to the state bond fund created by the Constitution, article XI, section 7. Any premium received on the sale of the bonds on or prior to December 1, 2012, must be credited to the state bond fund. Any premium received on the sale of the bonds, except for refunding bonds, after December 1, 2012, must be credited to either the bond proceeds fund where it is used to reduce the par amount of the bonds issued or the state bond fund or used to reduce the par amount of the bond issue at the time of sale. Any premium received on the sale of the refunding bonds, after December 1, 2012, must be used or credited in accordance with paragraph (f) .

(c) Except as otherwise provided by law, proceeds of state bonds issued under the Constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund established by section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the Constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special accounts in the bond proceeds fund or to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be either: (1) credited to the state bond fund as provided in section 16A.66, subdivision 1; or (2) in the case of premium received on the sale of the refunding bonds, used to reduce the par amount of the bond issue at the time of the bond sale.

(g) Proceeds of other bonds must be credited as provided in the law authorizing their issuance.

Sec. 30. Minnesota Statutes 2010, section 16A.641, subdivision 9, is amended to read:

Subd. 9. **Special accounts; appropriation.** (a) The commissioner shall establish separate accounts in the state bond fund for:

(1) state building bonds, and for other state bonds issued for each program of grants to political subdivisions for a particular class of capital expenditures, to record debt service payments and receipts of amounts appropriated from the general fund under subdivision 10;

(2) state highway bonds, to record debt service payments, receipts of amounts appropriated for debt service from the trunk highway fund pursuant to the Constitution, article XIV, section 6, and additional receipts, if any, of amounts appropriated from the general fund under subdivision 10;

(3) state bonds issued for each capital loan and for each program of capital loans to agencies or political subdivisions, to record debt service payments, receipts of loan repayments appropriated for debt service or reimbursement of debt service by the law authorizing the loan or program, and any additional receipts of amounts appropriated from the general fund under subdivision 10; and

(4) refunding bonds, as provided in section 16A.66, subdivision 1.

(b) All money credited, transferred, or appropriated to the state bond fund and all income from the investment of that money is appropriated to the commissioner for the payment of principal and interest on state bonds or, in the case of premium received on the sale of refunding bonds, as provided by subdivision 7, paragraph (f) .

Sec. 31. Minnesota Statutes 2011 Supplement, section 16A.96, is amended by adding a subdivision to read:

Subd. 10. **Validation.** (a) Appropriation bonds issued under this section may be validated in the manner provided by this subdivision. If comparable appropriation bonds are judicially determined to be valid, nothing in this subdivision shall be construed to prevent sale or delivery of any appropriation bonds or notes after entry of a judgment of validation by the Minnesota Supreme Court as provided in this subdivision with respect to the appropriation bonds authorized under this section.

(b) Any appropriation bonds issued under this section that are validated shall be validated in the manner provided by this subdivision.

(c) The Minnesota Supreme Court shall have original jurisdiction to determine the validation of appropriation bonds and all matters connected with the issuance of the bonds.

(d) The commissioner may determine the commissioner's authority to issue appropriation bonds and the legality of all proceedings in connection with issuing bonds. For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme Court against the state and the taxpayers and citizens.

(e) As a condition precedent to filing of a complaint for the validation of appropriation bonds, the commissioner shall take action providing for the issuance of appropriation bonds in accordance with law.

(f) The complaint shall set out the state's authority to issue appropriation bonds, the action or proceeding authorizing the issue and its adoption, all other essential proceedings had or taken in connection with issuing bonds, the amount of the appropriation bonds to be issued and the maximum interest they are to bear, and all other pertinent matters.

(g) The Minnesota Supreme Court shall issue an order directed against the state and taxpayers, citizens, and others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons, in general terms and without naming them, and the state through its attorney general to appear before the Minnesota Supreme Court at a designated time and place and show why the complaint should not be granted and the proceedings and appropriation bonds validated. A copy of the complaint and order shall be served on the attorney general at least 20 days before the time fixed for hearing. The attorney general shall examine the complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds in question has not been duly authorized, defense shall be made by the attorney general as the attorney general deems appropriate.

(h) Before the date set for hearing, as directed by the Minnesota Supreme Court, either the clerk of the Minnesota Appellate Courts or the commissioner shall publish a copy of the order in a legal newspaper of general circulation in Ramsey County and the state, at least once each week for two consecutive weeks, commencing with the first publication, which shall not be less than 20 days before the date set for hearing. By this publication, all

taxpayers, citizens, and others having or claiming any right, title, or interest in the state, are made parties defendant to the action and the Minnesota Supreme Court has jurisdiction of them to the same extent as if named as defendants in the complaint and personally served with process.

(i) Any taxpayer, citizen, or person interested may become a party to the action by moving against or pleading to the complaint at or before the time set for hearing. The Minnesota Supreme Court shall determine all questions of law and fact and make orders that will enable it to properly try and determine the action and render a final judgment within 30 days of the hearing with the least possible delay.

(j) If the judgment validates appropriation bonds, the judgment is forever conclusive as to all matters adjudicated and as against all parties affected and all others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected in any way by issuing the bonds, and the validity of appropriation bonds or of any revenues pledged for the payment of the bonds, or of the proceedings authorizing the issuance of the bonds, including any remedies provided for their collection, shall never be called in question in any court by any person or party.

(k)(1) Appropriation bonds, when validated under this section, shall have stamped or written on the bonds, by the proper officers of the state issuing them, a statement in substantially the following form: "This bond is one of a series of appropriation bonds, which were validated by judgment of the Supreme Court of the State of Minnesota, rendered on, (year)"

(2) A certified copy of the judgment or decree shall be received as evidence in any court in this state.

(l) The costs shall be paid by the state, except when a taxpayer, citizen, or other person contests the action or intervenes, the court may tax the whole or any part of the costs against the person that is equitable.

(m) A justice of the Minnesota Supreme Court is not disqualified in any validation action because the justice is a landowner or taxpayer of the state.

Sec. 32. **[116J.433] BUSINESS DEVELOPMENT THROUGH CAPITAL PROJECTS GRANT PROGRAM.**

Subdivision 1. **Creation of account.** A business development through capital projects account is created in the bond proceeds fund. Money in the account may only be used for capital costs for eligible projects and public infrastructure.

Subd. 2. **Definitions.** For purposes of this section:

(1) "local governmental unit" means a county, city, town, special district, public higher education institution, or other political subdivision or public corporation;

(2) "governing body" means the city council, board of county commissioners, town board of supervisors, board of trustees, board of regents, or other body charged with governing a political subdivision of the state;

(3) "public infrastructure" means publicly owned physical infrastructure in this state, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, and parking ramps; and

(4) "eligible project" means any project for which general obligation bonds of the state may be issued. Eligible projects must be capital projects for acquisition or improvement of publicly owned fixed assets having a useful life of at least ten years.

Subd. 3. Grant program established. The commissioner shall make competitive grants to local governmental units for eligible projects and public infrastructure required to support an eligible project. Funds granted under this program may be used for the following activities: predesign, design, acquisition of land or buildings, construction, furnishing, and equipping a new or renovated building. The local government unit may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, or construction manager with respect to all or any part of an eligible project and related public infrastructure. The local government unit may deliver the eligible project and related public infrastructure through either a design-build or construction manager at-risk method. To the extent practicable and at the discretion of the local government unit, the local government unit may have rights and exercise powers with respect to the acquisition, construction, use, and operation of an eligible project, as are granted under section 473.756. No consent or approval of another political subdivision is required for the effectiveness or the exercise by a local government unit of the rights or powers.

Subd. 4. Application. (a) A local governmental unit must apply to the commissioner for a grant under this section. At a minimum, a local governmental unit must include the following information in its application:

(1) a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the project is available and committed;

(2) a detailed estimate, along with necessary supporting evidence, of the total costs of the eligible project;

(3) an assessment of the potential or likely use of the site for innovative business activities after completion of the eligible project;

(4) a timeline indicating the major milestones for the eligible project, including anticipated completion dates;

(5) an estimate of the operating costs for the project for ten years following completion; and

(6) any additional information or material the commissioner prescribes.

(b) The determination of whether to make a grant under subdivision 3 is within the discretion of the commissioner, subject to this section.

Subd. 5. Match. An amount granted under this program must be matched with at least an equal amount from nonstate sources.

Subd. 6. Priorities. (a) If applications for grants exceed the available appropriation, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. In making this judgment, the commissioner shall evaluate and prioritize eligible projects on the following characteristics:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) improvement in the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;

(3) increase in the local tax base, based on demonstrated measurable outcomes;

(4) demonstration that investment of public dollars in the project will induce private investment;

(5) whether the project provides necessary repair or replacement of existing capital assets;

(6) whether the project reduces operating expenses of or increases revenue from existing capital asset, thereby offsetting at least a portion of project costs;

(7) whether the project provides health or safety benefits;

(8) the number of residents served by or who will benefit from the project;

(9) demonstration of local support;

(10) the capacity of the project to attract revenue from out of state; and

(11) objective cost benefit analysis and return on investment.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. In prioritizing projects, the commissioner shall make an appropriate balance between the metropolitan area and greater Minnesota.

Subd. 7. **Sunset.** This section expires June 30, 2016.

Sec. 33. **[116J.436] TRANSPORTATION ECONOMIC DEVELOPMENT INFRASTRUCTURE PROGRAM.**

Subdivision 1. **Grant program established; purpose.** The transportation economic development infrastructure program is created to foster interagency coordination between the Departments of Transportation and Employment and Economic Development to finance infrastructure to create economic development opportunities, jobs, and improve all types of transportation systems statewide.

Subd. 2. **Eligible projects.** Funds appropriated for the program must be used to fund predesign, design, acquisition of land, construction, reconstruction, and infrastructure improvements that will promote economic development, increase employment, and improve transportation systems to accommodate private investment and job creation.

Subd. 3. **Trunk highway projects.** Money in the program shall not be used on trunk highway improvements, but can be used for needed infrastructure improvements and nontrunk highway improvements in coordination with trunk highway improvement projects undertaken by the Department of Transportation.

Subd. 4. **Application.** The commissioners of transportation and employment and economic development shall design an application process and selection process to distribute funding to local units of government for publicly owned infrastructure using criteria that take into account: job creation; increase in local tax base; level of private investment; leverage of nonstate funds; improvement to the transportation system to serve the project area; and appropriate geographic balance between the metropolitan area and greater Minnesota.

Sec. 34. Minnesota Statutes 2010, section 462A.21, is amended by adding a subdivision to read:

Subd. 33. **Housing infrastructure bonds account.** The agency may establish a housing infrastructure bond account as a separate account within the housing development fund. Proceeds of housing infrastructure bonds and payments made by the state under section 462A.37 may be credited to the account. The agency may transfer the proceeds of housing infrastructure bonds to other accounts within the housing development fund that it determines appropriate to accomplish the purposes for which the bonds are authorized under section 462A.37.

Sec. 35. **[462A.37] HOUSING INFRASTRUCTURE BONDS; AUTHORIZATION; STANDING APPROPRIATION.**

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

(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

(c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

(d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

(e) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

(f) "Housing infrastructure bonds" means bonds issued by the agency under chapter 462A that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

(g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(h) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Subd. 2. Authorization. (a) The agency may issue up to \$30,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of abandoned or foreclosed property that is attributable to the land to be leased by community land trusts to low- and moderate-income homebuyers; and

(4) to finance the costs of acquisition and rehabilitation of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another governmental unit to finance or refinance such costs.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for individuals or families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

Subd. 3. **No full faith and credit.** The housing infrastructure bonds are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged to the payment of the housing infrastructure bonds or to any payment that the state agrees to make under this section. The bonds must contain a conspicuous statement to that effect.

Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure bonds issued under subdivision 2 remain outstanding, the commissioner of management and budget must transfer to the affordable housing bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$2,200,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 36. Laws 2006, chapter 258, section 7, subdivision 23, as amended by Laws 2010, chapter 399, section 2, is amended to read:

Subd. 23. **Trail connections**

2,010,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$500,000 is for a grant to Carlton County to predesign, design, and construct a nonmotorized pedestrian trail connection to the Willard Munger State Trail from the city of Carlton through the city of Scanlon continuing to the city of Cloquet, along the St. Louis River in Carlton County.

\$260,000 is to provide the state match for the cost of the Soo Line Multiuse Recreational Bridge project over marked Trunk Highway 169 in Mille Lacs County.

\$175,000 is for a grant to the city of Bowlus in Morrison County to design, construct, furnish, and equip a trailhead center at the head of the Soo Line Recreational Trail.

\$125,000 is for a grant to Morrison County to predesign, design, construct, furnish, and equip a park-and-ride lot and restroom building adjacent to the Soo Line Recreational Trail at U.S. Highway 10.

\$950,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority for land acquisition, engineering, construction, furnishing, and equipping of a ~~19-mile "Boundary Waters Connection" of the Mesabi Trail from Bearhead State Park to the International Wolf Center in Ely.~~ This appropriation is ~~contingent upon a matching contribution of \$950,000 from other~~

~~sources, public or private segment of the Mesabi Trail from County Road 697 in Breitung Township east through Vermilion State Park. Notwithstanding Minnesota Statutes, section 85.019, no local match shall be required for this grant.~~ Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

Sec. 37. Laws 2006, chapter 258, section 17, subdivision 3, is amended to read:

Subd. 3. **Cedar Avenue Bus Rapid Transit (BRT)** 5,000,000

To the Metropolitan Council or to the council to grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority for environmental studies, preliminary engineering, bus lane improvements, and transit station construction and improvements in the Cedar Avenue Bus Rapid Transit Corridor.

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

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

Sec. 38. Laws 2008, chapter 179, section 7, subdivision 27, as amended by Laws 2010, chapter 189, section 56, and Laws 2010, chapter 399, section 4, is amended to read:

Subd. 27. **State Trail Acquisition, Rehabilitation, and Development** 15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Chester Woods Trail from Rochester to Dover. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2016.

\$700,000 is for the Casey Jones Trail.

\$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail at Highway 120 with a grade-separated crossing.

\$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

\$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

\$1,500,000 is for the Heartland Trail.

\$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

\$150,000 is for the Mill Towns Trail within the city of Faribault.

\$1,500,000 is for the Minnesota River Trail from Appleton to Milan and to the Marsh Lake Dam. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$250,000 is for the Root River Trail from Preston to Forestville State Park.

\$100,000 is for the Root River Trail, the eastern extension.

\$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

\$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

\$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 39. Laws 2008, chapter 179, section 17, subdivision 4, is amended to read:

Subd. 4. Cedar Avenue Bus Rapid Transit

4,000,000

To the Metropolitan Council or to the Council to grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority to acquire land, or an interest in land, and to for design, environmental studies, preliminary engineering, bus lane improvements, layover and maintenance facilities, and transit station construction and improvements in the

Cedar Avenue Bus Rapid Transit corridor in Dakota County. This appropriation may not be spent for capital improvements within a trunk highway right-of-way. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 3.

EFFECTIVE DATE. This section is effective retroactively from April 8, 2008.

Sec. 40. Laws 2008, chapter 179, section 18, subdivision 3, as amended by Laws 2011, First Special Session chapter 12, section 32, is amended to read:

Subd. 3. **Systemwide Campus Redevelopment, Reuse, or Demolition**

3,400,000

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision. Unspent portions of this appropriation may be used to design, construct, furnish, and equip a maintenance and storage facility to support the maintenance and operation of the Brainerd campus if the commissioner determines that it is less expensive than renovating existing space. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

Up to \$125,000 is for preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. This amount may be granted to Cass County for the purposes stated in this subdivision. If the campus is sold or transferred by Cass County to the city of Walker, unspent portions of this appropriation may be granted to the city of Walker for the purposes stated in this subdivision.

Sec. 41. Laws 2008, chapter 179, section 19, subdivision 4, as amended by Laws 2011, First Special Session chapter 12, section 34, is amended to read:

Subd. 4. **Minneapolis Veterans Home Campus**

Building 17 HVAC Replacement

1,155,000

To predesign, design, and construct improvements to heating, ventilation, air conditioning, and lighting systems and associated areas serving the south wing of Building 17. Any unspent funds from this appropriation may be used for the purposes provided

under Laws 2010, chapter 189, section 19, subdivision 4, as amended by Laws 2010, chapter 399, section 8, and Laws 2011, First Special Session chapter 12, section 46.

Sec. 42. Laws 2008, chapter 179, section 21, subdivision 15, as amended by Laws 2008, chapter 365, section 22, and Laws 2008, chapter 370, section 6, is amended to read:

Subd. 15. **St. Cloud State University - National Hockey Center ; HEAPR**

6,500,000

To the Board of Trustees of the Minnesota State Colleges and Universities to predesign, design, construct, furnish, and equip the renovation of and addition to the National Hockey Center or for higher education asset preservation and replacement (HEAPR) pursuant to Minnesota Statutes, section 135A.046, at St. Cloud State University or systemwide. The board may use university and nonstate money for the remainder of the cost of the construction of the National Hockey Center project. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds in this subdivision are available until June 30, 2016.

Sec. 43. Laws 2009, chapter 93, article 1, section 12, subdivision 2, is amended to read:

Subd. 2. **Transit Capital Improvement Program**

21,000,000

(a) To the Metropolitan Council. \$8,500,000 is for the state's share of costs for the Central Corridor light rail line for one or more of the following activities: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction.

(b) Any remaining money from this appropriation is to implement one or more of the following capital improvements, which are not listed in a ranked order of priority. The council shall determine project priorities after consultation with the Counties Transit Improvement Board, and other stakeholders, as appropriate. The council shall seek geographic balance in the allotment of this appropriation where possible and maximize the use of all available federal money from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any other available federal money.

(1) Bottineau Boulevard Transit Way

For a grant to the Hennepin County Regional Railroad Authority for environmental work for Bottineau Transit Way corridor from the Hiawatha light rail and Northstar intermodal transit station in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove.

(2) Cedar Avenue Bus Rapid Transit

To the Metropolitan Council or to the council for a grant to Dakota County, the Dakota County Regional Rail Railroad Authority, or the Minnesota Valley Transit Authority to acquire real property and construct, for preliminary engineering, and to design and construct transit stations, layover and maintenance facilities, and roadway improvements for shoulder running bus lanes on County State-Aid Highway 23 in Apple Valley and Lakeville for the Cedar Avenue Bus Rapid Transit Way (BRT) in Dakota County.

(3) I-94 Corridor Transit Way

(i) For a grant to Washington County Regional Rail Authority for environmental work and preliminary engineering of transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(ii) To acquire property and construct transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(4) Red Rock Corridor Transit Way

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

(5) Riverview Corridor Transit Way

For a grant to the Ramsey County Regional Railroad Authority for environmental work and preliminary engineering for bus rapid transit in the Riverview corridor between the east side of St. Paul and the Minneapolis-St. Paul International Airport and the Mall of America.

(6) Robert Street Corridor Transit Way

To design and construct new passenger shelters and a bus layover facility, including rest rooms, break areas, and a passenger shelter, in the Robert Street Corridor Transit Way along or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount.

(7) Rush Line Corridor Transit Way

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

(8) Southwest Corridor Transit Way

To prepare an environmental impact statement (EIS) and for preliminary engineering for the Southwest Transit Way Corridor, from the Hiawatha light rail in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie. The Metropolitan Council may grant a portion of this appropriation to the Hennepin County Regional Railroad Authority for the EIS work.

(9) Union Depot

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and construction to revitalize Union Depot for use as a multimodal transit center in St. Paul. The center must be designed so that it facilitates a potential future connection of high-speed rail to Minneapolis.

(c) Of this amount, \$313,000 is for preliminary engineering and final design for betterments in the State Capitol area related to the Central Corridor light rail transit project. This money is not included in the Central Corridor light rail transit project budget.

EFFECTIVE DATE. This section is effective retroactively from May 17, 2009.

Sec. 44. Laws 2010, chapter 189, section 18, subdivision 5, is amended to read:

Subd. 5. Minnesota Sex Offender Program Treatment Facilities - Moose Lake

47,500,000

To complete design for and to construct, furnish, and equip phase 2 of the Minnesota sex offender treatment program at Moose Lake. Upon substantial completion of this project, the unspent portion of this appropriation is available for asset preservation projects for the Moose Lake campus of the Minnesota sex offender program, including design and construction of a replacement water tower, abatement of hazardous materials, and the demolition of the existing water tower serving the Moose Lake sex offender program and the Department of Corrections Moose Lake facility. The water tower project must be cost-shared with the Department of Corrections.

Sec. 45. Laws 2010, chapter 189, section 24, subdivision 3, is amended to read:

Subd. 3. County and Local Preservation Grants

1,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

~~\$150,000 is for a grant to the city of South St. Paul to renovate the historically significant 1941 Navy Hangar at 310 Airport Road at Fleming Field in the city to meet life safety and building code requirements, subject to Minnesota Statutes, section 16A.695. No local match is required for this grant.~~

Sec. 46. Laws 2011, First Special Session chapter 12, section 3, subdivision 7, is amended to read:

Subd. 7. Normandale Community College

Academic Partnership Center and Student Services 21,984,000

To design, construct, furnish, and equip a new building for classrooms and offices ~~and to design, construct, furnish, and equip the renovation of the Student Services Building.~~

Sec. 47. Laws 2011, First Special Session chapter 12, section 3, subdivision 8, is amended to read:

Subd. 8. NHED Mesabi Range Community and Technical College, Virginia

Iron Range Engineering Program Facilities 3,000,000

To predesign, design, construct, furnish, and equip an addition to and renovation of existing space for the Iron Range engineering program, including laboratory spaces, other learning spaces, and improvements to the entrance, ~~and to acquire a privately owned housing facility on the campus.~~

Sec. 48. Laws 2011, First Special Session chapter 12, section 14, subdivision 2, is amended to read:

Subd. 2. Transit Capital Improvement Program 20,000,000

To the Metropolitan Council or for the Council to grant to Anoka County Regional Railroad Authority, Dakota County, Dakota County Regional Railroad Authority, Hennepin County, Hennepin County Regional Railroad Authority, Minnesota Valley Transit Authority, Ramsey County Regional Railroad Authority, or Washington County Regional Railroad Authority to perform environmental studies, preliminary engineering, acquire property or an interest in property, design or construct transitway facilities and infrastructure, including roadways, for the following transitway projects: Northstar Ramsey station, Gateway (I-94 East) corridor, Minneapolis Interchange facility, Red Rock corridor, Newport park-and-ride and station, Rush Line corridor, Robert Street corridor, 35W South Bus Rapid Transit, and Cedar Avenue Bus Rapid Transit.

Sec. 49. Laws 2011, First Special Session chapter 12, section 19, is amended to read:

Sec. 19. **PUBLIC FACILITIES AUTHORITY**

\$20,000,000

Wastewater Infrastructure Funding Program

To the Public Facilities Authority for grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

Notwithstanding the criteria and requirements of Minnesota Statutes, section 446A.072, up to \$1,000,000 of this appropriation is for a grant to the city of Albert Lea to design, construct, and equip water and sewer utilities in the area of Broadway Avenue and Main Street. This project may include demolition of deteriorating concrete curbs, gutters, sidewalks, and streets above the utilities, and the construction costs to replace and rehabilitate the infrastructure.

Sec. 50. Laws 2011, First Special Session chapter 12, section 22, is amended to read:

Sec. 22. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2013, no more than ~~\$1,200,858,000~~ \$1,088,452,000 will need to be transferred ~~from the general fund~~ to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Of the amount transferred, \$452,708,000 is from the general fund and \$635,745,000 is from the tobacco settlement bond proceeds fund. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 51. **LAKE SUPERIOR-POPLAR RIVER WATER DISTRICT.**

Subdivision 1. **Establishment.** The Lake Superior-Poplar River Water District is created as a municipal corporation, having the powers provided under Minnesota Statutes, chapters 110A; 429, notwithstanding any provision of chapter 110A to the contrary; and 444. Notwithstanding any law to the contrary, the district shall not have the power to issue general obligation bonds. Minnesota Statutes, sections 110A.04, 110A.07, and 110A.09 to 110A.18, shall not apply to the district or to the board created by this act.

Subd. 2. **Definitions.** For purposes of applying Minnesota Statutes, chapter 110A, to this act, "works" and "systems" shall include irrigation purposes, "court" is deemed to refer to the board of county commissioners; and "secretary of state" is deemed to refer to the county auditor.

Subd. 3. **Territory included in district.** The territory of the district shall include all lands within Sections 20, 21, 28, 29, 32, and 33 of Township 60 North, Range 3 West of the Fourth Principal Meridian. Additional territory may be added as provided in Minnesota Statutes, sections 110A.19 to 110A.22.

Subd. 4. **Payment of costs.** No person shall be obligated to purchase or be entitled to receive water from the district unless that person is a party to a contract to purchase water from the district. Excluding any initial capital investment funded by the state, all capital and operating expenses of the district shall be paid by the users in proportion to their use of water. The cost of distribution lines: (1) departing from the main water pipe from Lake Superior to the domestic water treatment plant to any user; or (2) from the water treatment plant to any user, shall be paid for by the user of the water either at the time of installation or by user charges that allow the district to recoup the full cost of the distribution lines and the cost of financing. Subject to this subdivision and the availability of water under any applicable permit with a state or federal agency, any owner of land within the district may contract with the district for the purchase of water.

Subd. 5. **Board of directors; elections.** (a) The district shall be governed by a board of directors which shall have not less than three nor more than 13 members. The district's initial directors shall be appointed by the Cook County Board of Commissioners, with one director representing the domestic water users to serve for three years; up to two directors representing the irrigation water users, one to serve for two years and one to serve for three years; and up to two directors representing the commercial, stock watering, and industrial users, one to serve for one year and one to serve for two years.

(b) The district's establishment shall take effect upon the Cook County Board of Commissioners' appointment of the initial directors. The initial directors shall meet for the purposes of organization within 30 days of their appointment. Thereafter, except as otherwise provided in this subdivision, directors shall be elected in accordance with Minnesota Statutes, section 110A.24, from election divisions comprised of domestic water users; irrigation water users, and commercial, stock watering, and industrial users. Each use classification shall be entitled to elect one director, plus one additional director if its expected water usage for the following fiscal year exceeds ten percent of total water usage. Each water user within each use classification shall be entitled to cast one vote for each one percent of expected water usage for the following fiscal year. A homeowner's association shall vote on behalf of its members if duly authorized by appropriate action by the association's members. Prior to each election, the board of directors shall determine the use classifications entitled to vote, the expected water use percentage of each user and of use classification for the following fiscal year, and the number of directors each such use classification is entitled to elect. The elections shall be conducted and supervised by the board of directors and ratified by the Cook County Board of Commissioners.

Subd. 6. **Termination of appropriation of water from Poplar River.** Notwithstanding any law to the contrary, 30 days after the works and systems to transport water from Lake Superior to Lutsen Mountains Corporation's snowmaking systems first become fully permitted and operational, the water district shall notify the commissioner of natural resources and all permits issued by the Department of Natural Resources to Lutsen Mountains Corporation to use or appropriate water from the Poplar River shall terminate. For the purposes of section 53, paragraph (b), the commissioner of natural resources shall notify the revisor of statutes in writing when the permits have been terminated.

EFFECTIVE DATE; LOCAL APPROVAL. This section is effective the day after the governing body of Cook County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 53. **REPEALER.**

(a) Minnesota Rules, part 8895.0700, subpart 1, is repealed.

(b) Laws 2011, chapter 107, section 101, is repealed effective the day the permits have been terminated under section 51, subdivision 6. The commissioner of natural resources shall notify the revisor of statutes in writing when the permits have been terminated.

Sec. 54. **EFFECTIVE DATE.**

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

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing programs; authorizing the sale and issuance of state bonds; modifying previous appropriations; authorizing Cook County to form a district for the construction of water facilities and provision of water service; authorizing the commissioner of natural resources to make certain acquisitions of land or interests in land; appropriating money; amending Minnesota Statutes 2010, sections 16A.633, by adding a subdivision; 16A.641, subdivision 9; 462A.21, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 16A.641, subdivision 7; 16A.96, by adding a subdivision; Laws 2006, chapter 258, sections 7, subdivision 23, as amended; 17, subdivision 3; Laws 2008, chapter 179, sections 7, subdivision 27, as amended; 17, subdivision 4; 18, subdivision 3, as amended; 19, subdivision 4, as amended; 21, subdivision 15, as amended; Laws 2009, chapter 93, article 1, section 12, subdivision 2; Laws 2010, chapter 189, sections 18, subdivision 5; 24, subdivision 3; Laws 2011, First Special Session chapter 12, sections 3, subdivisions 7, 8; 14, subdivision 2; 19; 22; proposing coding for new law in Minnesota Statutes, chapters 15B; 116J; 462A; repealing Laws 2011, chapter 107, section 101; Minnesota Rules, part 8895.0700, subpart 1."

The motion prevailed and the amendment was adopted.

Rukavina and Hausman moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 37, after line 12, insert:

"Sec. 32. **[16B.323] SOLAR ENERGY IN STATE BUILDINGS.**

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

(b) "Made in Minnesota" means the manufacture in this state of:

(1) components of a solar thermal system certified by the Solar Rating and Certification Corporation; or

(2) solar photovoltaic modules that:

(i) are manufactured at a manufacturing facility in Minnesota that is registered and authorized to manufacture those solar photovoltaic modules by Underwriters Laboratory, CSA International, Intertek, or an equivalent independent testing agency;

(ii) bear certification marks from Underwriters Laboratory, CSA International, Intertek, or an equivalent independent testing agency; and

(iii) meet the requirements of section 116C.7791, subdivision 3, paragraph (a), clauses (1), (5), and (6).

For the purposes of clause (2), "manufactured" has the meaning given in section 116C.7791, subdivision 1, paragraph (b), clauses (1) and (2).

(c) "Major renovation" means a substantial addition to an existing building, or a substantial change to the interior configuration or the energy system of an existing building.

(d) "Solar energy system" means solar photovoltaic modules alone or installed in conjunction with a solar thermal system.

(e) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

(f) "Solar thermal system" has the meaning given "qualifying solar thermal project" in section 216B.2411, subdivision 2, paragraph (e).

(g) "State building" means a building whose construction or renovation is paid wholly or in part by the state from the bond proceeds fund.

Subd. 2. **Required solar energy system.** (a) Except as provided in paragraphs (b) to (e), a project for the construction or major renovation of a state building must include installation of "Made in Minnesota" solar energy systems of 40 kilowatts capacity on, adjacent to, or in proximity to the state building.

(b) The capacity of a solar system must be less than 40 kilowatts to the extent necessary to match the electrical load of the building or to the extent necessary to keep the costs for the installation below the five percent maximum set by paragraph (c).

(c) The cost of the solar system must not exceed five percent of the appropriations from the bond proceeds fund for the construction or renovation of the state building. Purchase and installation of a solar thermal system may account for no more than 25 percent of the cost of a solar system installation.

(d) The commissioner may exempt a major renovation of a state building from the requirements of this section if the commissioner finds that the structural soundness or other physical condition of the state building to be renovated makes the installation of a solar energy system infeasible.

(e) The commissioner may exempt appropriations for construction or major renovation of a state building authorized before June 30, 2012, from the requirements of this section if the commissioner determines that the installation of a solar energy system would require the redesign of program space or major building systems, but in no event shall more than 20 percent of the applicable projects be exempted under this paragraph.

(f) A project subject to this section is ineligible to receive a rebate for the installation of a solar energy system under section 116C.7791 or from any utility.

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

A roll call was requested and properly seconded.

The question was taken on the Rukavina and Hausman amendment and the roll was called. There were 62 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Hilty	Liebling	Murphy, M.	Smith
Allen	Eken	Hornstein	Lillie	Nelson	Thissen
Anzelc	Falk	Hortman	Loeffler	Norton	Tillberry
Atkins	Fritz	Hosch	Mahoney	Paymar	Wagenius
Benson, J.	Gauthier	Howes	Mariani	Pelowski	Ward
Brynaert	Greene	Johnson	Marquart	Persell	Westrom
Carlson	Greiling	Kahn	Melin	Rukavina	Winkler
Champion	Hackbarth	Knuth	Moran	Scalze	
Clark	Hansen	Laine	Morrow	Simon	
Davnie	Hausman	Lenczewski	Mullery	Slawik	
Dill	Hilstrom	Lesch	Murphy, E.	Slocum	

Those who voted in the negative were:

Anderson, B.	Daudt	Gruenhagen	Kriesel	Murray	Shimanski
Anderson, D.	Davids	Gunther	Lanning	Myhra	Stensrud
Anderson, P.	Dean	Hamilton	Leidiger	Nornes	Swedzinski
Anderson, S.	Dettmer	Hancock	LeMieur	O'Driscoll	Torkelson
Banaian	Doepke	Holberg	Lohmer	Peppin	Urdahl
Barrett	Downey	Hoppe	Loon	Petersen, B.	Vogel
Beard	Drazkowski	Huntley	Mack	Poppe	Wardlow
Benson, M.	Erickson	Kath	Mazorol	Quam	Woodard
Bills	Fabian	Kelly	McDonald	Runbeck	Spk. Zellers
Buesgens	Franson	Kieffer	McElpatrick	Sanders	
Cornish	Garofalo	Kiel	McFarlane	Schomacker	
Crawford	Gottwalt	Kiffmeyer	McNamara	Scott	

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

Howes moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 24, delete lines 20 to 23

Page 38, line 28, after the period, insert "Any contribution to a project from nonstate sources made before a grant award is made under this section shall count towards the match requirement."

Page 57, after line 21, insert:

"Sec. 52. **ACQUISITIONS FOR CANISTEO PROJECT.**

The commissioner of natural resources shall acquire, without undue delay, the land or interests in land that are needed to construct a conveyance system and other betterments to accommodate the water level and outflow of water level from the Canisteo mine pit. The commissioner may acquire the land or interest in land by eminent domain, including use of the possession procedures under Minnesota Statutes, section 117.042."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Drazkowski moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 21, line 32, delete "10,000,000" and insert "60,000,000"

Page 28, delete subdivision 5

Renumber the subdivisions in sequence

Page 37, delete section 32

Renumber the sections and subdivisions in sequence and correct the internal references

Amend the title accordingly

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski amendment and the roll was called. There were 47 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Doepke	Hamilton	Kiffmeyer	Murray	Swedzinski
Anderson, P.	Downey	Hancock	Leidiger	Myhra	Torkelson
Barrett	Drazkowski	Holberg	Lohmer	Peppin	Vogel
Benson, M.	Erickson	Hoppe	Loon	Quam	Wardlow
Bills	Fabian	Kath	Mack	Runbeck	Westrom
Buesgens	Franson	Kelly	Mazorol	Schomacker	Woodard
Daudt	Gruenhagen	Kieffer	McDonald	Scott	Spk. Zellers
Dettmer	Hackbarth	Kiel	McElfatrick	Shimanski	

Those who voted in the negative were:

Abeler	Crawford	Gunther	Laine	Moran	Rukavina
Allen	Dauids	Hansen	Lanning	Morrow	Sanders
Anderson, D.	Davnie	Hausman	LeMieur	Mullery	Scalze
Anderson, S.	Dean	Hilstrom	Lenczewski	Murphy, E.	Simon
Anzelc	Dill	Hilty	Lesch	Murphy, M.	Slawik
Atkins	Dittrich	Hornstein	Liebling	Nelson	Slocum
Banaian	Eken	Hortman	Lillie	Nornes	Smith
Beard	Falk	Hosch	Loeffler	Norton	Stensrud
Benson, J.	Fritz	Howes	Mahoney	O'Driscoll	Thissen
Brynaert	Garofalo	Huntley	Mariani	Paymar	Tillberry
Carlson	Gauthier	Johnson	Marquart	Pelowski	Urdahl
Champion	Gottwalt	Kahn	McFarlane	Persell	Wagenius
Clark	Greene	Knuth	McNamara	Petersen, B.	Ward
Cornish	Greiling	Kriesel	Melin	Poppe	Winkler

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

Kahn and Buesgens moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 42, after line 8, insert:

"Sec. 36. Minnesota Statutes 2010, section 469.048, subdivision 2, is amended to read:

Subd. 2. **Port authority.** Notwithstanding any other law to the contrary, "port authority" or "authority" means a port authority created under section 469.049 or a special law, and must have operating bulkheads, jetties, piers, wharves, or landing places for water transfer utilized by nonpassenger boats or vessels used in navigating the waters of this state. "Port authority" includes a seaway port authority.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to port authorities created on or after that date. Any port authority that does not meet the requirements of this section and which was created prior to the date of enactment of this section, sunsets two years from the date of enactment.

Sec. 37. Minnesota Statutes 2010, section 469.049, subdivision 2, is amended to read:

Subd. 2. **Public body characteristics.** A port authority must have operating bulkheads, jetties, piers, wharves, or landing places for water transfer utilized by nonpassenger boats or vessels used in navigating the waters of this state.

A port authority is a body politic and corporate with the right to sue and be sued in its own name.

A port authority is a governmental subdivision under section 282.01.

A port authority carries out an essential governmental function of the state when it exercises its power, but the authority is not immune from liability because of this.

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 did not prevail and the amendment was not adopted.

Persell moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 20, line 11, delete "19,500,000" and insert "9,250,000"

Page 25, line 23, delete "3,050,000" and insert "13,050,000"

Page 25, after line 30, insert:

Subd. 4. **Northern Minnesota Veterans Home**

250,000

For predesign of a 90-bed geriatric nursing facility for veterans on the campus of the North County Regional Hospital in the city of Bemidji. This facility shall be known as the "Northern Minnesota Veterans Home."

Renumber the subdivisions in sequence

Adjust amounts accordingly

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

Abeler, Hausman and Howes moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 37, line 33, delete everything after "project" and insert ", which may include"

Page 37, line 34, delete "following activities"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Drazkowski moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 31, after line 17, insert:

"Sec. 27. **DEBT SERVICE FROM LEGACY AMENDMENT FUNDS.**

Subdivision 1. **Debt service from outdoor heritage fund.** (a) The amount necessary to pay the debt service on the bonds issued in section 26, subdivision 1, for the appropriations in this act that are listed in paragraph (b) is annually appropriated from the outdoor heritage fund under the Minnesota Constitution, article XI, section 15, to the commissioner of management and budget for transfer to the state bond fund. The commissioner of management and budget shall determine the debt service amount required by this subdivision as provided in Minnesota Statutes, section 16A.643.

(b) The following appropriations are subject to paragraph (a):

(1) Department of Natural Resources, state forest land reforestation, section 7, subdivision 5; and

(2) Board of Water and Soil Resources, RIM, section 9, subdivision 2.

Subd. 2. **Debt service from clean water fund.** (a) The amount necessary to pay the debt service on the bonds issued in section 26, subdivision 1, for the appropriations in this act that are listed in paragraph (b) is annually appropriated from the clean water fund under the Minnesota Constitution, article XI, section 15, to the commissioner of management and budget for transfer to the state bond fund. The commissioner of management and budget shall determine the debt service amount required by this subdivision as provided in Minnesota Statutes, section 16A.643.

(b) The following appropriations are subject to paragraph (a):

(1) Department of Natural Resources, Lake Zumbro, section 7, subdivision 8; and

(2) Board of Water and Soil Resources, Wetland Replacement due to public road projects, section 9, subdivision 3.

Subd. 3. Debt service from parks and trails fund. (a) The amount necessary to pay the debt service on the bonds issued in section 26, subdivision 1, for the appropriations in this act that are listed in paragraph (b) is annually appropriated from the parks and trails fund under the Minnesota Constitution, article XI, section 15, to the commissioner of management and budget for transfer to the state bond fund. The commissioner of management and budget shall determine the debt service amount required by this subdivision as provided in Minnesota Statutes, section 16A.643.

(b) The following appropriations are subject to paragraph (a):

(1) Department of Natural Resources, state parks and trails renewal and development, section 7, subdivision 6;

(2) Metropolitan Council, regional parks capital improvements, section 17, subdivision 2; and

(3) Department of Natural Resources, Lake Vermillion State Park, section 7, subdivision 7.

Subd. 4. Debt service from arts and cultural heritage fund. (a) The amount necessary to pay the debt service on the bonds issued in section 26, subdivision 1, for the appropriations in this act that are listed in paragraph (b) is annually appropriated from the arts and cultural heritage fund under the Minnesota Constitution, article XI, section 15, to the commissioner of management and budget for transfer to the state bond fund. The commissioner of management and budget shall determine the debt service amount required by this subdivision as provided in Minnesota Statutes, section 16A.643.

(b) The following appropriations are subject to paragraph (a):

(1) Perpich Center for Arts Education, section 6;

(2) Bemidji, Lakeland public television media center, section 21, subdivision 7; and

(3) Minnesota Historical Society, section 24.

Subd. 5. Supplemental debt service. If in any year, money in any of the funds from which debt service is to be paid under this section is not sufficient, the additional amount needed for debt service is appropriated as provided in section 16A.641."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski amendment and the roll was called. There were 37 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Benson, M.	Daudt	Drazkowski	Franson	Hancock
Barrett	Bills	Dettmer	Erickson	Garofalo	Kelly
Beard	Buesgens	Downey	Fabian	Gruenhagen	Kiffmeyer

Leidiger	McElpatrick	Quam	Schomacker	Wardlow
Lohmer	Murray	Rukavina	Scott	Westrom
Mazorol	Peppin	Runbeck	Shimanski	Woodard
McDonald	Petersen, B.	Sanders	Swedzinski	

Those who voted in the negative were:

Abeler	Dean	Hilstrom	Lanning	Morrow	Slocum
Allen	Dill	Holberg	LeMieur	Mullery	Smith
Anderson, P.	Dittrich	Hoppe	Lenczewski	Murphy, E.	Stensrud
Anderson, S.	Doepke	Hornstein	Lesch	Murphy, M.	Thissen
Anzelc	Eken	Hortman	Liebling	Myhra	Tillberry
Atkins	Falk	Hosch	Lillie	Nelson	Torkelson
Banaian	Fritz	Howes	Loeffler	Nornes	Urdahl
Benson, J.	Gauthier	Huntley	Loon	Norton	Vogel
Brynaert	Gottwalt	Johnson	Mack	O'Driscoll	Wagenius
Carlson	Greene	Kahn	Mahoney	Paymar	Ward
Champion	Greiling	Kath	Mariani	Pelowski	Winkler
Clark	Gunther	Kieffer	Marquart	Persell	Spk. Zellers
Cornish	Hackbarth	Kiel	McFarlane	Poppe	
Crawford	Hamilton	Knuth	McNamara	Scalze	
Davids	Hansen	Kriesel	Melin	Simon	
Davnie	Hausman	Laine	Moran	Slawik	

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

Hausman moved to amend H. F. No. 1752, the first engrossment, as amended, as follows:

Page 2, line 28, after "design" insert "and initiate infrastructure improvements for"

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. 1752, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing programs; authorizing the sale and issuance of state bonds; modifying previous appropriations; authorizing Cook County to form a district for the construction of water facilities and provision of water service; authorizing the commissioner of natural resources to make certain acquisitions of land or interests in land; appropriating money; amending Minnesota Statutes 2010, section 462A.21, by adding a subdivision; Laws 2006, chapter 258, sections 7, subdivision 23, as amended; 17, subdivision 3; Laws 2008, chapter 179, sections 7, subdivision 27, as amended; 17, subdivision 4; 19, subdivision 4, as amended; 21, subdivision 15, as amended; Laws 2009, chapter 93, article 1, section 12, subdivision 2; Laws 2010, chapter 189, sections 18, subdivision 5; 21, subdivision 4, as amended; 24, subdivision 3; Laws 2011, First Special Session chapter 12, sections 3, subdivisions 7, 8; 14, subdivision 2; 19; 22; proposing coding for new law in Minnesota Statutes, chapters 116J; 462A; repealing Laws 2011, chapter 107, section 101; Minnesota Rules, part 8895.0700, subpart 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 99 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Hausman	LeMieur	Mullery	Slawik
Allen	Dettmer	Hilstrom	Lenczewski	Murphy, E.	Slocum
Anderson, P.	Dill	Hilty	Lesch	Murphy, M.	Smith
Anzelc	Dittrich	Hornstein	Liebling	Murray	Swedzinski
Atkins	Eken	Hortman	Lillie	Nelson	Thissen
Banaian	Fabian	Hosch	Loeffler	Nornes	Tillberry
Barrett	Falk	Howes	Lohmer	Norton	Torkelson
Beard	Franson	Huntley	Mahoney	O'Driscoll	Urdahl
Benson, J.	Fritz	Johnson	Mariani	Paymar	Vogel
Brynaert	Garofalo	Kahn	Marquart	Pelowski	Wagenius
Carlson	Gauthier	Kath	Mazorol	Persell	Ward
Champion	Gottwalt	Kelly	McElfatrick	Poppe	Westrom
Clark	Greene	Kiel	McFarlane	Rukavina	Winkler
Cornish	Greiling	Knuth	McNamara	Scalze	Spk. Zellers
Crawford	Gunther	Kriesel	Melin	Schomacker	
Davids	Hamilton	Laine	Moran	Shimanski	
Davnie	Hansen	Lanning	Morrow	Simon	

Those who voted in the negative were:

Anderson, B.	Daudt	Hackbarth	Leidiger	Petersen, B.	Wardlow
Anderson, D.	Doepke	Hancock	Loon	Quam	Woodard
Anderson, S.	Downey	Holberg	Mack	Runbeck	
Benson, M.	Drazkowski	Hoppe	McDonald	Sanders	
Bills	Erickson	Kieffer	Myhra	Scott	
Buesgens	Gruenhagen	Kiffmeyer	Peppin	Stensrud	

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

Pursuant to rule 1.22, Holberg requested immediate consideration of S. F. No. 1983.

S. F. No. 1983 was reported to the House.

Holberg, Cornish and McElfatrick moved to amend S. F. No. 1983, the second engrossment, as follows:

Page 2, line 27, delete "reduced to"

Page 2, after line 33, insert:

"EFFECTIVE DATE. This section is effective for policies issued or renewed on or after July 1, 2013."

Page 3, before line 1, insert:

"Sec. 3. Minnesota Statutes 2011 Supplement, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. \$4,227,000 in fiscal year 2012, \$4,228,000 in fiscal year 2013, and \$2,368,000 in ~~each year thereafter~~ fiscal years 2014 and 2015 is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

Sec. 4. Minnesota Statutes, section 299F.12, is amended by adding a subdivision to read:

Subd. 4. **LEGISLATIVE INTENT; FIRE SAFETY ACCOUNT.** The legislature intends that all money in the fire safety account be appropriated to the commissioner of public safety to fund the state fire marshal's office and activities and programs under this section."

Page 4, after line 9, insert:

"Sec. 7. **FIRE SAFETY ACCOUNT; BASE FUNDING.**

The base for the state fire marshal appropriation is \$4,487,000 in fiscal year 2014 and \$4,487,000 in fiscal year 2015. The base for the firefighter training and education appropriation is \$2,700,000 in fiscal year 2014 and \$2,700,000 in fiscal year 2015."

Page 4, line 13, after the period, insert "Of this appropriation, \$500,000 is for equipment for regional and state teams."

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. 1983, A bill for an act relating to appropriations; eliminating a fire safety account allocation; modifying certain surcharges; eliminating the transfer of funds from the construction code fund to the general fund; appropriating money for the fire safety account; requiring a report; amending Minnesota Statutes 2010, section 297I.06, subdivision 1; Minnesota Statutes 2011 Supplement, sections 16A.152, subdivision 2; 326B.148, subdivision 1; Laws 2007, chapter 135, article 1, section 16.

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	Brynaert	Daudt	Doepke	Franson
Allen	Banaian	Buesgens	Dauids	Downey	Fritz
Anderson, B.	Barrett	Carlson	Davnie	Drazkowski	Garofalo
Anderson, D.	Beard	Champion	Dean	Eken	Gauthier
Anderson, P.	Benson, J.	Clark	Detmer	Erickson	Gottwalt
Anderson, S.	Benson, M.	Cornish	Dill	Fabian	Greene
Anzelc	Bills	Crawford	Dittrich	Falk	Greiling

Gruenhagen	Huntley	Lesch	Melin	Persell	Stensrud
Gunther	Johnson	Liebling	Moran	Petersen, B.	Swedzinski
Hackbarth	Kahn	Lillie	Morrow	Poppe	Thissen
Hamilton	Kath	Loeffler	Mullery	Quam	Tillberry
Hancock	Kelly	Lohmer	Murphy, E.	Rukavina	Torkelson
Hansen	Kieffer	Loon	Murphy, M.	Runbeck	Urdahl
Hausman	Kiel	Mack	Murray	Sanders	Vogel
Hilstrom	Kiffmeyer	Mahoney	Myhra	Scalze	Wagenius
Hilty	Knuth	Mariani	Nelson	Schomacker	Ward
Holberg	Kriesel	Marquart	Nornes	Scott	Wardlow
Hoppe	Laine	Mazorol	Norton	Shimanski	Westrom
Hornstein	Lanning	McDonald	O'Driscoll	Simon	Winkler
Hortman	Leidiger	McElfatrick	Paymar	Slawik	Woodard
Hosch	LeMieur	McFarlane	Pelowski	Slocum	Spk. Zellers
Howes	Lenczewski	McNamara	Peppin	Smith	

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

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 1485.

H. F. No. 1485 was reported to the House.

Lanning moved to amend H. F. No. 1485, the sixth engrossment, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
MINNESOTA STADIUM AUTHORITY

Section 1. Minnesota Statutes 2010, section 3.971, subdivision 6, is amended to read:

Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements of the state of Minnesota required by section 16A.50 and, as resources permit, shall audit Minnesota State Colleges and Universities, the University of Minnesota, state agencies, departments, boards, commissions, courts, and other state organizations subject to audit by the legislative auditor, including the State Agricultural Society, Agricultural Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco, Metropolitan Sports Facilities Commission, Minnesota Stadium Authority, Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial audits must be conducted according to generally accepted government auditing standards. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with and may, as part of a financial audit or separately, investigate allegations of noncompliance.

Sec. 2. Minnesota Statutes 2010, section 3.9741, is amended by adding a subdivision to read:

Subd. 4. **Minnesota Stadium Authority.** Upon the audit of the financial accounts and affairs of the Minnesota Stadium Authority, the authority is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the authority either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund.

Sec. 3. Minnesota Statutes 2011 Supplement, section 10A.01, subdivision 35, is amended to read:

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

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house of representatives, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;
- (6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;
- (7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;
- (8) executive director of the State Board of Investment;
- (9) deputy of any official listed in clauses (7) and (8);
- (10) judge of the Workers' Compensation Court of Appeals;
- (11) administrative law judge or compensation judge in the State Office of Administrative Hearings or unemployment law judge in the Department of Employment and Economic Development;
- (12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;
- (13) member or chief administrator of a metropolitan agency;
- (14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;
- (15) member or executive director of the Higher Education Facilities Authority;
- (16) member of the board of directors or president of Enterprise Minnesota, Inc.;
- (17) member of the board of directors or executive director of the Minnesota State High School League;
- (18) member of the Minnesota Ballpark Authority established in section 473.755;
- (19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056; ~~or~~

(24) ~~a~~ citizen member of the Clean Water Council established in section 114D.30; or

(25) member or chief executive of the Minnesota Stadium Authority established in section 473J.07.

Sec. 4. **[16A.726] FOOTBALL STADIUM GRANTS; APPROPRIATIONS.**

(a) If state appropriation bonds have not been issued under section 16A.965, amounts not to exceed the increased revenues estimated by the commissioner of management and budget under section 297E.021, subdivision 2, are appropriated from the general fund to the commissioner of management and budget to make grants to the Minnesota Stadium Authority for stadium costs as defined under section 473J.03, subdivision 8.

(b) The commissioner shall make grants to the Minnesota Stadium Authority required to make the state payments under section 473J.13, subdivisions 2 and 4, and for the amount of Minneapolis taxes withheld under section 297A.994, subdivision 4, paragraph (a), clause (5). Amounts sufficient to make the grants are appropriated to the commissioner from the general fund.

Sec. 5. Minnesota Statutes 2010, section 297A.71, is amended by adding a subdivision to read:

Subd. 43. **Building materials; football stadium.** Materials and supplies used or consumed in, and equipment incorporated into, the construction or improvement of the football stadium and stadium infrastructure as defined in section 473J.03, subdivisions 7 and 9, are exempt. This subdivision expires one year after the date that the first National Football League game is played in the stadium for materials, supplies, and equipment used in the construction and equipping of the stadium, and five years after the issuance of the first bonds under article 2 for materials, supplies, and equipment used in the public infrastructure.

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

Sec. 6. Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Stadium Authority;

~~(5)~~ (6) sports facilities located on land owned by the Metropolitan Sports Commission; and

~~(6)~~ (7) exclusive liquor stores.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A city may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the city for the purposes of summer collegiate league baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games at the ballpark or stadium.

Sec. 7. Minnesota Statutes 2010, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

(1) employees of the Minnesota Historical Society;

(2) employees of the State Horticultural Society;

(3) employees of the Minnesota Crop Improvement Association;

(4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;

(5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;

(6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);

(7) employees of the legislature who are appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;

(8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(9) employees of the Minnesota Safety Council;

(10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) personnel who are employed as seasonal employees in the classified or unclassified service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Insurance Fraud Prevention Division under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply; ~~and~~

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply: and

(19) employees of the Minnesota Stadium Authority.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 8. **[473J.01] PURPOSE.**

The purpose of this chapter is to provide for the construction, financing, and long-term use of a stadium and related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural, and commercial activities. The legislature finds and declares that the expenditure of public money for this purpose is necessary and serves a public purpose, and that property acquired by the Minnesota Stadium Authority for the construction of the stadium and related stadium infrastructure is acquired for a public use or public purpose under chapter 117. The legislature further finds and declares that any provision in a lease or use agreement with a professional football team that requires the team to play all of its home games in a publicly funded stadium for the duration of the lease or use agreement, with the occasional exception of a game played elsewhere as set forth in such agreement, serves a unique public purpose for which the remedies of specific performance and injunctive relief are essential to its enforcement. The legislature further finds and declares that government assistance to facilitate the presence of professional football provides to the state of Minnesota and its citizens highly

valued intangible benefits that are virtually impossible to quantify and, therefore, not recoverable even if the government receives monetary damages in the event of a team's breach of contract. Minnesota courts are, therefore, charged with protecting those benefits through the use of specific performance and injunctive relief as provided in this chapter and in the lease and use agreements.

Sec. 9. **[473J.03] DEFINITIONS.**

Subdivision 1. **Application.** For the purposes of this chapter, the terms defined in this section have the meanings given them, except as otherwise expressly provided or indicated by the context.

Subd. 2. **Adjustment factor.** "Adjustment factor" means for any year the increase, if any, in the amounts of the city of Minneapolis taxes, imposed under a special law originally enacted in 1986, that are received by the commissioner of revenue in the preceding year over the amount received in the year prior to the preceding year, expressed as a percentage of the amount received in the year prior to the preceding year; provided, that the adjustment factor for any year must not be less than zero percent nor more than five percent.

Subd. 3. **Authority.** "Authority" means the Minnesota Stadium Authority established under section 473J.07.

Subd. 4. **City.** "City" means the city of Minneapolis.

Subd. 5. **NFL.** The "NFL" means the National Football League.

Subd. 6. **NFL team.** "NFL team" means the owner and operator of the NFL professional football team known, as of the effective date of this chapter, as the Minnesota Vikings or any team owned and operated by someone who purchases or otherwise takes ownership or control of or reconstitutes the NFL team known as the Minnesota Vikings.

Subd. 7. **Stadium.** "Stadium" means the stadium suitable for professional football to be designed, constructed, and financed under this chapter. A stadium must have a roof that covers the stadium, as set forth in section 473J.11, subdivision 3.

Subd. 8. **Stadium costs.** "Stadium costs" means the costs of acquiring land, the costs of stadium infrastructure, and of designing, constructing, equipping, and financing a stadium suitable for professional football.

Subd. 9. **Stadium infrastructure.** "Stadium infrastructure" means plazas, parking structures, rights of way, connectors, skyways and tunnels, and other such property, facilities, and improvements, owned by the authority or determined by the authority to facilitate the use and development of the stadium.

Subd. 10. **Stadium site.** "Stadium site" means all or portions of the current site of the existing football stadium and adjacent areas, bounded generally by Park and Eleventh Avenues and Third and Sixth Streets in the city of Minneapolis, the definitive boundaries of which shall be determined by the authority and agreed to by the NFL team.

Sec. 10. **[473J.07] MINNESOTA STADIUM AUTHORITY.**

Subdivision 1. **Established.** The Minnesota Stadium Authority is established as a public body, corporate and politic, and political subdivision of the state. The authority is not a joint powers entity or an agency or instrumentality of the city.

Subd. 2. Membership. (a) The authority shall consist of five members.

(b) The chair and two members shall be appointed by the governor. One member appointed by the governor shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed by the governor shall serve four-year terms, beginning January 1. Each member serves until a successor is appointed and takes office. The chair serves at the pleasure of the governor. Appointments under this paragraph are subject to the advice and consent of the senate. Senate confirmation shall be as provided by section 15.066.

(c) The mayor of the city shall appoint two members to the authority. One member appointed by the mayor of the city shall serve until December 31 of the third year following appointment and one member shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed under this paragraph shall serve four-year terms beginning January 1. Each member serves until a successor is appointed and takes office. Members appointed under this paragraph may reside within the city and may be appointed officials of a political subdivision.

(d) The initial members of the authority must be appointed not later than 30 days after the date of enactment of this chapter.

Subd. 3. Compensation. The authority may compensate its members, other than the chair, as provided in section 15.0575. The chair shall receive, unless otherwise provided by other law, a salary in an amount fixed by the authority, and shall be reimbursed for reasonable expenses to the same extent as a member.

Subd. 4. Chair. The chair presides at all meetings of the authority, if present, and performs all other assigned duties and functions. The authority may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair, and any other officers the authority determines are necessary or convenient.

Subd. 5. Removal. A member, other than the chair, may be removed by the appointing authority only for misfeasance, malfeasance, or nonfeasance in office, upon written charges, and after an opportunity to be heard in defense of the charges.

Subd. 6. Bylaws. The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision must be similar in form and substance to bylaws adopted by the Minnesota Ballpark Authority pursuant to section 473.755.

Subd. 7. Audit. The legislative auditor shall audit the books and accounts of the authority once each year or as often as the legislative auditor's funds and personnel permit. The authority shall pay the total cost of the audit pursuant to section 3.9741.

Subd. 8. Executive director; employees. The authority may appoint an executive director to serve as the chief executive officer of the authority. The executive director serves at the pleasure of the authority and receives compensation as determined by the authority. The executive director may be responsible for the operation, management, and promotion of activities of the authority, as prescribed by the authority. The executive director has the powers necessarily incident to the performance of duties required and powers granted by the authority, but does not have authority to incur liability or make expenditures on behalf of the authority without general or specific directions by the authority, as shown by the bylaws or minutes of a meeting of the authority. The executive director is responsible for hiring, supervision, and dismissal of all other employees of the authority.

Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing information to the public concerning all actions taken by the authority. At a minimum, the Web site must contain a current version of the authority's bylaws, notices of upcoming meetings, minutes of the authority's meetings, and contact telephone, electronic mail, and facsimile numbers for public comments.

Subd. 10. **Quorum; approvals.** Any three members shall constitute a quorum for the conduct of business and action may be taken upon the vote of a majority of members present at a meeting duly called and held. During the design and construction stages of the stadium, a four-fifths vote of the authority is required for authority decisions related to zoning, land use, exterior design of the stadium, related parking, the plaza area, and the selection of the authority's lead representative during design and construction.

Sec. 11. **[473J.08] LOCATION.**

The stadium to be constructed under this chapter shall be located at the stadium site in the city of Minneapolis.

Sec. 12. **[473J.09] POWERS, DUTIES OF THE AUTHORITY.**

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

Subd. 2. **Acquisition of property.** The authority may acquire from any public or private entity by lease, purchase, gift, or devise all necessary right, title, and interest in and to real property, air rights, and personal property deemed necessary to the purposes contemplated by this chapter. The authority may acquire, by the exercise of condemnation powers under chapter 117, land, other real property, air rights, personal property, and other right, title, and interest in property, within the stadium site and stadium infrastructure.

Subd. 3. **Disposition of property.** The authority may sell, lease, or otherwise dispose of any real or personal property acquired by the authority that is no longer required for accomplishment of the authority's purposes. The property may be sold in accordance with the procedures provided by section 469.065, except subdivisions 6 and 7, to the extent the authority deems it to be practical and consistent with this chapter. Title to the stadium must not be transferred or sold by the authority prior to the effective date of enactment of any legislation approving such transfer or sale.

Subd. 4. **Data practices; open meetings.** Except as otherwise provided in this chapter, the authority is subject to chapters 13 and 13D.

Subd. 5. **Facility operation.** The authority may develop, construct, equip, improve, own, operate, manage, maintain, finance, and control the stadium, stadium infrastructure, and related facilities constructed or acquired under this chapter, or may delegate such duties through an agreement, subject to the rights and obligations transferred to and assumed by the authority, the NFL team, other user, third-party manager, or program manager, under the terms of a lease, use agreement, or development agreement.

Subd. 6. **Employees; contracts for services.** The authority may employ persons and contract for services necessary to carry out its functions, including the utilization of employees and consultants retained by other governmental entities. The authority shall enter into an agreement with the city regarding traffic control for the stadium.

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

Subd. 8. **Use agreements.** The authority may lease, license, or enter into use agreements and may fix, alter, charge, and collect rents, fees, and charges for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial, or other entertainment, instruction, or activity for the citizens of Minnesota and visitors. The use agreements may provide that the other contracting party has exclusive use of the premises at the times agreed upon, as well as the right to retain some or all revenues from ticket sales, suite licenses, concessions, advertising, naming rights, NFL team designated broadcast/media, club seats, signage, and other revenues derived from the stadium. The lease or use agreement with an NFL team must provide for the payment by the NFL team of an agreed-upon portion of operating and maintenance costs and expenses and provide other terms in which the authority and NFL team agree. In no case may a lease or use agreement permit smoking in the stadium.

Subd. 9. **Research.** The authority may conduct research studies and programs; collect and analyze data; prepare reports, maps, charts, and tables; and conduct all necessary hearings and investigations in connection with its functions.

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

Subd. 11. **Exemption from Metropolitan Council review; Business Subsidy Act.** The acquisition and betterment of a stadium and stadium infrastructure by the authority must be conducted pursuant to this chapter and are not subject to sections 473.165 and 473.173. Section 116J.994 does not apply to any transactions of the authority or other governmental entity related to the stadium or stadium infrastructure or to any tenant or other users of the stadium or stadium infrastructure.

Subd. 12. **Incidental powers.** In addition to the powers expressly granted in this chapter, the authority has all powers necessary or incidental thereto.

Subd. 13. **Transfers to the authority.** In addition to any other payments required under this act, for operating years 2016 to 2020, the NFL team shall annually transfer to the authority amounts for operating costs and capital reserves under section 473J.13, subdivisions 2, paragraph (b), and 4, paragraph (c). These amounts shall be repaid to the NFL team by the state on behalf of the city of Minneapolis through a repayment schedule to be specified in law, and agreed to in all subsequent agreements between the city and the NFL team.

Sec. 13. **[473J.11] STADIUM DESIGN AND CONSTRUCTION.**

Subdivision 1. **Contracts.** (a) The design, development, and construction of the stadium shall be a collaborative process between the authority and the NFL team. The authority and the NFL team shall establish a process to reach consensus on key elements of the stadium program and design, development, and construction.

(b) Unless the authority and the NFL team agree otherwise:

(1) the authority shall create a stadium design and construction group, including representatives of the authority and the NFL team, to manage the design of the stadium and oversee construction;

(2) this group shall engage an owner's representative to act on behalf of the group. The cost of the owner's representative shall be a stadium cost; and

(3) the authority and the NFL team shall enter into a development administration agreement providing for rights and responsibilities of the authority and the NFL team, the design and construction group, and the owner's representative for design and construction of the stadium, including but not limited to establishment of minimum design standards. This development administration agreement shall provide for binding arbitration in the event that the authority and the NFL team are unable to agree on minimum design standards or other material aspects of the design.

(c) The authority may enter into an agreement with the NFL team and any other entity relating to the design, construction, financing, operation, maintenance, and use of the stadium and related facilities and stadium infrastructure. The authority may contract for materials, supplies, and equipment in accordance with section 471.345, except that the authority may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or program manager with respect to all or any part of the design, construction, financing, operation, maintenance, and use of the stadium and stadium infrastructure under the traditional separate design and build, integrated design-build, construction manager at risk, or public/private partnership (P3) structures, or a combination thereof.

(d) The authority and the NFL team shall prepare a request for proposals for one or more of the functions described in paragraph (c). The request must be published in the State Register and shall include, at a minimum, such requirements that are agreed to by the authority and the NFL team. The authority and the NFL team may prequalify offerors by issuing a request for qualifications, in advance of the request for proposals, and select a short list of responsible offerors prior to discussions and evaluations.

(e) As provided in the request for proposals, the authority, and the NFL team, may conduct discussions and negotiations with responsible offerors in order to determine which proposal is most advantageous to the authority and the NFL team and to negotiate the terms of an agreement. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors and the content of all proposals is nonpublic data under chapter 13 until such time as a notice to award a contract is given by the authority. The agreement shall be subject to the approval of the NFL team.

(f) Prior to the time the authority enters into a construction contract with a construction manager or program manager certifying a maximum price and a completion date as provided in paragraph (h), at the request of the NFL team, the authority may authorize, such authorization not to be unreasonably withheld or delayed, the NFL team to provide for management of the construction of the stadium and related stadium infrastructure, in which event the NFL team must assume the role and responsibilities of the authority for completion of construction in a manner consistent with the agreed minimum design standards and design documents, subject to the terms of this act, including responsibility for cost overruns.

(g) The construction manager or program manager may enter into contracts with contractors for labor, materials, supplies, and equipment for the construction of the stadium and related stadium infrastructure through the process of public bidding, except that the construction manager or program manager may, with the consent of the authority or the NFL team if the NFL team has assumed responsibility for construction:

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

(2) award contracts to the contractors that the construction manager or program manager determines provide the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraphs (a), clause (2), and (c), which are not required to be the lowest responsible bidder; and

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

(h) The authority and the NFL team shall require that the construction manager or program manager certify, before the contract is signed, a fixed and stipulated construction price and completion date to the authority and post a performance bond in an amount at least equal to 100 percent of the certified price or such other security satisfactory to the authority, to cover any costs which may be incurred in excess of the certified price including, but not limited to, costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date. The authority may secure surety bonds as provided in section 574.26, securing payment of just claims in connection with all public work undertaken by the authority. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32 and are not entitled to a lien on any property of the authority under the provisions of sections 514.01 to 514.16. The construction of the stadium is a project as that term is defined in section 177.42, subdivision 2, and is subject to the prevailing wage law under sections 177.41 to 177.43.

Subd. 2. **Changes.** Unless otherwise agreed to by the authority and the NFL team, if either party requests an agreed upon change in minimum design standards, and this change is responsible for requiring the project to exceed the stated budget, the requesting party is liable for any cost overruns or associated liabilities.

Subd. 3. **Stadium design.** The stadium and stadium infrastructure shall be designed and constructed incorporating the following general program and design elements:

(1) Unless otherwise agreed to by the authority and the NFL team, the stadium shall comprise approximately 1,500,000 square feet with approximately 65,000 seats, expandable to 72,000, shall meet or exceed NFL program requirements, and include approximately 150 suites and approximately 7,500 club seats or other such components as agreed to by the authority and the NFL team;

(2) space for NFL team-related exhibitions and sales, which shall include the following: NFL team museum and Hall of Fame, retail merchandise and gift shop retail venues, and themed concessions and restaurants;

(3) year-round space for the NFL team administrative operations, sales, and marketing, including a ticket office, team meeting space, locker, and training rooms;

(4) space for administrative offices of the authority;

(5) 2,000 parking spaces within one block of the stadium, connected by skyway or tunnel to the stadium, and 500 parking spaces within two blocks of the stadium, with a dedicated walkway on game days;

(6) elements sufficient to provide community and civic uses as determined by the authority; and

(7) a roof that is fixed or retractable, provided that if the roof is retractable, it is accomplished without any increase to the funding provided by the state or the city.

Subd. 4. **Cost overruns, savings.** The authority may accept financial obligations relating to cost overruns associated with acquisition of the stadium site, stadium infrastructure, and stadium design, development, and construction, provided that the authority shall bid project construction in a manner that any cost overruns are the responsibility of the successful bidder and not the authority or the state. The authority shall not accept responsibility for cost overruns and shall not be responsible for cost overruns if the authority has authorized the NFL team to provide for management of construction of the stadium under subdivision 1. Cost savings or additional funds obtained by the authority or the NFL team for the stadium or stadium infrastructure may be used first to fund additional stadium or stadium infrastructure, as agreed to by the authority and the NFL team, if any, and then to fund capital reserves.

Sec. 14. **[473J.112] COMMEMORATIVE BRICKS.**

The authority shall sell commemorative bricks to be displayed at a prominent location in the new stadium, for an amount to be determined by the authority. Funds raised through this section shall be appropriated to the commissioner of management and budget for transfer to the Minnesota Stadium Authority.

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

Sec. 15. **[473J.12] EMPLOYMENT.**

Subdivision 1. **Hiring and recruitment.** In the design, development, construction, management, operation, maintenance and capital repair, replacement and improvement of the stadium and stadium infrastructure, the authority shall make every effort to employ, and cause the NFL team, the construction manager and other subcontractors, vendors, and concessionaires to employ women and members of minority communities when hiring. Further, goals for construction contracts to be awarded to women- and minority-owned businesses will be in a percentage at least equal to the minimum used for city of Minneapolis development projects, and the other construction workforce will establish workforce utilization goals at least equal to current city goals and include workers from city zip codes that have high rates of poverty and unemployment.

Subd. 2. **Other required agreements.** The NFL team or the authority shall give food, beverage, retail, and concession workers presently employed by the NFL team or the Metropolitan Sports Facilities Commission or its vendors at the existing football stadium the opportunity to continue their employment in comparable positions at the new stadium. Workers who are presently represented under a collective bargaining agreement may seek to continue such representation in the facility and designate such, or another collective bargaining unit, as their representative.

Sec. 16. **[473J.13] STADIUM OPERATIONS; CAPITAL IMPROVEMENTS.**

Subdivision 1. **Stadium operation.** The stadium shall be operated in a first-class manner, similar to and consistent with other comparable NFL stadiums, such as the stadium known as Lucas Oil Field, as of the effective date of this act. The authority and the team will mutually agree on a third-party management company or individual to manage the stadium and on certain major vendors to the stadium. The authority, with the approval of the NFL team, may enter into an agreement with a program manager for management of the stadium, for a maximum of 30 years.

Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating expenses of the stadium. The authority must require in the lease or use agreement with the NFL team that the NFL team pay the authority, beginning January 1, 2016, or other date as mutually agreed upon by the parties, toward operating costs of the stadium, \$8,500,000 each year, increased by a three percent annual inflation rate.

(b) Beginning January 1, 2016, or other date as mutually agreed upon by the parties, and continuing through 2020, the NFL team shall pay the authority operating expenses, \$6,000,000 each year, increased by an annual adjustment factor. The payment of \$6,000,000 per year beginning in 2016 is a payment by the team, which shall be repaid to the team by the state, using funds as provided under section 297A.994, subdivision 4, clause (4). After 2020, the state shall assume this payment, using funds generated in accordance with the city of Minneapolis as specified under section 297A.994.

(c) The authority may establish an operating reserve to cover operating expense shortfalls and may accept funds from any source for deposit in the operating reserve. The establishment or funding of an authority operating reserve must not decrease the amounts required to be paid to the authority toward operating costs under this subdivision unless agreed to by the authority.

(d) The authority is responsible for operating cost overruns.

(e) After the joint selection of the third-party manager or program manager, the authority may agree with a program manager or other third-party manager of the stadium on a fixed cost operating, management, or employment agreement with operating cost protections under which the program manager or third-party manager assumes responsibility for stadium operating costs and shortfalls. The agreement with the manager must require the manager to prepare an initial and ongoing operating plan and operating budgets for approval by the authority in consultation with the NFL team. The manager must agree to operate the stadium in accordance with the approved operating plan and operating budget.

Subd. 3. **Public access.** The authority shall work to maximize access for public and amateur sports, community, and civic events, and other public events in type and on terms consistent with those currently held at the existing football stadium, as defined in section 473.551, subdivision 9. The authority may provide that these events have exclusive use of the premises at agreed-upon times subject to the scheduling rights of the NFL team under the lease or use agreement.

Subd. 4. **Capital improvements.** (a) The authority shall establish a capital reserve fund. The authority shall be responsible for making, or for causing others to make, all capital repairs, replacements, and improvements for the stadium and stadium infrastructure. The authority shall maintain, or cause others to maintain, the stadium and stadium infrastructure in a safe, clean, attractive, and first-class manner so as to cause them to remain in a condition comparable to that of other comparable NFL facilities of similar design and age. The authority shall make, or cause others to make, all necessary or appropriate repairs, renewals, and replacements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, in a prompt and timely manner. In addition, the authority, with approval of the NFL team, may enter into an agreement with a program manager to perform some or all of the responsibilities of the authority in this subdivision and to assume and accept financial liability for the cost of performing the responsibilities.

(b) The NFL team must contribute \$1,500,000 each year, beginning in 2016 or as otherwise determined for the term of the lease or use agreement to the capital reserve fund, increased by a three percent annual inflation rate.

(c) The state shall contribute \$1,500,000 each year, beginning in 2016 or as otherwise determined for the term of the lease to the capital reserve fund. The contributions of the state are subject to increase by an annual adjustment factor. The contribution under this paragraph shall be assumed by the team from 2016 through 2020, and repaid to the team by the state using funds in accordance with section 297A.994, subdivision 4, clause (4).

(d) The authority with input from the NFL team shall develop short-term and long-term capital funding plans and shall use those plans to guide the future capital needs of the stadium and stadium infrastructure. The authority shall make the final determination with respect to funding capital needs. Any capital improvement proposed by the NFL team intended primarily to provide revenue enhancements to the NFL team shall be paid for by the NFL team, unless otherwise agreed to with the authority.

Subd. 5. **Game-day payments.** In addition to operating expense contributions of the NFL team under subdivision 2, the NFL team shall pay all NFL game day, NFL team-owned major league soccer, as provided in section 473J.15, subdivision 15, and other NFL team-sponsored event expenses within the stadium and stadium plaza areas.

Subd. 6. **Cooperation with financing.** The authority shall cooperate with the NFL team to facilitate the financing of the NFL team's contribution. Such agreement to cooperate shall not require the authority to incur any additional costs or provide conduit financing. The lease, license, and other transaction documents shall include provisions customarily required by lenders in stadium financings.

Sec. 17. **[473J.15] CRITERIA AND CONDITIONS.**

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

Subd. 2. **NFL team/private contribution; timing of expenditures.** (a) The NFL team/private contribution, including stadium builder license proceeds, for stadium costs must be made in cash in the amount of at least \$427,000,000.

(b) Prior to the initial deposit of funds under this section, the team must provide security or other credit worthiness in the amount of \$50,000,000, subject to the satisfaction of the authority. Prior to the first issuance of bonds under section 16A.965, the first portion of the NFL team/private contribution in the amount of \$50,000,000 must be deposited as costs are incurred to the construction fund to pay for the initial stadium costs.

(c) After the first \$50,000,000 of stadium costs have been paid from the initial NFL team/private contribution, state funds shall be deposited as costs are incurred to the construction fund to pay for the next \$50,000,000 of costs of the project. Prior to any state funds being deposited in the construction fund, the NFL team must provide security or a financing commitment reasonably satisfactory to the authority for the balance of the required NFL team/private contribution and for payment of cost overruns if the NFL team assumes responsibility for stadium construction under section 473J.11. Thereafter, budgeted project costs shall be borne by the authority and the NFL team/private contributions in amounts proportionate to their remaining funding commitments.

(d) In the event the project terminates before the initial \$100,000,000 in contributions are expended by the parties under this subdivision, the parties shall be reimbursed in the amounts they have deposited to the construction fund proportionate to project funding percentages, in the amounts of 56 percent by the authority and 44 percent by the NFL team/private contributions.

Subd. 3. **Lease or use agreements; 30-year term.** The authority must enter into a long-term lease or use agreement with the NFL team for the NFL team's use of the stadium. The NFL team must agree to play all preseason, regular season, and postseason home games at the stadium. Training facilities must remain in Minnesota during the term of the lease or use agreement. The lease or use agreement must be for a term of at least 30 years from the date of substantial completion of the stadium for professional football games. The lease or use agreement may provide options for the NFL team to extend the term for up to four additional periods of five years. The lease or use agreement must include terms for default, termination, and breach of the agreement. Recognizing that the presence of professional football provides to the state of Minnesota and its citizens highly valued, intangible benefits that are virtually impossible to quantify and, therefore, not recoverable in the event of the NFL team owner's breach of contract, the lease and use agreements must provide for specific performance and injunctive relief to enforce provisions relating to use of the stadium for professional football and must not include escape clauses or buyout provisions. The NFL team must not enter into or accept any agreement or requirement with or from any entity that is inconsistent with the NFL team's binding commitment to the 30-year term of the lease or use agreement or that would in any manner dilute, interfere with, or negate the provisions of the lease or use agreement, providing for specific performance or injunctive relief. The legislature conclusively determines, as a matter of public policy, that the lease or use agreement, and any grant agreement under this chapter that includes a specific performance clause:

- (1) explicitly authorizes specific performance as a remedy for breach;
- (2) is made for adequate consideration and upon terms which are otherwise fair and reasonable;
- (3) has not been included through sharp practice, misrepresentation, or mistake;

(4) if specifically enforced, does not cause unreasonable or disproportionate hardship or loss to the NFL team or to third parties; and

(5) involves performance in a manner and the rendering of services of a nature and under circumstances that the beneficiary cannot be adequately compensated in damages.

Subd. 4. Lease or use agreements; revenues, payments. A lease or use agreement shall include rent and other fees and expenses to be paid by the NFL team. The authority shall agree to provide in the lease or use agreement for the NFL team to receive all NFL and team event related revenues, including but not limited to, suite revenues, advertising, concessions, signage, broadcast and media, and club seat revenue. The agreement shall also provide that all naming rights to the stadium are retained by the NFL team, subject to the approval of the name or names by the authority consistent with those criteria set out in the lease or use agreement. The agreement shall provide for the authority to receive all general ticket revenues and other event revenues other than from NFL team games, NFL team-owned major league soccer games, and other NFL team events agreed to by the authority.

Subd. 5. Notice of breach or default. Until 30 years from the date of stadium completion, the NFL team must provide written notice to the authority not less than 180 days prior to any action, including any action imposed upon the NFL team by the NFL, which would result in a breach or default of provisions of the lease or use agreements required to be included under subdivision 3. If this notice provision is violated and the NFL team has already breached or been in default under the required provisions, the authority or the state of Minnesota may specifically enforce the lease or use agreement and Minnesota courts shall fashion equitable remedies so that the NFL team fulfills the conditions of the lease and use agreements.

Subd. 6. Enforceable financial commitments. The authority must determine before stadium construction begins that all public and private funding sources for construction, operating expenses, and capital improvements and repairs of the stadium are included in written agreements. The committed funds must be adequate to design, construct, furnish, and equip the stadium, and pay projected operating expenses and the costs of capital improvements and repairs during the term of the lease or use agreement with the NFL team. The NFL team must provide the authority access to NFL team financial or other information, which the authority deems necessary for such determination. Any financial information obtained by the authority under this subdivision is nonpublic data under section 13.02, subdivision 9.

Subd. 7. Environmental requirements. The authority must comply with all environmental requirements imposed by regulatory agencies for the stadium, site, and structure, except as provided by section 473J.09, subdivision 11, or by section 473J.17.

Subd. 8. Public share on sale of NFL team. The lease or use agreement must provide that, if the NFL team is sold or an interest in the NFL team is sold after the effective date of this chapter, a portion of the sale price must be paid to the authority and deposited in a reserve fund for improvements to the stadium or expended as the authority may otherwise direct. The portion required to be so paid to the authority is 18 percent of the amount in excess of the purchase price of the NFL team by the selling owner or owners, declining to zero 15 years after commencement of stadium construction in increments of 1.2 percent each year. The agreement must provide exceptions for sales to members of the owners' families and entities and trusts beneficially owned by family members, sales to employees of equity interests aggregating up to ten percent, sales related to capital infusions not distributed to the owners, and sales amongst existing owners not exceeding 20 percent equity interest in the NFL team.

Subd. 9. Authority's access to NFL team financial information. A notice provision for a material breach shall be agreed to between the authority and the NFL team. In the event there is a material breach by the NFL team under the lease or use agreement, the lease or use agreement must provide the authority access to audited financial statements of the NFL team and other financial information that the authority deems necessary to enforce the terms of any lease or use agreements. Any financial information obtained by the authority under this subdivision is nonpublic data under section 13.02, subdivision 9.

Subd. 10. **NFL team name retained.** The lease or use agreement must provide that the NFL team and NFL will transfer to the state of Minnesota the Minnesota Vikings' heritage and records, including the name, logo, colors, history, playing records, trophies, and memorabilia in the event of relocation of the NFL team is in violation of the lease or use agreement.

Subd. 11. **Stadium design.** (a) The authority and the NFL team will strive to build a stadium that is environmentally and energy efficient and will make an effort to build a stadium that is eligible to receive the Leadership in Energy and Environmental Design (LEED) certification or the Green Building Initiative Green Globes certification for environmental design, and to the extent practicable, will strive to make the stadium design architecturally significant.

(b) The stadium design must, to the extent feasible, follow sustainable building guidelines established under section 16B.325.

(c) The authority and the team must ensure that the stadium be built with American-made steel that is made from Minnesota iron ore.

Subd. 12. **Necessary approvals.** The authority and the NFL team must secure any necessary approvals to the terms of the lease and use agreement and the design and construction plans for the stadium, including prior approval of the NFL.

Subd. 13. **Affordable access.** The lease or use agreement must provide for an agreed-upon number of affordable tickets to the professional sporting events held in the stadium.

Subd. 14. **Stadium builder's licenses.** The authority shall own and retain the exclusive right to sell stadium builder's licenses in the stadium. The authority will retain the NFL team to act as the authority's agent in marketing and selling such licenses.

Subd. 15. **Major league soccer.** The authority shall, for five years after the first NFL team home game is played in the stadium, grant the NFL team the exclusive right to establish major league soccer at the stadium. The authority and the NFL team may enter into an agreement providing the terms and conditions of such an arrangement, provided:

(1) if any of the NFL team owners whose family owns at least three percent of the NFL team purchases full or partial ownership in a major league soccer franchise, such franchise may play in the stadium under a use agreement with similar terms as are applicable to the NFL team at no additional rent, but including a provision of payment of game-day costs and reasonable marginal costs incurred by the authority as a result of the major league soccer team; and

(2) capital improvements required by a major league soccer franchise must be financed by the owners of the major league soccer team, unless otherwise agreed to by the authority.

Subd. 16. **NFL team-related entities.** Subject to the prior approval of the authority, which shall not be unreasonably withheld, any of the obligations by the NFL team may be performed by the NFL team, a related entity, or a third party, and the NFL team, any entity related to the NFL team or third party may receive any revenues to which the NFL team is entitled hereunder; provided, however, the NFL team shall remain liable if any obligations are assigned to a related entity or third party.

Sec. 18. **[473J.17] MUNICIPAL ACTIVITIES.**

Subdivision 1. Property acquisition and disposition. The city may, to the extent legally permissible, acquire land, air rights, and other property interests within the development area for the stadium site and stadium infrastructure and convey it to the authority with or without consideration, prepare a site for development as a stadium, and acquire and construct any related stadium infrastructure. To the extent property parcels or interests acquired are more extensive than the stadium infrastructure requirements, the city may sell or otherwise dispose of the excess.

Subd. 2. Claims. Except as may be mutually agreed to by the city and the authority, the city has no interest in or claim to any assets or revenues of the authority.

Subd. 3. Environmental; planning and zoning. The authority is the responsible governmental unit for an environmental impact statement for the stadium prepared under section 116D.04, if an environmental impact statement is necessary. Notwithstanding section 116D.04, subdivision 2b, and implementing rules: (1) the environmental impact statement shall not be required to consider alternative stadium sites; and (2) the environmental impact statement must be determined to be adequate before commencing work on the foundation of the stadium, but the stadium and stadium infrastructure may otherwise be started and all preliminary and final government decisions and actions may be made and taken including, but not limited to, acquiring land; obtaining financing; granting permits or other land use approvals; entering into grant, lease, or use agreements; or preparing the site or related stadium infrastructure prior to a determination of the adequacy of the environmental impact statement.

Subd. 4. Local government expenditure. The city may make expenditures or grants for other costs incidental and necessary to further the purposes of this chapter and may, by agreement, reimburse in whole or in part, any entity that has granted, loaned, or advanced funds to the city to further the purposes of this chapter. The city may reimburse the authority or a local governmental entity or make a grant to the authority or such a governmental unit or be reimbursed by the authority or local governmental entity for site acquisition, preparation of the site for stadium development, and stadium infrastructure.

Subd. 5. Municipal authority. The legislature intends that, except as expressly limited herein, the city may acquire and develop stadium infrastructure, enter into contracts with the authority and other governmental or nongovernmental entities, appropriate funds, and make employees, consultants, and other revenues available for those purposes.

Subd. 6. Stadium Implementation Committee; city review. In order to accomplish the objectives of this act within the required time frame, it is necessary to establish an alternative process for municipal land use and development review. It is hereby found and declared that the construction of a stadium within the development area is consistent with the adopted area plan, is the preferred stadium location, and is a permitted land use. This subdivision establishes a procedure for all land use and development reviews and approvals by the city of Minneapolis for the stadium and related stadium infrastructure and supersedes all land use and development rules and restrictions and procedures imposed by other law, charter, or ordinance, including without limitation section 15.99. No later than 30 days after timely compliance of the city as provided in article 3, section 4, of this act, the city of Minneapolis shall establish a stadium implementation committee to make recommendations on the design plans submitted for the stadium, and stadium infrastructure, and related improvements. The implementation committee must take action to issue its recommendations within the time frames established in the planning and construction timetable issued by the authority which shall provide for no less than 60 days for the committee's review. The recommendations of the implementation committee shall be forwarded to the city of Minneapolis Planning Commission for an advisory recommendation and then to the city council for final action in a single resolution, which final action must be taken within 45 days of the submission of the recommendations to the planning commission. The city council shall not impose any unreasonable conditions on the recommendations of the implementation committee, nor take any action or impose any conditions that will result in delay from the time

frames established in the planning and construction timetable or in additional overall costs. Failure of the city council to act within the 45-day period shall be deemed to be approval. The authority may seek de novo review in the district court of any city council action. The district court or any appellate court shall expedite review to the maximum extent possible and timely issue relief, orders, or opinions as necessary to give effect to the provisions and objectives in this act.

Sec. 19. **[473J.19] PROPERTY TAX EXEMPTION; SPECIAL ASSESSMENTS.**

Any real or personal property acquired, owned, leased, controlled, used, or occupied by the authority for any of the purposes of this chapter, is acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes. The stadium and stadium infrastructure are exempt from ad valorem taxation by the state or any political subdivision of the state provided that the properties are subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any of the properties in any manner different from their use under this chapter may be considered in determining the special benefit received by the properties. Notwithstanding section 272.01, subdivision 2, or 273.19, real or personal property which is subject to a lease or use agreement between the authority and another person for uses related to the purposes of this chapter, including the operation of the stadium and related parking facilities, is exempt from taxation regardless of the length of the lease or use agreement or the characteristics of the entity leasing or using the property. This section, insofar as it provides an exemption or special treatment, does not apply to any real property that is leased for residential, business, or commercial development or to a restaurant that is open for general business more than 200 days a year, or other purposes different from those contemplated in this chapter.

Sec. 20. **[473J.21] LIQUOR LICENSES.**

At the request of the authority, the city may issue intoxicating liquor licenses that are reasonably required for the premises of the stadium site. These licenses are in addition to the number authorized by law. All provisions of chapter 340A not inconsistent with this section apply to the licenses authorized under this section.

Sec. 21. **[473J.23] LOCAL TAXES.**

No new or additional local sales or use tax shall be imposed on sales at the stadium site unless the tax is applicable throughout the taxing jurisdiction. Except for a tax imposed under article 6, no new or additional local tax shall be imposed on sales of tickets and admissions to NFL team, NFL team-owned major league soccer, or other team related events at the stadium, notwithstanding any law or ordinance, unless the tax is applicable throughout the taxing jurisdiction. The admissions and amusements tax currently imposed by the city of Minneapolis pursuant to Laws 1969, chapter 1092, may apply to admissions for football and NFL team related events, including NFL team-owned major league soccer, as provided in section 473J.15, subdivision 15, at the stadium.

Sec. 22. **[473J.25] METROPOLITAN SPORTS FACILITIES COMMISSION ASSETS; LIABILITIES TO AUTHORITY.**

Subdivision 1. **Authority expenses.** The Metropolitan Sports Facilities Commission shall pay the operating expenses of the authority including salaries, compensation, and other personnel, office, equipment, consultant and any other costs, until the commission is abolished pursuant to subdivision 3.

Subd. 2. **Transfer.** Within 90 days of the enactment of this chapter, the Metropolitan Sports Facilities Commission shall pay its outstanding obligations, settle its accounts, and transfer its remaining assets, liabilities, and obligations to the authority, for its purposes.

Subd. 3. Metropolitan Sports Facilities Commission abolished; interim powers conferred on authority. Upon transfer to the authority of all remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the Metropolitan Sports Facilities Commission is abolished. When the remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission have been transferred to the authority and the commission has been abolished, the powers and duties of the commission under sections 473.551 to 473.599, and any other law shall devolve upon the authority, in addition to the powers and duties of the authority under chapter 473J, until the first NFL home game is played at the stadium.

Subd. 4. Employees. Upon transfer of ownership all persons employed by the Metropolitan Sports Facilities Commission shall be transferred to the Minnesota Stadium Authority without loss of right or privilege. Nothing in this section shall be construed to give any such person the right or privilege to continue in the same level or classification of employment previously held. The Minnesota Stadium Authority may assign any such person to an employment level and classification which it deems appropriate and desirable in accordance with its personnel code.

Subd. 5. Conforming changes. The Metropolitan Sports Facilities Commission shall submit a technical bill to the 2013 legislature making any cross-reference, grammatical, or other conforming changes necessary as a result of this act. This bill shall be submitted by February 12, 2013.

Sec. 23. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2
STATE STADIUM FUNDING

Section 1. **[16A.965] STADIUM APPROPRIATION BONDS.**

Subdivision 1. Definitions. (a) The definitions in this subdivision and in chapter 473J apply to this section.

(b) "Appropriation bond" means a bond, note, or other similar instrument of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law from the general fund in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (b);

(2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

Subd. 2. Authorization to issue appropriation bonds. (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, including, in particular, the financing of all or a portion of the acquisition, construction, improving, and equipping of the stadium project of the Minnesota Stadium Authority as provided by chapter 473J. Proceeds of the appropriation bonds must be credited to a special appropriation stadium bond proceeds fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation stadium bond proceeds fund.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds, not to exceed \$548,000,000 net of costs of issuance, and costs of credit enhancement for achieving the purposes authorized as provided under paragraph (a), and pay debt service including capitalized interest, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that appropriation bonds issued and unpaid shall not exceed \$650,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4.

(c) Appropriation bonds may be issued from time to time in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 30 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with, or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(f) The appropriation bonds are not subject to chapter 16C.

Subd. 3. **Form; procedure.** (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale upon such terms as the commissioner shall determine are not inconsistent with this section and may be sold at any price or percentage of par value. Any bid received may be rejected.

(d) Appropriation bonds must bear interest at a fixed or variable rate.

(e) Notwithstanding any other law, appropriation bonds issued under this section shall be fully negotiable.

Subd. 4. **Refunding bonds.** The commissioner from time to time may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding

appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation stadium bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

Subd. 5. Appropriation bonds as legal investments. Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. No full faith and credit; state not required to make appropriations. The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. Appropriation of proceeds. The proceeds of appropriation bonds and interest credited to the special appropriation stadium bond proceeds fund are appropriated to the commissioner for payment of capital expenses including capitalized interest, debt service on outstanding indebtedness of the state, and for the operating and capital reserves of the authority, each as permitted by state and federal law, and nonsalary expenses incurred in conjunction with the sale of the appropriation bonds, and such proceeds may be granted, loaned, or otherwise provided to the authority for the public purpose provided by subdivision 2, paragraph (a).

Subd. 8. Appropriation for debt service and other purposes. The amount needed to pay principal and interest on appropriation bonds issued under this section is appropriated each fiscal year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation, otherwise pursuant to subdivision 6, for deposit into the bond payments account established for such purpose in the special appropriation stadium bond proceeds fund.

Subd. 9. Waiver of immunity. The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary contracts to which the commissioner is a party.

Subd. 10. **Validation.** (a) Appropriation bonds issued under this section may be validated in the manner provided by this subdivision. If comparable appropriation bonds are judicially determined to be valid, nothing in this subdivision shall be construed to prevent the sale or delivery of any appropriation bonds or notes without entry of a judgment of validation by the Minnesota Supreme Court pursuant to this subdivision with respect to the appropriation bonds authorized under this section.

(b) Any appropriation bonds issued under this section that are validated shall be validated in the manner provided by this subdivision.

(c) The Minnesota Supreme Court shall have original jurisdiction to determine the validation of appropriation bonds and all matters connected therewith.

(d) The commissioner may determine the commissioner's authority to issue appropriation bonds and the legality of all proceedings in connection with issuing bonds. For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme Court against the state and the taxpayers and citizens.

(e) As a condition precedent to filing of a complaint for the validation of appropriation bonds, the commissioner shall take action providing for the issuance of appropriation bonds in accordance with law.

(f) The complaint shall set out the state's authority to issue appropriation bonds, the action or proceeding authorizing the issue and its adoption, all other essential proceedings had or taken in connection with issuing bonds, the amount of the appropriation bonds to be issued and the maximum interest they are to bear, and all other pertinent matters.

(g) The Minnesota Supreme Court shall issue an order directed against the state and taxpayers, citizens, and others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons, in general terms and without naming them, and the state through its attorney general, to appear before the Minnesota Supreme Court at a designated time and place and show why the complaint should not be granted and the proceedings and appropriation bonds validated. A copy of the complaint and order shall be served on the attorney general at least 20 days before the time fixed for hearing. The attorney general shall examine the complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds in question has not been duly authorized, defense shall be made by the attorney general as the attorney general deems appropriate.

(h) Before the date set for hearing, as directed by the Minnesota Supreme Court, either the clerk of the Minnesota appellate courts or the commissioner shall publish a copy of the order in a legal newspaper of general circulation in Ramsey County and the state, at least once each week for two consecutive weeks, commencing with the first publication, which shall not be less than 20 days before the date set for hearing. By this publication, all taxpayers, citizens, and others having or claiming any right, title, or interest in the state, are made parties defendant to the action and the Minnesota Supreme Court has jurisdiction of them to the same extent as if named as defendants in the complaint and personally served with process.

(i) Any taxpayer, citizen, or person interested may become a party to the action by moving against or pleading to the complaint at or before the time set for hearing. The Minnesota Supreme Court shall determine all questions of law and fact and make orders that will enable it to properly try and determine the action and render a final judgment within 30 days of the hearing with the least possible delay.

(j) If the judgment validates appropriation bonds, the judgment is forever conclusive as to all matters adjudicated and as against all parties affected and all others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected in any way by issuing the bonds, and the validity of appropriation bonds or of any revenues pledged for the payment of the bonds, or of the proceedings authorizing the issuance of the bonds, including any remedies provided for their collection, shall never be called in question in any court by any person or party.

(k)(1) Appropriation bonds, when validated under this section, shall have stamped or written on the bonds, by the proper officers of the state issuing them, a statement in substantially the following form: "This appropriation bond is one of a series of appropriation bonds which were validated by judgment of the Supreme Court of the State of Minnesota, rendered on(year)".

(2) A certified copy of the judgment or decree shall be received as evidence in any court in this state.

(l) The costs shall be paid by the state, except when a taxpayer, citizen, or other person contests the action or intervenes, the court may tax the whole or any part of the costs against the person that is equitable.

(m) A justice of the Minnesota Supreme Court is not disqualified in any validation action because the justice is a landowner or taxpayer of the state.

ARTICLE 3 MINNEAPOLIS CONVENTION CENTER

Section 1. [297A.994] CITY OF MINNEAPOLIS SALES TAX; ALLOCATION OF REVENUES.

Subdivision 1. **Scope.** Notwithstanding the provisions of section 297A.99, subdivision 11, the provisions of this section govern the remittance of the proceeds of taxes imposed by the city of Minneapolis under the special law.

Subd. 2. **Definitions.** (a) For purposes of this section, the following definitions apply.

(b) "City" means the city of Minneapolis.

(c) "Special law" means Laws 1986, chapter 396, sections 4 and 5, as amended.

(d) "Tax" means the sales taxes imposed by the city under the special law.

(e) The terms defined under section 473J.03 apply for purposes of this section.

Subd. 3. **General allocation of revenues.** The commissioner shall remit the proceeds of the tax, less the deductions listed in this subdivision, to the city at least quarterly. The commissioner shall make the following deductions in the order listed before distribution to the city:

(1) the direct and indirect costs of the department to administer, audit, and collect the tax, according to the applicable law and agreements between the commissioner and the city. For revenues from the general local sales and use tax, the commissioner must deduct a proportionate share of costs described in section 297A.99, subdivision 11;

(2) refunds of any of these taxes due to taxpayers, if any; and

(3) notwithstanding the provisions of any agreement between the commissioner and the city providing for collection and remittance of these taxes, the commissioner must deposit to the general fund the amounts specified in subdivision 4.

Subd. 4. **General fund allocations.** (a) The commissioner must retain and deposit to the general fund the following amounts, as required by subdivision 3, clause (3):

(1) for state bond debt service support beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, periodic amounts so that not later than December 31, 2046, an aggregate amount equal to a present value of \$150,000,000 has been deposited in the general fund; provided that this clause does not

constitute a pledge of tax revenues as security for the payment of principal and interest on appropriation bonds issued under section 16A.695. To determine aggregate present value, the commissioner of management and budget must consult with the commissioner regarding the present value dates, discount rate or rates, and schedules of annual amounts. The present value date or dates must be based on the date or dates bonds are sold under section 16A.965, or the date or dates other state funds, if any, are deposited into the construction fund. The discount rate or rates must be based on the true interest cost of the bonds issued under section 16A.965, or an equivalent 30-year bond index, as determined by the commissioner of management and budget. The schedule of annual amounts must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city;

(2) for the capital reserve appropriation to the stadium authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 4;

(3) for the operating expense appropriation to the stadium authority beginning in calendar year 2021, and for each calendar year thereafter through calendar year 2046, an aggregate annual amount equal to the amount paid by the state for this purpose in that calendar year under section 473J.13, subdivision 2;

(4) for recapture of NFL team advances for the state share of capital improvements and operating expenses for calendar years 2016 through 2020 beginning in calendar year 2021, and for each calendar year thereafter until all amounts under this clause have been paid, proportionate amounts periodically until an aggregate amount equal to the present value of all amounts paid by the NFL team have been deposited in the general fund. To determine the present value of the amounts paid by the NFL team to the authority and the present value of amounts deposited to the general fund under this clause, the commissioner of management and budget shall consult with the commissioner and the NFL team regarding the present value dates, discount rate or rates, and schedule of annual amounts. The present value dates must be based on the dates NFL team funds are paid to the authority, or the dates the commissioner of revenue deposits taxes for purposes of this clause to the general fund. The discount rates must be based on the reasonably equivalent cost of NFL team funds as determined by the commissioner of management and budget after consulting with the NFL team. The schedule of annual amounts established under section 473J.09, subdivision 13, must be revised by agreement between all parties to reflect amounts paid under section 473J.13, subdivisions 2, paragraph (b); and 4, paragraph (c), and taxes deposited to the general fund from time to time under this clause, and the schedule and revised schedules must be certified to the commissioner by the commissioner of management and budget and the finance officer of the city, and are transferred as accrued from the general fund to the NFL team, for repayment of advances made by the NFL team to the Minnesota Stadium Authority; and

(5) to capture increases in taxes imposed under the special law, for the benefit of the stadium authority, beginning in calendar year 2013 and for each calendar year thereafter through 2046, there shall be deposited to the general fund in proportionate periodic payments in the following year, an amount equal to the following:

(i) 50 percent of the difference, if any, by which the amount of the net annual taxes for the previous year exceeds the sum of the net actual taxes in calendar year 2011 plus \$1,000,000, inflated at two percent per year since 2011; minus

(ii) 25 percent of the difference, if any, by which the amount of the net annual taxes for the preceding year exceeds the sum of the net actual taxes in calendar year 2011 plus \$3,000,000, inflated at two percent per year since 2011.

(b) For purposes of paragraph (a), clause (5), "net actual taxes" means the amount of the amount of revenues collected from the taxes in that year minus any refunds and costs of collection.

Sec. 2. Laws 1986, chapter 396, section 4, as amended by Laws 1987, chapter 55, sections 5 and 6, and Laws 2009, chapter 88, article 4, sections 11 and 12, is amended to read:

Sec. 4. **SALES AND USE TAX.**

Subdivision 1. **Imposition.** Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, upon approval by the city's board of estimate and taxation by a vote of at least five members, the city of Minneapolis may by ordinance impose an additional sales tax of up to one-half of one percent on sales taxable pursuant to Minnesota Statutes, chapter 297A that occur within the city, and may also by ordinance impose an additional compensating use tax of up to one-half of one percent on uses of property within the city, the sale of which would be subject to the additional sales tax but for the fact such property was sold outside the city. The tax may not be imposed on gross receipts from sales of intoxicating liquor that are exempt from taxation under sections 297A.25 to 297A.257 or other provision of chapter 297A exempting sales of intoxicating liquor and use from taxation, including amendments adopted after enactment of this act is imposed on the tax base defined in Minnesota Statutes, section 297A.99, subdivision 4, and is subject to the exemptions and credits in Minnesota Statutes, section 297A.99, subdivisions 7 and 8.

~~For purposes of this subdivision, sales that occur within the city shall not include (a) the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minneapolis by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minneapolis and thereafter used in a trade or business outside Minneapolis, and which is not thereafter returned to a point within Minneapolis, except in the course of interstate or intrastate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minneapolis, places in the United States mail or parcel post directed to the purchaser outside Minneapolis, or delivers to the purchaser outside Minneapolis by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minneapolis, except in the course of interstate or intrastate commerce; or (b) sales which would be described in clause (e) or (u) of Minnesota Statutes, section 297A.25, subdivision 1 if the word "Minneapolis" were substituted for the words "Minnesota" or "state of Minnesota" in such clauses. A tax may be imposed under this section only if the taxes imposed under section 5 are imposed at the maximum rate allowed under that section. The tax authorized by this section shall be imposed, must not be terminated before January 1, 2047. The tax may be further required to be imposed until January 1, 2051, by order of the commissioner of management and budget as specified in article 6, section 1. The tax must be imposed and may be adjusted periodically by the city council in conformity with Minnesota Statutes, section 297A.99, subdivision 12, such that the rate imposed, rounded to the next highest one-tenth of one percent, does not exceed the rate estimated to be required to produce revenue sufficient to finance the costs purposes described in subdivision subdivisions 3 and 4, and in Minnesota Statutes, section 297A.994, but in no case may the rate exceed one-half of one percent.~~

Subd. 2. **Enforcement; collection.** (a) Except as provided in paragraph (b), these taxes shall be subject to the same interest, penalties, and other rules imposed under Minnesota Statutes, chapter 297A. The commissioner of revenue may enter into appropriate agreements with the city to provide for collection of these taxes by the state on behalf of the city. The commissioner may charge the city a reasonable fee for its collection from the proceeds of any taxes, as provided in Minnesota Statutes, section 297A.99, subdivision 11.

(b) A taxpayer located outside of the city of Minneapolis who collects use tax under this section in an amount that does not exceed \$10 in a reporting period is not required to remit that tax until the amount of use tax collected is \$10.

Subd. 3. **Use of property.** Revenues received by the city from the tax may only be used:

~~(1) to pay costs of collection;~~

~~(2)~~ (1) to pay or secure the payment of any principal of, premium or interest on bonds issued in accordance with this act;

~~(3)~~ (2) to pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the convention center or related facilities, and other capital projects or economic developments under subdivision 4, including financing costs related to them;

(4) (3) to pay reasonable and appropriate costs determined by the city to replace housing and the ice arena removed from the site;

~~(5)~~ (4) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city; and

~~(6)~~ (5) to fund projects and for other purposes under subdivision 4.

Money for replacement housing shall be made available by the city only for new construction, conversion of nonresidential buildings, and for rehabilitation of vacant residential structures, only if all of the units in the newly constructed building, converted nonresidential building, or rehabilitated residential structure are to be used for replacement housing.

Subd. 4. **Minneapolis downtown and neighborhood projects.** (a) For revenues collected in calendar years 2009 and 2010, to the extent that revenues from the tax authorized in subdivision 1 exceeds the amount needed to fund the purposes in subdivision 3, the city may use the excess revenue to fund any city services. The total amount used in both years for this purpose may not exceed the total amount of aid and credit reductions under Minnesota Statutes, sections 273.1384 and 477A.011 to 477A.014 in calendar years 2008, 2009, and 2010 due to a governor's unallotment or due to statutory reductions.

(b) Beginning with revenues collected in calendar year 2011, to the extent that revenues from the ~~tax~~ taxes authorized in subdivision 1 ~~exceeds or in section 5 exceed~~ the amount needed to fund the purposes in subdivision 3, the city may use the excess revenue in any year to fund capital projects to further residential, cultural, commercial, and economic development in both downtown Minneapolis and the Minneapolis neighborhoods, to fund other city expenditures in support of the basketball arena, other capital projects, or for other economic development, provided the city may direct excess revenue first to convention center debt, operations, capital improvements, and marketing. The city may issue bonds to fund any such projects or improvements using these taxes or any other available city resources to finance or secure the bonds.

Sec. 3. Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, is amended to read:

Sec. 5. **LIQUOR, LODGING, AND RESTAURANT TAXES.**

The city may, by resolution, levy in addition to taxes authorized by other law:

(1) a sales tax of not more than three percent on the gross receipts on retail on-sales of intoxicating liquor and fermented malt beverages ~~described in section 473.592 occurring in the~~ when sold at licensed on-sale liquor establishments located within the downtown taxing area, provided that this tax may not be imposed if sales of intoxicating liquor and fermented malt beverages are exempt from taxation under chapter 297A;

(2) a sales tax of not more than three percent on the gross receipts from the furnishing for consideration of lodging ~~described in section 473.592~~ for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the city by a hotel or motel which has more than 50 rooms available for lodging; the tax imposed under this clause shall be at a rate that, when added to the sum of the rate of the sales tax imposed under Minnesota Statutes, chapter 297A, the rate of the sales tax imposed under section 4, and the rate of any other taxes on lodging in the city of Minneapolis, equals 13 percent; and

(3) a sales tax of not more than three percent on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city that occur within the downtown taxing area.

The taxes authorized by this section must not be terminated before January 1, 2047. The taxes may be further required to be imposed until January 1, 2051, by order of the commissioner of management and budget as specified in article 6, section 1. The taxes shall be imposed and may be adjusted periodically by the city council such that the rates imposed produce revenue sufficient, together with the tax imposed under section 4, to finance the purposes described in Minnesota Statutes, section 297A.994, and section 4, subdivisions 3 and 4. These taxes shall be applied, first, as provided in Minnesota Statutes, section 297A.994, subdivision 3, clauses (1) to (3), and then, solely to pay costs of collection and to pay or, secure, maintain, and fund the payment of any principal of, premium on, and interest on any bonds or any costs referred to other purposes in section 4, subdivision 3 or 4. The commissioner of revenue may enter into appropriate agreements with the city to provide for the collection of these taxes by the state on behalf of the city. The commissioner may charge the city a reasonable fee for its collection from the proceeds of any taxes. These taxes shall be subject to the same interest, penalties, and enforcement provisions as the taxes imposed under section 473.592 Minnesota Statutes, chapter 297A.

Sec. 4. EFFECTIVE DATE; LOCAL APPROVAL.

This article is effective the day after the governing body of the city of Minneapolis and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3. Notwithstanding any law to the contrary, the city of Minneapolis and its chief clerical officer have 30 calendar days following final enactment of this act, to comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. SEVERABILITY; SAVINGS.

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

Sec. 6. LOCAL SALES TAX REQUIREMENTS NOT TO APPLY.

The taxes authorized under Laws 1986, chapter 396, sections 4 and 5, as amended, are exempt from the requirements of Minnesota Statutes, section 297A.99, subdivisions 2 and 3.

ARTICLE 4
LAWFUL GAMBLING

Section 1. Minnesota Statutes 2010, section 297E.01, subdivision 7, is amended to read:

Subd. 7. **Gambling product.** "Gambling product" means bingo hard cards, bingo paper sheets, ~~or~~ linked bingo paper sheets, or electronic linked bingo games; pull-tabs; electronic pull-tab games; tipboards; paddle tickets and paddle ticket cards; raffle tickets; or any other ticket, card, board, placard, device, or token that represents a chance, for which consideration is paid, to win a prize.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 2. Minnesota Statutes 2010, section 297E.01, subdivision 8, is amended to read:

Subd. 8. **Gross receipts.** "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo hard cards ~~and~~ paper sheets, linked bingo paper sheets, and electronic linked bingo games before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab, electronic pull-tab games, and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddle tickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.18, subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 3. Minnesota Statutes 2010, section 297E.01, subdivision 9, is amended to read:

Subd. 9. **Ideal gross.** "Ideal gross" means the total amount of receipts that would be received if every individual ticket in the pull-tab, electronic pull-tab games or tipboard deal, paddle wheel game, and raffle ticket was sold at its face value. In the calculation of ideal gross and prizes, a free play ticket pull-tab or electronic pull-tab shall be valued at face value. Ideal gross also means the total amount of receipts that would be received if every bingo paper sheet, linked bingo paper sheet, and electronic linked bingo games were sold at face value.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 4. Minnesota Statutes 2010, section 297E.02, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** A tax is imposed on all lawful gambling other than (1) paper or electronic pull-tab deals or games; (2) tipboard deals or games; ~~and~~ (3) electronic linked bingo; and (4) items listed in section 297E.01, subdivision 8, clauses (4) and (5), at the rate of 8.5 percent on the gross receipts as defined in section 297E.01, subdivision 8, less prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.62 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

EFFECTIVE DATE. This section is effective for games reported as played after June 30, 2012.

Sec. 5. Minnesota Statutes 2010, section 297E.02, subdivision 3, is amended to read:

Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section ~~other than in subdivision 4~~ are due and payable to the commissioner when the gambling tax return is required to be filed. ~~Taxes imposed by subdivision 4 are due and payable to the commissioner on or before the last business day of the month following the month in which the taxable sale was made.~~ Distributors must file their monthly sales figures with the commissioner on a form prescribed by the commissioner. Returns covering the taxes imposed under this section must be filed with the commissioner on or before the 20th day of the month following the close of the previous calendar month. The commissioner may require that the returns be filed via magnetic media or electronic data transfer. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.191, 349.211, and 349.213, must be paid to the commissioner of management and budget for deposit in the general fund.

(b) The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the distributor is imposed on the retail sales price. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

(c) One-half of one percent of the revenue deposited in the general fund under paragraph (a), is appropriated to the commissioner of human services for the compulsive gambling treatment program established under section 245.98. One-half of one percent of the revenue deposited in the general fund under paragraph (a), is appropriated to the commissioner of human services for a grant to the state affiliate recognized by the National Council on Problem Gambling to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. Money appropriated by this paragraph must supplement and must not replace existing state funding for these programs.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 6. Minnesota Statutes 2010, section 297E.02, subdivision 6, is amended to read:

Subd. 6. **Combined net receipts tax.** In addition to the taxes imposed under subdivisions 1 ~~and 4~~, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddle wheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddle wheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$500,000 <u>\$87,500</u>	zero <u>6.89 percent</u>
Over \$500,000 <u>\$87,500</u> , but not over \$700,000 <u>\$122,500</u>	1.7-\$6,029 <u>plus 13.78 percent of the amount over \$500,000-\$87,500 , but not over \$700,000 \$122,500</u>
Over \$700,000 <u>\$122,500</u> , but not over \$900,000 <u>\$157,500</u>	\$3,400-\$10,852 <u>plus 3.4</u> 20.67 <u>percent of the amount over \$700,000 \$122,500 , but not over \$900,000 \$157,500</u>
Over \$900,000 <u>\$157,500</u>	\$10,200 <u>\$18,086</u> plus 5.1 <u>27.56</u> percent of the amount over \$900,000 \$157,500

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 7. Minnesota Statutes 2010, section 297E.02, is amended by adding a subdivision to read:

Subd. 6a. **Unaccounted games.** If a licensed distributor cannot account for a pull-tab game, an electronic pull-tab game, a tipboard deal, paddletickets, an electronic linked bingo game, bingo paper sheets, or linked bingo paper sheets, the distributor must report the sheets or games to the commissioner as lost and remit a tax of six percent on the ideal gross of the sheets or games.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 8. Minnesota Statutes 2010, section 297E.02, subdivision 7, is amended to read:

Subd. 7. **Untaxed gambling product.** (a) In addition to penalties or criminal sanctions imposed by this chapter, a person, organization, or business entity possessing or selling a pull-tab, electronic pull-tab game or tipboard upon which the tax imposed by ~~subdivision 4~~ this chapter has not been paid is liable for a tax of six percent of the ideal gross of each pull-tab, electronic pull-tab game, or tipboard. The tax on a partial deal must be assessed as if it were a full deal.

(b) In addition to penalties and criminal sanctions imposed by this chapter, a person not licensed by the board who conducts bingo, linked bingo, electronic linked bingo, raffles, or paddle wheel games is liable for a tax of six percent of the gross receipts from that activity.

(c) The tax must be assessed by the commissioner. An assessment must be considered a jeopardy assessment or jeopardy collection as provided in section 270C.36. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270C, except that the commissioner need not await the expiration of the times specified in chapter 270C. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show its incorrectness or invalidity. The tax imposed under this subdivision does not apply to gambling that is exempt from taxation under subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 9. Minnesota Statutes 2010, section 297E.02, subdivision 10, is amended to read:

Subd. 10. **Refunds; appropriation.** A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds under this subdivision ~~and subdivision 4, paragraph (d)~~, is appropriated from the general fund to the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 10. Minnesota Statutes 2010, section 297E.02, subdivision 11, is amended to read:

Subd. 11. ~~**Unplayed or Defective pull-tabs or tipboards gambling products.** If a deal of pull tabs or tipboards registered with the board or bar coded in accordance with this chapter and chapter 349 and upon which the tax imposed by subdivision 4 has been paid is returned unplayed to the distributor, the commissioner shall allow a refund of the tax paid.~~

If a defective deal registered with the board or bar coded in accordance with this chapter and chapter 349 ~~and upon which the taxes have been paid~~ is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be on a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require ~~that no refund~~ under this subdivision ~~be made unless the~~ that all defective and returned pull-tabs or tipboards have been, paddle tickets, paper bingo sheets, and linked bingo paper sheets be set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision must be made when and in the manner prescribed by the commissioner.

EFFECTIVE DATE. This section is effective for games sold by a licensed distributor after June 30, 2012.

Sec. 11. Minnesota Statutes 2010, section 297E.02, is amended by adding a subdivision to read:

Subd. 12. **Tax rebate.** Each fiscal year, the commissioner shall rebate the amount determined under section 297E.021, subdivision 4, clause (1), to each organization subject to tax under this section in proportion to the share of the tax paid by the organization in the calendar year ending during the fiscal year, provided that the commissioner is not required to pay a rebate in an amount less than \$25.

EFFECTIVE DATE. This section is effective for fiscal year 2013.

Sec. 12. **[297E.021] SPECIAL ALLOCATION OF REVENUES.**

Subdivision 1. **Application; revenues not pledged.** The provisions of this subdivision apply only after the issuance of appropriation bonds under section 16A.965, subdivision 2, but do not constitute a pledge of available revenues as security for payment of principal and interest on appropriation bonds issued under section 16A.965.

Subd. 2. **Determination of revenue increase.** By March 15 of each fiscal year, the commissioner of management and budget, in consultation with the commissioner, shall determine the estimated increase in revenues received from taxes imposed under this chapter over the estimated revenues under the February 2012 state budget forecast for that fiscal year. For fiscal years after fiscal year 2015, the commissioner of management and budget shall use the February 2012 state budget forecast for fiscal year 2015 as the baseline. All calculations under this subdivision must be made net of estimated refunds of the taxes required to be paid.

Subd. 3. **Definition of available revenues.** For purposes of this section, "available revenues" equals the amount determined under subdivision 2:

(1) reduced by the following amounts paid for the fiscal year under:

(i) the appropriation to principal and interest on appropriation bonds under section 16A.965, subdivision 8;

(ii) the appropriation from the general fund to make operating expense payments under section 473J.13, subdivision 2, paragraph (b);

(iii) the appropriation for contributions to the capital reserve fund under section 473J.13, subdivision 4, paragraph (c);

(iv) the appropriations under this article for administration and any successor appropriation;

(v) the reduction in revenues resulting from the sales tax exemptions under section 297A.71, subdivision 43;

(vi) reimbursements authorized by section 473J.15, subdivision 2, paragraph (d); and

(vii) the compulsive gambling appropriations under section 297E.02, subdivision 3, paragraph (c), and any successor appropriation; and

(2) increased by the revenue deposited in the general fund under section 297A.994, subdivision 4, paragraph (a), clauses (1) to (3), for the fiscal year.

Subd. 4. Allocation of available revenues. Available revenues are allocated for each fiscal year as follows:

(1) the least of the following amounts is allocated for the payment of tax rebates under section 297E.02, subdivision 12:

(i) the amount of the estimated revenue increase for the fiscal year under subdivision 2 in excess of \$52,000,000;

(ii) \$16,000,000; or

(iii) available revenues for the fiscal year; and

(2) available revenues for the fiscal year not allocated under clause (1) are allocated to the appropriation under subdivision 5.

Subd. 5. Appropriation; general reserve account. To the extent the commissioner determines that revenues are available under subdivision 4, clause (2), for the fiscal year, those amounts are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget. Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 297A.994 or, after consultation with the legislative commission on planning and fiscal policy, amounts in this reserve are appropriated to the commissioner of management and budget for other uses related to the stadium authorized under section 473J.03, subdivision 7, that the commissioner deems financially prudent including but not limited to reimbursements for capital and operating costs relating to the stadium, refundings, and prepayment of debt. In no event, shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under section 16A.965.

Sec. 13. Minnesota Statutes 2010, section 297E.13, subdivision 5, is amended to read:

Subd. 5. Untaxed gambling equipment. It is a gross misdemeanor for a person to possess gambling equipment for resale in this state that has not been stamped or bar-coded in accordance with this chapter and chapter 349 and upon which the taxes imposed by chapter 297A or section 297E.02, ~~subdivision 4,~~ have not been paid. The director of alcohol and gambling enforcement or the commissioner or the designated inspectors and employees of the director or commissioner may seize in the name of the state of Minnesota any unregistered or untaxed gambling equipment.

EFFECTIVE DATE. This section is effective for actions occurring after June 30, 2012.

Sec. 14. Minnesota Statutes 2010, section 349.12, subdivision 3b, is amended to read:

Subd. 3b. Bar operation. "Bar operation" means a method of selling and redeeming disposable gambling equipment by an employee of the lessor within a leased premises which is licensed for the on-sale of alcoholic beverages ~~where such sales and redemptions are made by an employee of the lessor from a common area where food and beverages are also sold.~~

Sec. 15. Minnesota Statutes 2010, section 349.12, subdivision 3c, is amended to read:

Subd. 3c. **Bar bingo.** "Bar bingo" is a bingo occasion conducted at a permitted premises in an area where intoxicating liquor or 3.2 percent malt beverages are sold and where the licensed organization conducts another form of lawful gambling. Bar bingo does not include bingo games linked to other permitted premises.

Sec. 16. Minnesota Statutes 2010, section 349.12, subdivision 5, is amended to read:

Subd. 5. **Bingo occasion.** "Bingo occasion" means a single gathering or session at which a series of one or more successive bingo games is played. There is no limit on the number of games conducted during a bingo occasion ~~but~~. A bingo occasion must not last longer than eight consecutive hours, except that linked bingo games played on electronic bingo devices may be played during regular business hours of the permitted premises, and all play during this period is considered a bingo occasion for reporting purposes. For permitted premises where the primary business is bingo, regular business hours shall be defined as the hours between 8:00 a.m. and 2:00 a.m.

Sec. 17. Minnesota Statutes 2010, section 349.12, subdivision 6a, is amended to read:

Subd. 6a. **Booth operation.** "Booth operation" means a method of selling and redeeming disposable gambling equipment by an employee of a licensed organization in a premises the organization leases or owns ~~where such sales and redemptions are made within a separate enclosure that is distinct from areas where food and beverages are sold.~~

Sec. 18. Minnesota Statutes 2010, section 349.12, subdivision 12a, is amended to read:

Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means ~~an~~ a handheld and portable electronic device that:

(a) is used by a bingo player to:

(1) monitor bingo paper sheets or a facsimile of a bingo paper sheet when purchased and played at the time and place of an organization's bingo occasion and which (1) provides a means for bingo players to, or to play an electronic bingo game that is linked with other permitted premises;

(2) activate numbers announced by a bingo caller; (2) compares or displayed, and to compare the numbers entered by the player to the bingo faces previously stored in the memory of the device; and

(3) identifies identify a winning bingo pattern- or game requirement; and

(4) play against other bingo players;

(b) limits the play of bingo faces to 36 faces per game;

(c) requires coded entry to activate play but does not allow the use of a coin, currency, or tokens to be inserted to activate play;

(d) may only be used for play against other bingo players in a bingo game;

(e) has no additional function as an amusement or gambling device other than as an electronic pull-tab game defined under section 349.12, subdivision 12c;

(f) has the capability to ensure adequate levels of security internal controls;

(g) has the capability to permit the board to electronically monitor the operation of the device and the internal accounting systems; and

(h) has the capability to allow use by a player who is visually impaired.

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

Sec. 19. Minnesota Statutes 2010, section 349.12, is amended by adding a subdivision to read:

Subd. 12b. **Electronic pull-tab device.** "Electronic pull-tab device" means a handheld and portable electronic device that:

(a) is used to play one or more electronic pull-tab games;

(b) requires coded entry to activate play but does not allow the use of coin, currency, or tokens to be inserted to activate play;

(c) requires that a player must activate or open each electronic pull-tab ticket and each individual line, row, or column of each electronic pull-tab ticket;

(d) maintains information pertaining to accumulated win credits that may be applied to games in play or redeemed upon termination of play;

(e) has no spinning symbols or other representations that mimic a video slot machine;

(f) has no additional function as a gambling device other than as an electronic linked bingo game played on a device defined under section 349.12, subdivision 12a;

(g) may incorporate an amusement game feature as part of the pull-tab game but may not require additional consideration for that feature or award any prize, or other benefit for that feature;

(h) may have auditory or visual enhancements to promote or provide information about the game being played, provided the component does not affect the outcome of a game or display the results of a game;

(i) maintains, on nonresettable meters, a printable, permanent record of all transactions involving each device electronic pull-tab games played on the device;

(j) is not a pull-tab dispensing device as defined under subdivision 32a; and

(k) has the capability to allow use by a player who is visually impaired.

Sec. 20. Minnesota Statutes 2010, section 349.12, is amended by adding a subdivision to read:

Subd. 12c. **Electronic pull-tab game.** "Electronic pull-tab game" means a pull-tab game containing:

(a) facsimiles of pull-tab tickets that are played on an electronic pull-tab device;

(b) a predetermined, finite number of winning and losing tickets, not to exceed 7,500 tickets;

(c) the same price for each ticket in the game;

(d) a price paid by the player of not less than 25 cents per ticket;

(e) tickets that are in conformance with applicable board rules for pull-tabs;

(f) winning tickets that comply with prize limits under section 349.211;

(g) a unique serial number that may not be regenerated;

(h) an electronic flare that displays the game name, form number, predetermined, finite number of tickets in the game, and prize tier; and

(i) no spinning symbols or other representations that mimic a video slot machine.

Sec. 21. Minnesota Statutes 2010, section 349.12, is amended by adding a subdivision to read:

Subd. 12d. **Electronic pull-tab game system.** "Electronic pull-tab game system" means the equipment leased from a licensed distributor and used by a licensed organization to conduct, manage, and record electronic pull-tab games, and to report and transmit the game results as prescribed by the board and the Department of Revenue. The system must provide security and access levels sufficient so that internal control objectives are met as prescribed by the board. The system must contain a point of sale station.

Sec. 22. Minnesota Statutes 2010, section 349.12, subdivision 18, is amended to read:

Subd. 18. **Gambling equipment.** "Gambling equipment" means: ~~gambling equipment that is either disposable or permanent gambling equipment.~~

(a) Disposable gambling equipment includes the following:

(1) bingo hard cards or paper sheets, including linked bingo paper sheets, ~~devices for selecting bingo numbers, electronic bingo devices, ;~~

(2) paper and electronic pull-tabs; ;

(3) jar tickets, ~~paddle wheels, paddle wheel tables, ;~~

(4) paddle tickets, and paddle ticket cards; ;

(5) tipboards, and tipboard tickets; ; and

(6) promotional tickets that mimic a pull-tab or tipboard, ~~pull-tab dispensing devices, and programmable electronic devices that have no effect on the outcome of a game and are used to provide a visual or auditory enhancement of a game.~~

(b) Permanent gambling equipment includes the following:

(1) devices for selecting bingo numbers;

(2) electronic bingo devices;

(3) electronic pull-tab devices;

(4) pull-tab dispensing devices;

(5) programmable electronic devices that have no effect on the outcome of a game and are used to provide a visual or auditory enhancement of a game;

(6) paddle wheels; and

(7) paddle wheel tables.

Sec. 23. Minnesota Statutes 2010, section 349.12, subdivision 25, is amended to read:

Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

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

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

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;

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

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

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

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

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

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

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

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;

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

(9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;

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

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

(12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database;

(13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:

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

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

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

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

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

(16) an expenditure by a licensed fraternal organization or a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for:

(i) up to 100 percent for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veteran or fraternal organization; or

(ii) a proportional amount subject to approval by the director and based on the portion of a building used as the primary headquarters of the licensed veteran or fraternal organization;

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

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

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

(20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

(21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;

(22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

(i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, or service groups, or is used for the organization's primary mission or headquarters.

(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

(iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;

(23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than \$2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section; or

(25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure.

(b) Expenditures authorized by the board under clauses (24) and (25) must be 51 percent completed within two years of the date of board approval; otherwise the organization must reapply to the board for approval of the project.

"Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.

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

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

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

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

(4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 24. Minnesota Statutes 2010, section 349.12, subdivision 25b, is amended to read:

Subd. 25b. **Linked bingo game provider.** "Linked bingo game provider" means any person who provides the means to link bingo prizes in a linked bingo game, who provides linked bingo paper sheets to the participating organizations games, who provides linked bingo prize management, and who provides the linked bingo game system.

Sec. 25. Minnesota Statutes 2010, section 349.12, subdivision 25c, is amended to read:

Subd. 25c. **Linked bingo game system.** "Linked bingo game system" means the equipment used by the linked bingo provider to conduct, transmit, and track a linked bingo game. The system must be approved by the board before its use in this state and it must have ~~dial up or other~~ the capability to permit the board to electronically monitor its operation remotely. For linked electronic bingo games, the system includes electronic bingo devices.

Sec. 26. Minnesota Statutes 2010, section 349.12, subdivision 25d, is amended to read:

Subd. 25d. **Linked bingo prize pool.** "Linked bingo prize pool" means the total of all prize money that each participating organization has contributed to a linked bingo game prize and includes any portion of the prize pool that is carried over from one ~~occasion~~ game to another in a progressive linked bingo game.

Sec. 27. Minnesota Statutes 2010, section 349.12, subdivision 29, is amended to read:

Subd. 29. **Paddle wheel.** "Paddle wheel" means a vertical wheel marked off into sections containing one or more numbers, and which, after being turned or spun, uses a pointer or marker to indicate winning chances, and may only be used to determine a winning number or numbers matching a winning paddle ticket purchased by a player. A paddle wheel may be an electronic device that simulates a paddle wheel.

Sec. 28. Minnesota Statutes 2010, section 349.12, subdivision 31, is amended to read:

Subd. 31. **Promotional ticket.** A paper pull-tab ticket or paper tipboard ticket created and printed by a licensed manufacturer with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given is a promotional ticket.

Sec. 29. Minnesota Statutes 2010, section 349.12, subdivision 32, is amended to read:

Subd. 32. **Pull-tab.** "Pull-tab" means a single folded or banded paper ticket or a multi-ply card with perforated break-open tabs, or a facsimile of a paper pull-tab ticket used in conjunction with an electronic pull-tab device, the face of which is initially covered to conceal one or more numbers or symbols, and where one or more of each set of tickets or cards, or facsimiles has been designated in advance as a winner.

Sec. 30. Minnesota Statutes 2010, section 349.12, subdivision 34, is amended to read:

Subd. 34. **Tipboard.** "Tipboard" means a board, placard or other device containing a seal that conceals the winning number or symbol, and that serves as the game flare for a tipboard game. A sports-themed tipboard is a board, placard, or other device that contains a grid of predesignated numbers for which the winning numbers are determined in whole or in part by the numerical outcome of one or more professional sporting events, serves as the game flare for player registration, but is not required to contain a seal. For a sports-themed tipboard, the winning numbers must be determined solely by the numerical outcome.

Sec. 31. Minnesota Statutes 2010, section 349.12, subdivision 35, is amended to read:

Subd. 35. **Tipboard ticket.** "Tipboard ticket" is a single folded or banded ticket, or multi-ply card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol, or set of symbols, some of which have been designated in advance and at random as prize winners. For a sports-themed tipboard, the tipboard ticket contains a set of numbers used to determine the winner based on the numerical outcome of a professional sporting event.

Sec. 32. Minnesota Statutes 2010, section 349.13, is amended to read:

349.13 LAWFUL GAMBLING.

Lawful gambling is not a lottery or gambling within the meaning of sections 609.75 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device, electronic bingo device, and electronic pull-tab device permitted under this chapter and by board rule is not a gambling device within the meaning of sections 609.75 to 609.76 and chapter 299L. An electronic game device allowed under this chapter may not be a slot machine. Electronic game devices, including but not limited to electronic bingo devices, electronic paddle wheels, and electronic pull-tab devices authorized under this chapter, may only be used in the conduct of lawful gambling permitted under this chapter and board rule and may not display or simulate any other form of gambling or entertainment, except as otherwise allowed under this chapter.

Sec. 33. Minnesota Statutes 2010, section 349.151, subdivision 4b, is amended to read:

Subd. 4b. **Pull-tab sales from dispensing devices.** ~~(a)~~ The board may by rule authorize but not require the use of pull-tab dispensing devices.

~~(b) Rules adopted under paragraph (a):~~

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

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

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

Sec. 34. Minnesota Statutes 2010, section 349.151, subdivision 4c, is amended to read:

Subd. 4c. **Electronic bingo devices.** (a) The board may by rule authorize but not require the use of electronic bingo devices.

~~(b) Rules adopted under paragraph (a):~~

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

~~(2) must require that an electronic bingo device be used with corresponding bingo paper sheets or a facsimile, printed at the point of sale, as approved by the board;~~

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

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

(b) The board, or the director if authorized by the board, may require the deactivation of an electronic bingo device for violation of a law or rule and to implement any other controls deemed necessary to ensure and maintain the integrity of electronic bingo devices and the electronic bingo games played on the devices.

Sec. 35. Minnesota Statutes 2010, section 349.151, is amended by adding a subdivision to read:

Subd. 4d. **Electronic pull-tab devices and electronic pull-tab game system.** (a) The board may adopt rules it deems necessary to ensure the integrity of electronic pull-tab devices, the electronic pull-tab games played on the devices, and the electronic pull-tab game system necessary to operate them.

(b) The board may not require an organization to use electronic pull-tab devices.

(c) Before authorizing the lease or sale of electronic pull-tab devices and the electronic pull-tab game system, the board shall examine electronic pull-tab devices allowed under section 349.12, subdivision 12b. The board may contract for the examination of the game system and electronic pull-tab devices and may require a working model to be transported to locations the board designates for testing, examination, and analysis. The manufacturer must pay all costs of any testing, examination, analysis, and transportation of the model. The system must be approved by the board before its use in the state and must have the capability to permit the board to electronically monitor its operation and internal accounting systems.

(d) The board may require a manufacturer to submit a certificate from an independent testing laboratory approved by the board to perform testing services, stating that the equipment has been tested, analyzed, and meets the standards required in this chapter and any applicable board rules.

(e) The board, or the director if authorized by the board, may require the deactivation of an electronic pull-tab device for violation of a law or rule and to implement any other controls deemed necessary to ensure and maintain the integrity of electronic pull-tab devices and the electronic pull-tab games played on the devices.

Sec. 36. Minnesota Statutes 2010, section 349.151, is amended by adding a subdivision to read:

Subd. 4e. Sports-themed tipboard rules. The board may adopt rules for the conduct of tipboards for which the winning numbers are determined in whole or in part by the numerical outcome of one or more professional sporting events. The rules must provide for operation procedures, internal control standards, posted information, records, and reports. The rules must provide for the award of prizes, method of payout, wagers, determination of winners, and the specifications of these tipboards.

Sec. 37. Minnesota Statutes 2010, section 349.155, subdivision 3, is amended to read:

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

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

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

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

(4) owes \$500 or more in delinquent taxes as defined in section 270C.72;

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

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

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

(1) has been convicted of a felony or gross misdemeanor involving theft or fraud; or

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

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

Sec. 38. Minnesota Statutes 2010, section 349.155, subdivision 4, is amended to read:

Subd. 4. License revocation, suspension, denial; censure. (a) The board may by order (i) deny, suspend, revoke, or refuse to renew a license or premises permit, or (ii) censure a licensee or applicant, if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, an employee eligible to make sales on behalf of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee:

(1) has violated or failed to comply with any provision of this chapter or chapter 297E or 299L, or any rule adopted or order issued thereunder;

(2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation;

(3) has made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director;

(4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota;

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

(6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of \$2,500 or more, by a gambling regulator in another state or jurisdiction;

(7) has been the subject of any of the following actions by the director of alcohol and gambling enforcement or commissioner of public safety: (i) had a license under chapter 299L denied, suspended, or revoked, (ii) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine, or (iii) has been the subject of any other discipline by the director or commissioner;

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

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

(b) The revocation or suspension of an organization's license may not exceed a period of ten years, including any revocation or suspension imposed by the board prior to the effective date of this paragraph, except that:

(1) any prohibition placed by the board on who may be involved in the conduct, oversight, or management of the revoked organization's lawful gambling activity is permanent; and

(2) a revocation or suspension will remain in effect until any taxes, fees, and fines that are delinquent have been paid by the organization to the satisfaction of the board.

Sec. 39. Minnesota Statutes 2010, section 349.161, subdivision 1, is amended to read:

Subdivision 1. **Prohibited acts; licenses required.** (a) No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment for use within the state without having obtained a distributor license or a distributor salesperson license under this section except that an organization authorized to conduct bingo by the board may loan bingo hard cards and devices for selecting bingo numbers to another organization authorized to conduct bingo and a linked bingo game provider may provide electronic bingo devices for linked electronic bingo games;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

(b) No licensed distributor salesperson may sell, offer for sale, or furnish gambling equipment for use within the state without being employed by a licensed distributor or owning a distributor license.

(c) No distributor or distributor salesperson may also be licensed as a linked bingo game provider under section 349.1635.

Sec. 40. Minnesota Statutes 2010, section 349.161, subdivision 5, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 41. Minnesota Statutes 2010, section 349.162, subdivision 5, is amended to read:

Subd. 5. **Sales from facilities.** (a) All gambling equipment purchased or possessed by a licensed distributor for resale or lease to any person for use in Minnesota must, prior to the equipment's resale or lease, be unloaded into a storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the Division of Alcohol and Gambling Enforcement as a storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a storage facility which has been registered with the Division of Alcohol and Gambling Enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board or the Department of Revenue. A distributor must notify the board of the method that it will use to sell and transfer electronic pull-tab games to licensed organizations, and must receive approval of the board before implementing or making changes to the approved method.

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

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

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

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

(2) to gambling equipment registered with the Department of Revenue for distribution to the tribal casinos.

Sec. 42. Minnesota Statutes 2010, section 349.163, subdivision 1, is amended to read:

Subdivision 1. **License required.** No manufacturer of gambling equipment may sell any gambling equipment to any person for use or resale within the state, unless the manufacturer has a current and valid license issued by the board under this section and has satisfied other criteria prescribed by the board by rule. A manufacturer licensed under this section may also be licensed as a linked bingo game provider under section 349.1635.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161.

Sec. 43. Minnesota Statutes 2010, section 349.163, subdivision 5, is amended to read:

Subd. 5. **Paper pull-tab and tipboard flares.** (a) A manufacturer may not ship or cause to be shipped into this state or sell for use or resale in this state any deal of paper pull-tabs or tipboards that does not have its own individual flare as required for that deal by this subdivision and rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of paper pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) The flare of each paper pull-tab and tipboard game must have affixed to or imprinted at the bottom a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 2.

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of paper pull-tabs must affix to the outside of the box containing that game the same bar code that is affixed to or imprinted at the bottom of a flare for that deal.

(c) No person may alter the bar code that appears on the outside of a box containing a deal of paper pull-tabs and tipboards. Possession of a box containing a deal of paper pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

(d) The flare of each deal of paper pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have imprinted on it a symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline. The flare must be placed inside the wrapping of the deal which the flare describes.

(e) Each paper pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) purchasers -- This pull-tab (or tipboard) game is not legal in Minnesota unless:

-- an outline of Minnesota with letters "MN" inside it is imprinted on this sheet, and

-- the serial number imprinted on the bar code at the bottom of this sheet is the same as the serial number on the pull-tab (or tipboard) ticket you have purchased. "

(f) The flare of each paper pull-tab and tipboard game must have the serial number of the game imprinted on the bar code at the bottom of the flare in numerals at least one-half inch high.

Sec. 44. Minnesota Statutes 2010, section 349.163, subdivision 6, is amended to read:

Subd. 6. **Samples of gambling equipment.** (a) The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment ~~the manufacturer manufactures~~ manufactured for use or resale in this state. For purposes of this subdivision, a manufacturer is also required to submit the applicable version of any software necessary to operate electronic devices and related systems.

(b) The board shall inspect and test all the equipment, including software and software upgrades, it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board shall impose a fee of \$25 for each item of gambling equipment that the manufacturer submits for approval or for which the manufacturer requests approval. The board shall impose a fee of \$100 for each sample of gambling equipment that it tests.

(c) The board may require samples of gambling equipment to be tested by an independent testing laboratory prior to submission to the board for approval. All costs of testing by an independent testing laboratory must be borne by the manufacturer. An independent testing laboratory used by a manufacturer to test samples of gambling equipment must be approved by the board before the equipment is submitted to the laboratory for testing.

(d) The board may request the assistance of the commissioner of public safety and the director of the State Lottery in performing the tests.

Sec. 45. Minnesota Statutes 2010, section 349.1635, subdivision 2, is amended to read:

Subd. 2. **License application.** The board may issue a license to a linked bingo game provider or to a manufacturer licensed under section 349.163 who meets the qualifications of this chapter and the rules promulgated by the board. The application shall be on a form prescribed by the board. The license is valid for two years and the fee for a linked bingo game provider license is \$5,000 per year.

Sec. 46. Minnesota Statutes 2010, section 349.1635, subdivision 3, is amended to read:

Subd. 3. **Attachments to application.** An applicant for a linked bingo game provider license must attach to its application:

(1) evidence of a bond in the principal amount of \$100,000 payable to the state of Minnesota conditioned on the payment of all linked bingo prizes and any other money due and payable under this chapter;

(2) detailed plans and specifications for the operation of the linked bingo game and the linked bingo system, along with a proposed fee schedule for the cost of providing services and equipment to licensed organizations which may not exceed 15 percent of gross profits, unless a higher percentage, not to exceed 20 percent, is authorized by the board. The fee schedule must incorporate costs paid to distributors for services provided under subdivision 5; and

(3) any other information required by the board by rule.

Sec. 47. Minnesota Statutes 2010, section 349.1635, is amended by adding a subdivision to read:

Subd. 5. **Linked bingo game services requirements.** (a) A linked bingo game provider must contract with licensed distributors for linked bingo game services including, but not limited to, the solicitation of agreements with licensed organizations, and installation, repair, or maintenance of the linked bingo game system.

(b) A distributor may not charge a fee to licensed organizations for services authorized and rendered under paragraph (a).

(c) A linked bingo game provider may not contract with any distributor on an exclusive basis.

(d) A linked bingo game provider may refuse to contract with a licensed distributor if the linked bingo game provider demonstrates that the licensed distributor is not capable of performing the services under the contract.

Sec. 48. Minnesota Statutes 2010, section 349.165, subdivision 2, is amended to read:

Subd. 2. **Contents of application.** An application for a premises permit must contain:

(1) the name and address of the applying organization;

(2) a description of the site for which the permit is sought, including its address and, where applicable, its placement within another premises or establishment;

(3) if the site is leased, the name and address of the lessor and information about the lease the board requires, including all rents and other charges for the use of the site. The lease term is concurrent with the term of the premises permit. The lease must contain a ~~30-day~~ termination clause. No lease is required for the conduct of a raffle; and

(4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board in writing within ten days whenever any material change is made in the above information.

Sec. 49. Minnesota Statutes 2010, section 349.17, subdivision 6, is amended to read:

Subd. 6. **Conduct of bingo.** The price of a face played on an electronic bingo device may not be less than the price of a face on a bingo paper sheet sold for the same game at the same occasion. A game of bingo begins with the first letter and number called or displayed. Each player must cover, mark, or activate the numbers when bingo numbers are randomly selected; and announced; and or displayed to the players; ~~either manually or with a flashboard and monitor.~~ The game is won when a player, using bingo paper, bingo hard card, or a facsimile of a bingo paper sheet, has completed, as described in the bingo program, a previously designated pattern or previously determined requirements of the game and declared bingo. The game is completed when a winning card, sheet, or facsimile is verified and a prize awarded pursuant to subdivision 3.

Sec. 50. Minnesota Statutes 2010, section 349.17, subdivision 7, is amended to read:

Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the following restrictions:

(1) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A; and

(2) the bingo is conducted using only bingo paper sheets or facsimiles of bingo paper sheets purchased from a licensed distributor or licensed linked bingo game provider; ~~and~~

~~(3) no rent may be paid for a bar bingo occasion.~~

Sec. 51. Minnesota Statutes 2010, section 349.17, subdivision 8, is amended to read:

Subd. 8. **Linked bingo games.** (a) A licensed organization may conduct or participate in ~~not more than two~~ linked bingo games ~~per occasion, one of which may be a~~, including progressive game games in which a portion of the prize is carried over from one ~~occasion game~~ to another until won by a player achieving a valid bingo within a predetermined amount of bingo numbers called based upon a predetermined and posted win determination.

(b) ~~Each participating licensed organization shall contribute to each prize awarded in a linked bingo game in an amount not to exceed \$300.~~ Linked bingo games may only be conducted by licensed organizations who have a valid agreement with the linked bingo game provider.

(c) An electronic bingo device as defined in section 349.12, subdivision 12a, may be used for a linked bingo game.

(d) The board may adopt rules to:

(1) specify the manner in which a linked bingo game must be played and how the linked bingo prizes must be awarded;

(2) specify the records to be maintained by a linked bingo game provider;

(3) require the submission of periodic reports by the linked bingo game provider and specify the content of the reports;

(4) establish the qualifications required to be licensed as a linked bingo game provider; and

(5) any other matter involving the operation of a linked bingo game.

Sec. 52. Minnesota Statutes 2010, section 349.17, is amended by adding a subdivision to read:

Subd. 9. **Linked bingo games played exclusively on electronic bingo devices.** In addition to the requirements of subdivision 8, the following requirements and restrictions apply when linked bingo games are played exclusively on electronic bingo devices.

(a) The permitted premises must be:

(1) a premises licensed for the on-sale or off-sale of intoxicating liquor or 3.2 percent malt beverages, except for a general food store or drug store permitted to sell alcoholic beverages under section 340A.405, subdivision 1; or

(2) a premises where bingo is conducted as the primary business and has a seating capacity of at least 100.

(b) The number of electronic bingo devices is limited to:

(1) no more than six devices in play for permitted premises with 200 seats or less;

(2) no more than 12 devices in play for permitted premises with 201 seats or more; and

(3) no more than 50 devices in play for permitted premises where bingo is the primary business.

Seating capacity is determined as specified under the local fire code.

(c) Prior to a bingo occasion, the linked bingo game provider, on behalf of the participating organizations, must provide to the board a bingo program in a format prescribed by the board.

(d) Before participating in the play of a linked bingo game, a player must present and register a valid picture identification card that includes the player's address and date of birth.

(e) An organization may remove from play a device that a player has not maintained in an activated mode for a specified period of time determined by the organization. The organization must provide the notice in its house rules.

Sec. 53. Minnesota Statutes 2010, section 349.1711, subdivision 1, is amended to read:

Subdivision 1. **Sale of tickets.** (a) Tipboard games must be played using only tipboard tickets that are either (1) attached to a placard and arranged in columns or rows, or (2) separate from the placard and contained in a receptacle while the game is in play. The placard serves as the game flare.

(b) Except for a sports-themed tipboard, the placard must contain a seal that conceals the winning number or symbol. When a tipboard ticket is purchased and opened from a game containing more than 32 tickets, each player having a tipboard ticket with one or more predesignated numbers or symbols must sign the placard at the line indicated by the number or symbol on the tipboard ticket.

Sec. 54. Minnesota Statutes 2010, section 349.1711, subdivision 2, is amended to read:

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

Sec. 55. Minnesota Statutes 2010, section 349.1721, is amended to read:

349.1721 CONDUCT OF PULL-TABS.

Subdivision 1. **Cumulative or carryover games.** The board shall by rule permit pull-tab games with multiple seals. The board shall also adopt rules for pull-tab games with cumulative or carryover prizes. The rules shall also apply to electronic pull-tab games.

Subd. 2. **Event games.** The board shall by rule permit pull-tab games in which certain winners are determined by the random selection of one or more bingo numbers or by another method approved by the board. The rules shall also apply to electronic pull-tab games.

Subd. 3. **Pull-tab dispensing device location restrictions and requirements.** The following pertain to pull-tab dispensing devices as defined under section 349.12, subdivision 32a.

(a) The use of any pull-tab dispensing device must be at a permitted premises which is:

(1) a licensed premises for on-sale of intoxicating liquor or 3.2 percent malt beverages;

(2) a premises where bingo is conducted as the primary business; or

(3) an establishment licensed for the off-sale of intoxicating liquor, other than drug stores and general food stores licensed under section 340A.405, subdivision 1.

(b) The number of pull-tab dispensing devices located at any permitted premises is limited to three.

Subd. 4. **Electronic pull-tab device requirements and restrictions.** The following pertain to the use of electronic pull-tab devices as defined under section 349.12, subdivision 12b.

(a) The use of any electronic pull-tab device may only be at a permitted premises that is:

(1) a premises licensed for the on-sale or off-sale of intoxicating liquor or 3.2 percent malt beverages, except for a general food store or drug store permitted to sell alcoholic beverages under section 340A.405, subdivision 1; or

(2) a premises where bingo is conducted as the primary business and has a seating capacity of at least 100; and

(3) where the licensed organization sells paper pull-tabs.

(b) The number of electronic pull-tab devices is limited to:

(1) no more than six devices in play at any permitted premises with 200 seats or less;

(2) no more than 12 devices in play at any permitted premises with 201 seats or more; and

(3) no more than 50 devices in play at any permitted premises where the primary business is bingo.

Seating capacity is determined as specified under the local fire code.

(c) The hours of operation for the devices are limited to 8:00 a.m. to 2:00 a.m.

(d) All electronic pull-tab games must be sold and played on the permitted premises and may not be linked to other permitted premises.

(e) Electronic pull-tab games may not be transferred electronically or otherwise to any other location by the licensed organization.

(f) Electronic pull-tab games may be commingled if the games are from the same family of games and manufacturer and contain the same game name, form number, type of game, ticket count, prize amounts, and prize denominations. Each commingled game must have a unique serial number.

(g) An organization may remove from play a device that a player has not maintained in an activated mode for a specified period of time determined by the organization. The organization must provide the notice in its house rules.

(h) Before participating in the play of an electronic pull-tab game, a player must present and register a valid picture identification card that includes the player's address and date of birth.

(i) Each player is limited to the use of one device at a time.

Subd. 5. **Multiple chance games.** The board may permit pull-tab games in which the holders of certain predesignated winning tickets, with a prize value not to exceed \$75 each, have the option of turning in the winning tickets for the chance to win a prize of greater value.

Sec. 56. Minnesota Statutes 2010, section 349.18, subdivision 1, is amended to read:

Subdivision 1. **Lease or ownership required; rent limitations.** (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. The term of the lease is concurrent with the premises permit. Leases approved by the board must specify that the board may authorize an organization to withhold rent from a lessor for a period of up to 90 days if the board determines that illegal gambling occurred on the premises or that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. The lease must authorize the continued tenancy of the organization without the payment of rent during the time period determined by the board under this paragraph. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request.

(b) Rent paid by an organization for leased premises for the conduct of ~~pull tabs, tipboards, and paddle wheels~~ lawful gambling is subject to the following limits and restrictions:

(1) For booth operations, ~~including booth operations where a pull tab dispensing device is located, booth operations where a bar operation is also conducted, and booth operations where both a pull tab dispensing device is located and a bar operation is also conducted, the maximum rent is: monthly rent may not exceed ten percent of gross profits for that month. Total rent paid to a lessor from all organizations from leases governed by this clause may not exceed \$1,750 per month.~~

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

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

~~(2) For bar operations, including bar operations where a pull tab dispensing device is located but not including bar operations subject to clause (1), and for locations where only a pull tab dispensing device is located: monthly rent may not exceed:~~

~~(i) 15 percent of the gross profits for that month from pull-tabs sold from a pull-tab dispensing device, electronic pull-tab games, and electronic linked bingo games; and~~

~~(ii) more than 20 percent of gross profits from all other forms of lawful gambling.~~

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

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

~~(3) a lease not governed by clauses (1) and (2) must be approved by the board before becoming effective; For electronic linked bingo games and electronic pull-tab games that are operated for separate time periods within a business day by an organization and the lessor, monthly rent may not be more than:~~

~~(i) 15 percent of the gross profits for that month for the time periods operated by the lessor. The lessor is responsible for cash shortages that occur during the time periods the games are operated by the lessor; and~~

~~(ii) ten percent of gross profits for that month for the time periods operated by the organization. The organization is responsible for cash shortages that occur during the time periods the games are operated by the organization.~~

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

~~(c) Rent paid by an organization for leased premises for the conduct of bingo is subject to either of the following limits at the option of the parties to the lease:~~

~~(4) (4) For bingo conducted at a leased premises where the primary business is bingo, rent is limited to either not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions, excluding bar bingo or at a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director; and~~

~~(2) (5) No rent may be paid for bar bingo as defined in section 349.12, subdivision 3c.~~

~~(6) A lease not governed by clauses (1) to (5) must be approved by the director before becoming effective.~~

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

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

~~(f)~~ ~~No entity other than the~~ (e) A licensed organization may not conduct any activity ~~within a booth operation on behalf of the lessor~~ on a leased premises.

Sec. 57. Minnesota Statutes 2010, section 349.19, subdivision 2, is amended to read:

Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization must be segregated from all other revenues of the conducting organization and placed in a separate gambling bank account.

(b) All expenditures for allowable expenses, taxes, and lawful purposes must be made from the separate account except (1) in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule, (2) as provided in subdivision 2a, or (3) when restricted to one electronic fund transaction for the payment of taxes for the organization as a whole, the organization may transfer the amount of taxes related to the conduct of gambling to the general account at the time when due and payable.

(c) The name and address of the bank, the account number for the separate account, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made.

(d) Except for gambling receipts from electronic pull-tab games and linked electronic bingo games, gambling receipts must be deposited into the gambling bank account within four business days of completion of the bingo occasion, deal, or game from which they are received.

(1) A deal of paper pull-tabs is considered complete when either the last pull-tab of the deal is sold or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct pull-tabs.

(2) A tipboard game is considered complete when the seal on the game flare is uncovered or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct tipboards.

(e) Gambling receipts from all electronic pull-tab games and all linked electronic bingo games must be recorded on a daily basis and deposited into the gambling bank account within two business days.

~~(e)~~ (f) Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises.

~~(f)~~ (g) The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 58. Minnesota Statutes 2010, section 349.19, subdivision 3, is amended to read:

Subd. 3. **Expenditures.** (a) All expenditures of gross profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment.

(b) Each licensed organization must report monthly to the board on a form in an electronic format prescribed by the board each expenditure or contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

- (1) the name of the recipient of the expenditure or contribution;
 - (2) the date the expenditure or contribution was approved by the organization;
 - (3) the date, amount, and check number or electronic transfer confirmation number of the expenditure or contribution;
 - (4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25; and
 - (5) in the case of expenditures authorized under section 349.12, subdivision 25, paragraph (a), clause (7), whether the expenditure is for a facility or activity that primarily benefits male or female participants.
- (c) Authorization of the expenditures must be recorded in the monthly meeting minutes of the licensed organization.
- (d) Checks or authorizations for electronic fund transfers for expenditures of gross profits must be signed by at least two persons authorized by board rules to sign the checks or authorizations.
- (e) Expenditures of gross profits from lawful gambling for local, state, and federal taxes as identified in section 349.12, subdivision 25, paragraph (a), clause (8), may be transferred electronically from the organization's gambling account directly to bank accounts identified by local, state, or federal agencies if the organization's gambling account monthly bank statement specifically identifies the payee by name, the amount transferred, and the date of the transaction.
- (f) Expenditures of gross profits from lawful gambling for payments for lawful purpose expenditures and allowable expenses may be transferred electronically from the organization's gambling account directly to bank accounts identified by the vendor if the organization's gambling account monthly bank statement specifically identifies the payee by name, the amount transferred, the account number of the account into which the funds were transferred, and the date of the transaction.
- (g) Expenditures of gross profits from lawful gambling for payroll compensation to an employee's account and for the payment of local, state, and federal withholding taxes may be transferred electronically to and from the account of a payroll processing firm provided that the firm:
- (1) is currently registered with and meets the criteria of the Department of Revenue as a third-party bulk filer under section 290.92, subdivision 30;
 - (2) is able to provide proof of a third-party audit and an annual report and statement of financial condition;
 - (3) is able to provide evidence of a fidelity bond; and
 - (4) can provide proof of having been in business as a third-party bulk filer for the most recent three years.
- (h) Electronic payments of taxes, lawful purpose expenditures, and allowable expenses are permitted only if they have been authorized by the membership, the organization maintains supporting documentation, and the expenditures can be verified.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 59. Minnesota Statutes 2010, section 349.19, subdivision 5, is amended to read:

Subd. 5. **Reports.** ~~(a) A licensed organization must report monthly to the Department of Revenue board in an electronic format prescribed by the board and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling for each permitted premises. The organization must account for and report on each form of lawful gambling conducted. The report organization must include a reconciliation of the organization's profit carryover with its cash balance on hand. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately.~~

~~(b) The organization must report annually to its membership and annually file with the board a financial summary report in a format prescribed by the board that identifies the organization's receipts and use of lawful gambling proceeds, including: monthly to the commissioner of revenue as required under section 297E.06.~~

~~(1) gross receipts;~~

~~(2) prizes paid;~~

~~(3) allowable expenses;~~

~~(4) lawful purpose expenditures, including annual totals for types of charitable contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18);~~

~~(5) the percentage of annual gross profits used for charitable contributions; and~~

~~(6) the percentage of annual gross profits used for all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18).~~

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 60. Minnesota Statutes 2010, section 349.19, subdivision 10, is amended to read:

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

(b) An organization must maintain separate cash banks for each deal of paper pull-tabs unless (1) the licensed organization uses a pull-tab dispensing device, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of paper pull-tabs by separate deals.

(c) The board shall:

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

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

Sec. 61. Minnesota Statutes 2010, section 349.211, subdivision 1a, is amended to read:

Subd. 1a. **Linked bingo prizes.** Prizes for a linked bingo game shall be limited as follows:

~~(1) no organization may contribute more than \$300 per linked bingo game to a linked bingo prize pool for linked bingo games played without electronic bingo devices, an organization may not contribute to a linked bingo game prize pool more than \$300 per linked bingo game per site;~~

~~(2) for linked bingo games played exclusively with electronic bingo devices, an organization may not contribute more than 85 percent of the gross receipts per permitted premises to a linked bingo game prize pool;~~

~~(3) no organization may award more than \$200 for a linked bingo game consolation prize. For purposes of this subdivision, a linked bingo game consolation prize is a prize awarded by an organization after a prize from the linked bingo prize pool has been won; and~~

~~(4) for a progressive linked bingo game, if no player declares a valid bingo within the predetermined amount of bingo numbers called, a portion of the prize is gross receipts may be carried over to another occasion game until the accumulated progressive prize is won. The portion of the prize that is not carried over must be awarded to the first player or players who declares a valid bingo as additional numbers are called. If a valid bingo is declared within the predetermined amount of bingo numbers called, the entire prize pool for that game is awarded to the winner. The annual limit for progressive bingo game prizes contained in subdivision 2 must be reduced by the amount an organization contributes to progressive linked bingo games during the same calendar year. ; and~~

~~(5) for linked bingo games played exclusively with electronic bingo devices, linked bingo prizes in excess of \$599 shall be paid by the linked bingo game provider to the player within three business days. Winners of linked bingo prizes in excess of \$599 will be given a receipt or claim voucher as proof of a win.~~

Sec. 62. Minnesota Statutes 2010, section 349.211, subdivision 2c, is amended to read:

Subd. 2c. **Tipboard prizes.** (a) The maximum prize which may be awarded for a tipboard ticket is \$599 for \$2 and under tipboard tickets, \$899 for \$3 tipboard tickets, \$1,199 for \$4 tipboard tickets, and \$1,499 for \$5 tipboard tickets, not including any cumulative or carryover prizes. Cumulative or carryover prizes in tipboard games shall not exceed \$2,500. An organization may not sell any tipboard ticket for more than \$5.

(b) For sports-themed tipboards, the total prize payout may not exceed the amount in section 349.2113, and each chance or ticket may not be sold for more than \$10.

Sec. 63. **SEVERABILITY.**

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

Sec. 64. **APPROPRIATION.**

\$1,219,000 in fiscal year 2013 is appropriated from the lawful gambling regulation account in the special revenue fund to the Gambling Control Board for operating expenses related to the regulatory oversight of lawful gambling for electronic pull-tabs and electronic linked bingo.

Sec. 65. **REPEALER.**

Minnesota Statutes 2010, sections 297E.02, subdivision 4; 349.15, subdivision 3; and 349.19, subdivision 2a, are repealed.

EFFECTIVE DATE. This section is effective for games sold by a licensed distributor after June 30, 2012, and the commissioner of revenue retains the authority to issue refunds under Minnesota Statutes 2010, section 297E.02, subdivision 4, paragraph (d), for games sold before July 1, 2012.

Sec. 66. **EFFECTIVE DATE.**

Unless otherwise specifically provided, this act is effective the day following final enactment.

ARTICLE 5
MISCELLANEOUS

Section 1. **USE OF THE STADIUM.**

Subdivision 1. Amateur sports use. The lessee of the stadium must make the facilities of the stadium available to the Minnesota Amateur Sports Commission up to ten days each year on terms satisfactory to the commission for amateur sports activities consistent with Minnesota Statutes, chapter 240A, each year during the time the bonds issued pursuant to this act are outstanding. The commission must negotiate in good faith and may be required to pay no more than actual out-of-pocket expenses for the time it uses the stadium.

Subd. 2. High school league. The lessee of the stadium must make the facilities of the stadium available for use by the Minnesota State High School League for at least seven days each year for high school soccer and football tournaments. The lessee of the stadium must provide, and may not charge the league a fee for, this use, including security, ticket takers, custodial or cleaning services, or other similar services in connection with this use.

ARTICLE 6
STADIUM BLINK-ON FUNDING

Section 1. **[16A.1524] BACKUP REVENUES; FOOTBALL STADIUM FUNDING.**

(a) If the commissioner of management and budget determines that the amount of revenues under section 16A.965, subdivision 8, paragraph (a), for the next fiscal year will be less than the amounts specified in section 16A.965, subdivision 8, paragraph (b), for that fiscal year, the commissioner may implement the revenue options authorized in this article; provided that this section does not constitute a pledge of tax revenues as security for the payment of principal and interest on appropriation bonds issued under section 16A.695. If the commissioner determines to exercise the authority under this section for a fiscal year, the commissioner must implement the revenue options, as necessary, in the following order:

- (1) a tax on luxury boxes as provided under section 473J.14, paragraph (a), clause (1);
- (2) a sports-themed lottery game under section 349A.20;
- (3) an extension of the convention center taxes under article 3 through calendar year 2050;
- (4) excess revenue from Hennepin County tax as provided under section 473.757, subdivision 11, paragraph (d); and
- (5) an admissions tax, as provided under section 473J.14, paragraph (a), clause (2).

(b) Revenue raised under the authority granted by this section must be deposited in the general fund.

(c) If the commissioner determines to implement one or more of the revenue options authorized by this section, each subsequent year the commissioner must determine if the revenue is needed and will be imposed and collected for the next fiscal year. If the commissioner determines that one or more revenue options implemented for a fiscal year are not needed for a subsequent fiscal year, the commissioner must terminate them in the reverse order they were required to be implemented by paragraph (a) with the last option implemented terminated first and so forth.

(d) Before implementing a revenue source authorized under this section, the commissioner must report the intent to do so to the Legislative Commission on Planning and Fiscal Policy. The commissioner must inform the commission of determinations to continue or discontinue each revenue source for a subsequent fiscal year.

Sec. 2. **[349A.20] STADIUM, SPORTS-THEMED GAME.**

The State Lottery shall conduct a game based on stadium or professional sports themes to generate a minimum of \$2,100,000 in additional revenue for the fiscal year for the general fund.

EFFECTIVE DATE. This section is effective pursuant to the authority granted under section 1, on the day following final enactment.

Sec. 3. Minnesota Statutes 2011 Supplement, section 473.757, subdivision 11, is amended to read:

Subd. 11. **Uses of tax.** (a) Revenues received from the tax imposed under subdivision 10 may be used:

(1) to pay costs of collection;

(2) to pay or reimburse or secure the payment of any principal of, premium, or interest on bonds issued in accordance with Laws 2006, chapter 257, section 12;

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

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

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

(6) to make expenditures and grants for youth activities and amateur sports and extension of library hours as described in subdivision 2;

and for no other purpose.

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

(c) After completion of the ballpark and public infrastructure, the tax revenues not required for current payments of the expenditures described in paragraph (a), clauses (1) to (6), shall be used to (i) redeem or defease the bonds and (ii) prepay or establish a fund for payment of future obligations under grants or other commitments for future expenditures which are permitted by this section. Upon the redemption or defeasance of the bonds and the establishment of reserves adequate to meet such future obligations, the taxes shall terminate and shall not be reimposed. For purposes of this subdivision, "reserves adequate to meet such future obligations" means a reserve that does not exceed the net present value of the county's obligation to make grants under paragraph (a), clauses (5)

and (6), and to fund the reserve for capital improvements required under section 473.759, subdivision 3, for the 30-year period beginning on the date of the original issuance of the bonds, less those obligations that the county has already paid. Each fiscal year revenues available for use under this paragraph must be accumulated and may not be expended under this paragraph until 15 days after the close of the county's fiscal year, provided that the county has not received a notice under paragraph (d).

(d) Notwithstanding the authority to use revenues under paragraph (c), upon notification by the commissioner of management and budget under section 16A.1524 for a state fiscal year, the county must pay any revenues that would be available under paragraph (c) to the commissioner for that state fiscal year as provided under section 16A.1524.

EFFECTIVE DATE. This section is effective the day following final enactment without local approval by Hennepin County under Minnesota Statutes, section 645.023, subdivision 1, paragraph (c).

Sec. 4. **[473J.14] ADMISSIONS TAX.**

(a) Upon notification by the commissioner of management and budget under section 16A.1524, the commission shall by resolution impose and maintain a ten percent tax on either or both of:

(1) the gross receipts received for the rental of box seats, suites, sky boxes, and similar in the NFL stadium; or

(2) the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to professional sporting events at the NFL stadium.

(b) Each tax must be imposed in the years specified by the commissioner of management and budget. The suites rental tax under paragraph (a), clause (1), applies to the gross receipts, as defined under section 297A.61, received by the seller, as defined in section 297A.61, and is a debt owed by the seller to the commission. The admission tax under paragraph (a), clause (2), must be stated and charged separately from the sales price so far as practicable and the grantor, seller, or distributor must collect the tax from the person admitted and the tax is a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected is a debt owed by the grantor, issuer, seller, or distributor to the commission. Any tax imposed under this section is recoverable at law by the commission from the grantor, issuer, seller, or distributor in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for taxable admissions or renting boxes, suites, or similar may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay the penalties for nonpayment and interest on late payments, as the commission deems necessary or expedient to assure the prompt and uniform collection of either or both of the taxes.

(c) The commission shall remit the proceeds of any taxes imposed under this section to the commissioner of management and budget for deposit in the state's general fund.

(d) Notwithstanding any other provisions of this section, the imposition of an admission tax upon a national superbowl football game conducted at the NFL stadium is discretionary with the commission.

Sec. 5. **[473J.145] MINNEAPOLIS; CONVENTION CENTER TAX EXTENSION.**

The taxes under Laws 1986, chapter 396, sections 4 and 5, may be extended by order of the commissioner of management and budget beyond the 2047 sunset specified under article 3, as an additional source of revenue for repayment of the bonds sold under article 2. Any revenues collected from the extension of these taxes through 2048, 2049, and 2050 are deposited in the general fund.

EFFECTIVE DATE. This section is effective pursuant to the authority granted under section 1, on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to stadiums; providing for a new National Football League stadium in Minnesota; establishing a Minnesota Stadium Authority; authorizing the sale and issuance of state appropriation bonds; abolishing the Metropolitan Sports Facilities Commission; providing for use of certain local tax revenue; providing for electronic pull-tab games, electronic linked bingo games, and sports-themed tipboard games; providing for the conditional imposition of certain taxes and collection of other revenues; modifying certain rates of tax on lawful gambling; appropriating money; amending Minnesota Statutes 2010, sections 3.971, subdivision 6; 3.9741, by adding a subdivision; 297A.71, by adding a subdivision; 297E.01, subdivisions 7, 8, 9; 297E.02, subdivisions 1, 3, 6, 7, 10, 11, by adding subdivisions; 297E.13, subdivision 5; 349.12, subdivisions 3b, 3c, 5, 6a, 12a, 18, 25, 25b, 25c, 25d, 29, 31, 32, 34, 35, by adding subdivisions; 349.13; 349.151, subdivisions 4b, 4c, by adding subdivisions; 349.155, subdivisions 3, 4; 349.161, subdivisions 1, 5; 349.162, subdivision 5; 349.163, subdivisions 1, 5, 6; 349.1635, subdivisions 2, 3, by adding a subdivision; 349.165, subdivision 2; 349.17, subdivisions 6, 7, 8, by adding a subdivision; 349.1711, subdivisions 1, 2; 349.1721; 349.18, subdivision 1; 349.19, subdivisions 2, 3, 5, 10; 349.211, subdivisions 1a, 2c; 352.01, subdivision 2a; Minnesota Statutes 2011 Supplement, sections 10A.01, subdivision 35; 340A.404, subdivision 1; 473.757, subdivision 11; Laws 1986, chapter 396, sections 4, as amended; 5, as amended; proposing coding for new law in Minnesota Statutes, chapters 16A; 297A; 297E; 349A; proposing coding for new law as Minnesota Statutes, chapter 473J; repealing Minnesota Statutes 2010, sections 297E.02, subdivision 4; 349.15, subdivision 3; 349.19, subdivision 2a."

The motion prevailed and the amendment was adopted.

Garofalo, Schomacker, Leidiger, Vogel, Swedzinski, Loon, Sanders, Fabian, McDonald, Kelly, Murray and Kieffer moved to amend H. F. No. 1485, the sixth grossment, as amended, as follows:

Page 14, line 29, delete "The" and insert "(a) Within the limits of paragraph (b), the"

Page 15, after line 3, insert:

"(b) The state share of stadium costs shall be limited to \$293,000,000 for construction of a new stadium, as permitted under article 2, section 1. The city of Minneapolis share shall be limited to a \$150,000,000 contribution for construction, and the annual operating cost and capital contributions contained under article 1, section 16."

Page 15, after line 9, insert:

"Sec. 15. **[473J.113] NAMING RIGHTS.**

The NFL team and the authority shall make their best efforts to sell naming rights for the stadium at the maximum reasonable price promptly upon passage of this act. The proceeds of the sale of the naming rights must be used to reduce proportionately the following amounts:

(1) the \$532,000,000 NFL team/private contribution under section 473J.15, subdivision 4;

(2) the state contribution of \$293,000,000 under section 16A.965; and

(3) the city contribution of \$150,000,000 to be funded by the issuance of state appropriation bonds under section 16A.965 and required to be recaptured under section 297A.994, subdivision 4, paragraph (a), clause (1)."

Page 18, line 8, delete "\$427,000,000" and insert "\$532,000,000"

Page 26, line 26, delete "\$548,000,000" and insert "\$443,000,000"

Page 26, line 31, delete "\$650,000,000" and insert "\$530,000,000"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Garofalo et al amendment and the roll was called. There were 97 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hansen	Leidiger	Murphy, E.	Slawik
Allen	Dittrich	Hausman	LeMieur	Murray	Smith
Anderson, B.	Doepke	Holberg	Lenczewski	Myhra	Stensrud
Anderson, D.	Downey	Hoppe	Lesch	Norton	Swedzinski
Anderson, S.	Drazkowski	Hornstein	Liebling	O'Driscoll	Urdahl
Banaian	Eken	Hortman	Loeffler	Paymar	Vogel
Barrett	Erickson	Howes	Lohmer	Peppin	Wagenius
Benson, J.	Fabian	Johnson	Loon	Persell	Wardlow
Benson, M.	Falk	Kahn	Mack	Petersen, B.	Westrom
Bills	Franson	Kath	Mariani	Quam	Winkler
Buesgens	Garofalo	Kelly	Mazorol	Runbeck	Woodard
Carlson	Gottwalt	Kieffer	McDonald	Sanders	Spk. Zellers
Champion	Greiling	Kiel	McElfatrick	Scalze	
Crawford	Gruenhagen	Kiffmeyer	McFarlane	Schomacker	
Daudt	Gunther	Knuth	McNamara	Scott	
Davnie	Hackbarth	Kriesel	Melin	Shimanski	
Dean	Hancock	Laine	Mullery	Simon	

Those who voted in the negative were:

Anderson, P.	Davids	Hilty	Marquart	Poppe	Ward
Anzelc	Dill	Hosch	Morrow	Rukavina	
Atkins	Fritz	Huntley	Murphy, M.	Slocum	
Beard	Gauthier	Lanning	Nelson	Thissen	
Brynaert	Hamilton	Lillie	Nornes	Tillberry	
Cornish	Hilstrom	Mahoney	Pelowski	Torkelson	

The motion prevailed and the amendment was adopted.

Benson, M.; Gruenhagen; Drazkowski; Mariani; Quam; Kahn; Hancock and Johnson moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
MINNESOTA SPORTS FACILITIES AUTHORITY

Section 1. Minnesota Statutes 2010, section 3.971, subdivision 6, is amended to read:

Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements of the state of Minnesota required by section 16A.50 and, as resources permit, shall audit Minnesota State Colleges and Universities, the University of Minnesota, state agencies, departments, boards, commissions, courts, and other state organizations subject to audit by the legislative auditor, including the State Agricultural Society, Agricultural Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco, Metropolitan Sports Facilities Commission, Minnesota Sports Facilities Authority, Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial audits must be conducted according to generally accepted government auditing standards. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with and may, as part of a financial audit or separately, investigate allegations of noncompliance.

Sec. 2. Minnesota Statutes 2010, section 3.9741, is amended by adding a subdivision to read:

Subd. 4. **Minnesota Sports Facilities Authority.** Upon the audit of the financial accounts and affairs of the Minnesota Sports Facilities Authority, the authority is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the authority either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund.

Sec. 3. Minnesota Statutes 2011 Supplement, section 10A.01, subdivision 35, is amended to read:

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

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

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

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

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

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

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

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

(18) member of the Minnesota Ballpark Authority established in section 473.755;

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13;

(21) supervisor of a soil and water conservation district;

(22) director of Explore Minnesota Tourism;

(23) citizen member of the Lessard-Sams Outdoor Heritage Council established in section 97A.056; ~~or~~

(24) ~~a~~ citizen member of the Clean Water Council established in section 114D.30; or

(25) member or chief executive of the Minnesota Sports Facilities Authority established in section 473J.075.

Sec. 4. Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. **Cities.** (a) A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests, except that a club may permit the general public to participate in a wine tasting conducted at the club under section 340A.419;

(5) sports facilities, restaurants, clubs, or bars located on land owned or leased by the Minnesota Stadium Authority;

~~(5)~~ (6) sports facilities located on land owned by the Metropolitan Sports Commission; and

~~(6)~~ (7) exclusive liquor stores.

(b) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a theater within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the theater.

(c) A city may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license to a convention center within the city, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending events at the convention center. This paragraph does not apply to convention centers located in the seven-county metropolitan area.

(d) A city may issue an on-sale wine license and an on-sale malt liquor license to a person who is the owner of a summer collegiate league baseball team, or to a person holding a concessions or management contract with the owner, for beverage sales at a ballpark or stadium located within the city for the purposes of summer collegiate league baseball games at the ballpark or stadium, notwithstanding any law, local ordinance, or charter provision. A license issued under this paragraph authorizes sales on all days of the week to persons attending baseball games at the ballpark or stadium.

Sec. 5. Minnesota Statutes 2010, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

- (1) employees of the Minnesota Historical Society;
- (2) employees of the State Horticultural Society;
- (3) employees of the Minnesota Crop Improvement Association;
- (4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;
- (5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;
- (6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);
- (7) employees of the legislature who are appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;
- (8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;
- (9) employees of the Minnesota Safety Council;
- (10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, Metropolitan Sports Facilities Commission, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) personnel who are employed as seasonal employees in the classified or unclassified service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Insurance Fraud Prevention Division under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply; ~~and~~

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply- and

(19) employees of the Minnesota Sports Facilities Authority.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 6. [473J.01] PURPOSE.

The purpose of this chapter is to provide for the construction, financing, and long-term use of a stadium and related stadium infrastructure as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural, and commercial activities. The legislature finds and declares that the expenditure of public money for this purpose is necessary and serves a public purpose, and that property acquired by the Minnesota Sports Facilities Authority for the construction of the stadium and related stadium infrastructure is acquired for a public use or public purpose under chapter 117. The legislature further finds and declares that any provision in a lease or use agreement with a professional football team that requires the team to play all of its home games in a publicly funded stadium for the duration of the lease or use agreement, serves a unique public purpose for which the remedies of specific performance and injunctive relief are essential to its enforcement. The legislature further finds and declares that government assistance to facilitate the presence of professional football provides to the state of Minnesota and its citizens highly valued intangible benefits that are virtually impossible to quantify and, therefore, not recoverable even if the government receives monetary damages in the event of a team's breach of contract. Minnesota courts are, therefore, charged with protecting those benefits through the use of specific performance and injunctive relief as provided in this chapter and in the lease and use agreements.

Sec. 7. [473J.03] DEFINITIONS.

Subdivision 1. **Application.** For the purposes of this chapter, the terms defined in this section have the meanings given them, except as otherwise expressly provided or indicated by the context.

Subd. 2. **Authority.** "Authority" means the Minnesota Sports Facilities Authority established under section 473J.05.

Subd. 3. **City.** "City" means the city where the stadium is located.

Subd. 4. **Concessions.** "Concessions" mean food and drink, including alcoholic drinks, sold at the stadium.

Subd. 5. **County.** "County" means the county where the stadium is located.

Subd. 6. **Merchandise.** "Merchandise" means all tangible goods, other than concessions, sold at the stadium.

Subd. 7. **Existing stadium.** "Existing stadium" means the stadium known as of the effective date of this chapter, as the Mall of America Field.

Subd. 8. **NFL.** The "NFL" means the National Football League.

Subd. 9. **NFL team.** "NFL team" means the owner and operator of the NFL professional football team known, as of the effective date of this chapter, as the Minnesota Vikings or any team owned and operated by someone who purchases or otherwise takes ownership or control of or reconstitutes the NFL team known as the Minnesota Vikings.

Subd. 10. **Revenue sharing.** "Revenue sharing" means any form of revenue that could be shared by the NFL and the NFL team, including, but not limited to, television and media revenue, including local television and radio broadcasts. Any NFL team share is inclusive of the players share.

Subd. 11. **Stadium.** "Stadium" means the stadium suitable for professional football to be designed, constructed, and financed under this chapter. A stadium must have a roof that covers the stadium, as set forth in section 473J.15, subdivision 3.

Subd. 12. **Stadium costs.** "Stadium costs" means the costs of acquiring land, the costs of stadium infrastructure, and of designing, constructing, equipping, and financing a stadium suitable for professional football.

Subd. 13. **Stadium infrastructure.** "Stadium infrastructure" means plazas, parking structures, rights of way, connectors, skyways and tunnels, and other such property, facilities, and improvements, owned by the authority or determined by the authority to facilitate the use and development of the stadium.

Subd. 14. **Stadium plaza.** "Stadium plaza" means the open air portion of the stadium adjacent to the stadium.

Subd. 15. **Stadium site.** "Stadium site" means the site which shall be determined by the site selection committee.

Sec. 8. **[473J.05] MINNESOTA SPORTS FACILITIES AUTHORITY.**

Subdivision 1. **Established.** The Minnesota Sports Facilities Authority is established as a public body, corporate and politic, and political subdivision of the state. The authority is not a joint powers entity or an agency or instrumentality of the city.

Subd. 2. **Membership.** (a) The authority shall consist of three members: the governor; one member of the house of representatives, appointed by the speaker of the house of representatives; and one member of the senate, appointed by the senate majority leader. Terms of the members in this paragraph shall coincide with the terms to which the members were elected. Each member serves until a successor is appointed and takes office.

(b) The initial members under paragraph (a) of the authority must be appointed not later than 30 days after the date of enactment of this chapter.

(c) Upon agreement of two-thirds of the members in paragraph (a), two additional members may be appointed, for a total of five members. One member shall be appointed by the city council of the city where the stadium is located and shall serve until December 31 of the second year following appointment. One member shall be appointed by the county board of the county where the stadium is located and shall serve until December 31 of the fourth year following appointment. Thereafter, members appointed under this paragraph shall serve four-year terms beginning January 1. Each member serves until a successor is appointed and takes office. Members appointed under this paragraph may reside within the local unit of government and may be appointed officials of a political subdivision.

Subd. 3. **Compensation.** The authority may compensate its members appointed under subdivision 2, paragraph (c), as provided in section 15.0575. Members appointed under subdivision 2, paragraph (a), shall serve without compensation.

Subd. 4. **Chair.** The members shall elect a chair from their membership. The chair presides at all meetings of the authority, if present, and performs all other assigned duties and functions. The authority may appoint from among its members a vice-chair to act for the chair during the temporary absence or disability of the chair, and any other officers the authority determines are necessary or convenient.

Subd. 5. **Removal.** Members serve at the pleasure of the appointing entity, except the governor, who cannot be removed except by expiration of term to which the governor was elected.

Subd. 6. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision must be similar in form and substance to bylaws adopted by the Minnesota Ballpark Authority pursuant to section 473.755.

Subd. 7. **Audit.** The legislative auditor shall audit the books and accounts of the authority once each year or as often as the legislative auditor's funds and personnel permit. The authority shall pay the total cost of the audit pursuant to section 3.9741.

Subd. 8. **Executive director; employees.** The authority may appoint an executive director to serve as the chief executive officer of the authority. The executive director serves at the pleasure of the authority and receives compensation as determined by the authority. The executive director may be responsible for the operation, management, and promotion of activities of the authority, as prescribed by the authority. The executive director has the powers necessarily incident to the performance of duties required and powers granted by the authority, but does not have authority to incur liability or make expenditures on behalf of the authority without general or specific directions by the authority, as shown by the bylaws or minutes of a meeting of the authority. The executive director is responsible for hiring, supervision, and dismissal of all other employees of the authority.

Subd. 9. **Web site.** The authority shall establish a Web site for purposes of providing information to the public concerning all actions taken by the authority. At a minimum, the Web site must contain a current version of the authority's bylaws, notices of upcoming meetings, minutes of the authority's meetings, and contact telephone, electronic mail, and facsimile numbers for public comments.

Subd. 10. **Quorum; approvals.** (a) If no additional members are appointed under subdivision 2, paragraph (c), any two members shall constitute a quorum for the conduct of business and action may be taken upon the vote of a majority of members present at a meeting duly called and held.

(b) If two additional members are appointed under subdivision 2, paragraph (c), any three members shall constitute a quorum for the conduct of business and action may be taken upon the vote of a majority of members present at a meeting duly called and held. If there are five members, during the design and construction stages of the stadium, a four-fifths vote of the authority is required for authority decisions related to zoning, land use, exterior design of the stadium, related parking, the plaza area, and the selection of the authority's lead representative during design and construction.

Sec. 9. **[473J.07] POWERS, DUTIES OF THE AUTHORITY.**

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

Subd. 2. **Acquisition of property.** The authority may acquire from any public or private entity by lease, purchase, gift, or devise all necessary right, title, and interest in and to real property, air rights, and personal property deemed necessary to the purposes contemplated by this chapter. The authority may acquire, by the exercise of condemnation powers under chapter 117, land, other real property, air rights, personal property, and other right, title, and interest in property, within the stadium site and stadium infrastructure.

Subd. 3. **Disposition of property.** The authority may sell, lease, or otherwise dispose of any real or personal property acquired by the authority that is no longer required for accomplishment of the authority's purposes. The property may be sold in accordance with the procedures provided by section 469.065, except subdivisions 6 and 7, to the extent the authority deems it to be practical and consistent with this chapter. Title to the stadium must not be transferred or sold by the authority prior to the effective date of enactment of any legislation approving such transfer or sale.

Subd. 4. **Data practices; open meetings.** Except as otherwise provided in this chapter, the authority is subject to chapters 13 and 13D.

Subd. 5. **Facility operation.** The authority may develop, construct, equip, improve, own, operate, manage, maintain, finance, and control the stadium, stadium infrastructure, and related facilities constructed or acquired under this chapter, or may delegate such duties through an agreement, subject to the rights and obligations transferred to and assumed by the authority, the NFL team, other user, third-party manager, or program manager, under the terms of a lease, use agreement, or development agreement.

Subd. 6. **Employees; contracts for services.** The authority may employ persons and contract for services necessary to carry out its functions, including the utilization of employees and consultants retained by other governmental entities. The authority shall enter into an agreement with the city or county regarding traffic control for the stadium.

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

Subd. 8. **Use agreements.** The authority may lease, license, or enter into use agreements and may fix, alter, charge, and collect rents, fees, and charges for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial, or other entertainment, instruction, or activity for the citizens of Minnesota and visitors. The use agreements may provide that the other contracting party has exclusive use of the premises at the times agreed

upon. The lease or use agreement with an NFL team must provide for the payment by the NFL team of an agreed-upon portion of operating and maintenance costs and expenses and provide other terms in which the authority and NFL team agree. In no case may a lease or use agreement permit smoking in the stadium.

Subd. 9. **Research.** The authority may conduct research studies and programs; collect and analyze data; prepare reports, maps, charts, and tables; and conduct all necessary hearings and investigations in connection with its functions.

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

Subd. 11. **Exemption from Metropolitan Council review; Business Subsidy Act.** The acquisition and betterment of a stadium and stadium infrastructure by the authority must be conducted pursuant to this chapter and are not subject to sections 473.165 and 473.173. Section 116J.994 does not apply to any transactions of the authority or other governmental entity related to the stadium or stadium infrastructure or to any tenant or other users of the stadium or stadium infrastructure.

Subd. 12. **Incidental powers.** In addition to the powers expressly granted in this chapter, the authority has all powers necessary or incidental thereto.

Subd. 13. **Legislative report.** The authority must report to the legislature by January 15 of each year on the following:

- (a) any recommended increases in the rate or dollar amount of tax;
- (b) any recommended increases in the debt of the authority;
- (c) the overall work and role of the authority;
- (d) the authority's proposed operating and capital budgets; and
- (e) the authority's implementation of the operating and capital budgets.

Sec. 10. **[473J.11] SITE SELECTION.**

Subdivision 1. **Duties.** The authority shall solicit and evaluate proposals for locating a new stadium. The authority shall also make the final selection of a new stadium site. The authority shall complete site selection by August 1, 2012. The governor may by proclamation extend this deadline for a period not to exceed 14 calendar days.

Subd. 2. **Proposals solicited.** The authority shall issue a request for proposals for political subdivisions to be selected to finance and construct a stadium for the team. This request must be published in the State Register and contain, at a minimum, the following requirements:

(1) a requirement that all proposals specify a location for the new stadium or a process for selecting a site in an expeditious fashion;

(2) a list of taxes, fees, and expenditures that will form the commitment of the local unit of government to the financing of the stadium; and

(3) a list of amenities, infrastructure, and other improvements that will be offered to the team and the Minnesota Sports Facilities Authority created under this act, as part of the proposal for location of the new stadium.

Subd. 3. **Evaluation of proposals.** The authority shall receive all proposals and upon receipt shall promptly publish their contents. The authority shall select a winning proposal after consultation with the team and shall negotiate all necessary agreements with the selected local unit of government necessary to begin the process of constructing a stadium.

Subd. 4. **Bids; state contribution.** Each proposal must include the state share comprised of user fees in section 473J.13 and bonds in section 16A.965.

Subd. 5. **Bids; local share.** (a) A local unit of government submitting a proposal to finance and construct a stadium must include in its proposal a resolution adopted by its governing body in support of the proposal. If it is a joint project between a county and city, the governing body of each must adopt a resolution in support of the proposal. The proposal may, at the discretion of the bidding political subdivision, contain the following provisions:

(1) use of a local sales tax at a rate not to exceed 0.5 percent;

(2) use of liquor taxes at a rate not to exceed 3 percent;

(3) use of a lodging tax at a rate not to exceed 3 percent;

(4) use of an entertainment tax at a rate not to exceed 3 percent; and

(5) use of any other locally generated taxes, revenues, or contributions not contained within this act, provided that all such must either be currently in use or are subject to later approval by subsequent legislation.

(b) If local unit of government currently imposes any tax in paragraph (a), the local unit of government may increase the tax to the limits of paragraph (a). A local unit of government shall not exceed limits in paragraph (a) unless authorized by the legislature.

Subd. 6. **Bids; special allowances.** The following specific provisions may be included in a bid as specified:

(1) for a bid from a jurisdiction within Hennepin County, with county approval, excess funds from the sales tax used to finance the Minnesota Twins stadium in Laws 2006, chapter 257, section 12, subdivision 10, may be redirected towards construction of a stadium under this act, and the sales tax revenues generated after all debt for the Twins stadium may be redirected to a stadium under this act;

(2) for a bid from the city of Minneapolis, tax revenues generated for repayment of the convention center bonds, as allowed under Laws 1986, chapter 396, section 4, may be used for construction of a stadium under this act;

(3) for a bid involving more than one political subdivision, up to 60 percent of local taxes levied under this act in political subdivisions where the stadium will not be located may be reserved by those political subdivisions for the express purpose of funding repair, rehabilitation, or operation of publicly owned facilities of regional or statewide significance; and

(4) a bid may call for sale of municipal bonds by the city or county, or for use of the Metropolitan Council for sale of bonds.

Subd. 7. **Commencement of stadium construction and financing.** Once a site is selected under this section, plans and agreements for financing, construction, and other processes described in chapter 473J and section 16A.065 may commence.

EFFECTIVE DATE. This section is effective the day following final enactment and expires 30 days after the selection of a winning bid for a stadium site, or on August 1, 2012, whichever is earlier. The governor may extend this section by proclamation for a period not to exceed 14 calendar days.

Sec. 11. **[473J.13] STADIUM USER FEES.**

Subdivision 1. **Fee imposed.** (a) Starting on July 1, 2012, a fee at a rate of 9.98 percent, shall be imposed on the NFL team's share of revenue sharing amounts and merchandise sold at the existing stadium, the stadium constructed under this chapter, or any other stadium within the state where an NFL team plays.

(b) Starting on July 1, 2013, a fee at a rate of 9.98 percent, shall be imposed on the sale or licensing of the following, sold in the state or online at the existing stadium, the stadium constructed under this chapter, or any other stadium within the state where an NFL team plays:

(1) a ticket to attend any game or event in the stadium;

(2) concessions sold at the stadium;

(3) merchandise sold at the stadium;

(4) any licenses or fees charged by the team or league to reserve seats, boxes, suites or spaces including personal seat licenses, luxury box fees, club seating fees, maintenance fees for seats, suites, or boxes, memberships, or the like in the stadium;

(5) sponsorships contracted for by the NFL team or the Minnesota Sports Facilities Authority, including, but not limited to, naming rights for the stadium, parts of the stadium, or parking facilities;

(6) signage in or on the stadium contracted for by the Minnesota Sports Facilities Authority;

(7) charges for parking within one-half mile of the stadium on days that NFL team games are played at the stadium;

(8) the NFL team's share of revenue sharing amounts; and

(9) stadium rental fees; operating expenses under section 473J.19, subdivision 2, are not considered rental fees.

(c) Starting on July 1, 2017, the rate on the items in paragraph (b) is 11.25 percent.

(d) Upon payoff of the bonds issued under section 16A.965, the commissioner of revenue must adjust the rate under this subdivision to be a rate sufficient to, on an annual basis, generate the amount necessary to pay the annual operating expenses previously borne by the NFL team and local entity and paid to the authority.

Subd. 2. **Compensating use fee.** If the fee is not paid under subdivision 1, a compensating fee is imposed on the possession for the sale or use of items used in subdivision 1, clauses (1), (3) to (6), and (9). The rate of the fee equals the rate in subdivision 1 and must be paid by the possessor or beneficiary of the item.

Subd. 3. **Payment; annual return.** The NFL team, other vendors of products subject to a fee under subdivision 1, or possessors of items subject to a user fee under subdivision 2, must remit the fees to the state at the same time and in the same manner as provided for payment of tax under chapter 289A. Revenue from the fee imposed by this chapter must be remitted to the commissioner of revenue in a form and manner prescribed by the commissioner.

Subd. 4. **Administration.** The audit, assessment, interest, appeal, refund, penalty, enforcement, administrative, and collection provisions of chapters 270C and 297A, apply to the fees imposed under this section.

Subd. 5. **Deposit of revenues.** The commissioner of revenue shall deposit the revenues from the fees under this section in the state treasury and credit them to a special stadium revenue account dedicated to making debt service payments for bonds issued under article 2. Funds deposited into the fund prior to bonds being issued pursuant to section 16A.965 shall be used to buy down the debt.

Sec. 12. **[473J.15] STADIUM DESIGN AND CONSTRUCTION.**

Subdivision 1. **Contracts.** (a) The design, development, and construction of the stadium shall be a collaborative process between the authority and the NFL team. The authority and the NFL team shall establish a process to reach consensus on key elements of the stadium program and design, development, and construction.

(b) Unless the authority and the NFL team agree otherwise:

(1) the authority shall create a stadium design and construction group, including representatives of the authority and the NFL team, to manage the design of the stadium and oversee construction;

(2) this group shall engage an owner's representative to act on behalf of the group. The cost of the owner's representative shall be a stadium cost; and

(3) the authority and the NFL team shall enter into a development administration agreement providing for rights and responsibilities of the authority and the NFL team, the design and construction group, and the owner's representative for design and construction of the stadium, including, but not limited to, establishment of minimum design standards. This development administration agreement shall provide for binding arbitration in the event that the authority and the NFL team are unable to agree on minimum design standards or other material aspects of the design.

(c) The authority may enter into an agreement with the NFL team and any other entity relating to the design, construction, financing, operation, maintenance, and use of the stadium and related facilities and stadium infrastructure if in doing so, the tax-exempt status of the bonds is not affected. The authority may contract for materials, supplies, and equipment in accordance with section 471.345, except that the authority may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or program manager with respect to all or any part of the design, construction, financing, operation, maintenance, and use of the stadium and stadium infrastructure under the traditional separate design and build, integrated design-build, construction manager at risk, or public/private partnership (P3) structures, or a combination thereof if in doing so, the tax-exempt status of the bonds is not affected.

(d) The authority and the NFL team shall prepare a request for proposals for one or more of the functions described in paragraph (c). The request must be published in the State Register and shall include, at a minimum, such requirements that are agreed to by the authority and the NFL team. The authority and the NFL team may prequalify offerors by issuing a request for qualifications, in advance of the request for proposals, and select a short list of responsible offerors prior to discussions and evaluations.

(e) As provided in the request for proposals, the authority, and the NFL team, may conduct discussions and negotiations with responsible offerors in order to determine which proposal is most advantageous to the authority and the NFL team and to negotiate the terms of an agreement. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors and the content of all proposals is nonpublic data under chapter 13 until such time as a notice to award a contract is given by the authority. The agreement shall be subject to the approval of the NFL team.

(f) Prior to the time the authority enters into a construction contract with a construction manager or program manager certifying a maximum price and a completion date as provided in paragraph (h), at the request of the NFL team, the authority may authorize, such authorization not to be unreasonably withheld or delayed, the NFL team to provide for management of the construction of the stadium and related stadium infrastructure, in which event the NFL team must assume the role and responsibilities of the authority for completion of construction in a manner consistent with the agreed minimum design standards and design documents, subject to the terms of this act, including responsibility for cost overruns.

(g) The construction manager or program manager may enter into contracts with contractors for labor, materials, supplies, and equipment for the construction of the stadium and related stadium infrastructure through the process of public bidding, except that the construction manager or program manager may, with the consent of the authority or the NFL team if the NFL team has assumed responsibility for construction:

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

(2) award contracts to the contractors that the construction manager or program manager determines provide the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraphs (a), clause (2), and (c), which are not required to be the lowest responsible bidder; and

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

(h) The authority and the NFL team shall require that the construction manager or program manager certify, before the contract is signed, a fixed and stipulated construction price and completion date to the authority and post a performance bond in an amount at least equal to 100 percent of the certified price or such other security satisfactory to the authority, to cover any costs which may be incurred in excess of the certified price including, but not limited to, costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date. The authority may secure surety bonds as provided in section 574.26, securing payment of just claims in connection with all public work undertaken by the authority. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32 and are not entitled to a lien on any property of the authority under the provisions of sections 514.01 to 514.16. The construction of the stadium is a project as that term is defined in section 177.42, subdivision 2, and is subject to the prevailing wage law under sections 177.41 to 177.43.

Subd. 2. **Changes.** Unless otherwise agreed to by the authority and the NFL team, if either party requests an agreed upon change in minimum design standards, and this change is responsible for requiring the project to exceed the stated budget, the requesting party is liable for any cost overruns or associated liabilities.

Subd. 3. **Stadium design.** The stadium and stadium infrastructure shall be designed and constructed incorporating the following general program and design elements:

(1) unless otherwise agreed to by the authority and the NFL team, the stadium shall comprise approximately 1,500,000 square feet with approximately 65,000 seats, expandable to 72,000, shall meet or exceed NFL program requirements, and include approximately 150 suites and approximately 7,500 club seats or other such components as agreed to by the authority and the NFL team;

(2) space for NFL team-related exhibitions and sales, which shall include the following: NFL team museum and Hall of Fame, retail merchandise and gift shop retail venues, and themed concessions and restaurants;

(3) year-round space for the NFL team administrative operations, sales, and marketing, including a ticket office, team meeting space, locker, and training rooms;

(4) space for administrative offices of the authority;

(5) a minimum of 2,000 parking spaces within one block of the stadium, connected by skyway or tunnel to the stadium, and 500 parking spaces within two blocks of the stadium, with a dedicated walkway on game days;

(6) elements sufficient to provide community and civic uses as determined by the authority; and

(7) a roof that is fixed or retractable, provided that if the roof is retractable, it is accomplished without any increase to the funding provided by the state, county, or the city.

Subd. 4. **Cost overruns, savings.** The authority may accept financial obligations relating to cost overruns associated with acquisition of the stadium site, stadium infrastructure, and stadium design, development, and construction, provided that the authority shall bid project construction in a manner that any cost overruns are the responsibility of the successful bidder and not the authority or the state and that the authority shall not accept responsibility for cost overruns and shall not be responsible for cost overruns if the authority has authorized the NFL team to provide for management of construction of the stadium under subdivision 1. Cost savings or additional funds obtained by the authority or the NFL team for the stadium or stadium infrastructure may be used first to fund additional stadium or stadium infrastructure, as agreed to by the authority and the NFL team, if any, and then to fund capital reserves.

Sec. 13. **[473J.17] CRITERIA AND CONDITIONS.**

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

Subd. 2. **NFL team/private contribution; timing of expenditures.** (a) The NFL team/private contribution for stadium costs must be made in cash in an amount to be agreed upon.

(b) Prior to the initial deposit of funds under this section, the team must provide security or other credit worthiness in the amount of \$50,000,000, subject to the satisfaction of the authority. Prior to the first issuance of bonds under section 16A.965, the first portion of the NFL team/private contribution in the amount of \$50,000,000 must be deposited as costs are incurred to the construction fund to pay for the initial stadium costs.

(c) After the first \$50,000,000 of stadium costs have been paid from the initial NFL team/private contribution, state funds shall be deposited as costs are incurred to the construction fund to pay for the next \$50,000,000 of costs of the project. Prior to any state funds being deposited in the construction fund, the NFL team must provide security or a financing commitment reasonably satisfactory to the authority for the balance of the required NFL team/private contribution and for payment of cost overruns if the NFL team assumes responsibility for stadium construction under section 473J.15. Thereafter, budgeted project costs shall be borne by the authority and the NFL team/private contributions in amounts proportionate to their remaining funding commitments.

(d) In the event the project terminates before the initial \$100,000,000 in contributions are expended by the parties under this subdivision, the parties shall be reimbursed in the amounts they have deposited to the construction fund proportionate to project funding percentages.

Subd. 3. **Lease or use agreements; 30-year term.** The authority must enter into a long-term lease or use agreement with the NFL team for the NFL team's use of the stadium. The NFL team must agree to play all preseason, regular season, and postseason home games at the stadium. Training facilities must remain in Minnesota

during the term of the lease or use agreement. The lease or use agreement must be for a term of at least 30 years from the date of substantial completion of the stadium for professional football games. The lease or use agreement may provide options for the NFL team to extend the term for up to four additional periods of five years. The lease or use agreement must include terms for default, termination, and breach of the agreement. Recognizing that the presence of professional football provides to the state of Minnesota and its citizens highly valued, intangible benefits that are virtually impossible to quantify and, therefore, not recoverable in the event of the NFL team owner's breach of contract, the lease and use agreements must provide for specific performance and injunctive relief to enforce provisions relating to use of the stadium for professional football and must not include escape clauses or buyout provisions. The NFL team must not enter into or accept any agreement or requirement with or from any entity that is inconsistent with the NFL team's binding commitment to the 30-year term of the lease or use agreement or that would in any manner dilute, interfere with, or negate the provisions of the lease or use agreement, providing for specific performance or injunctive relief. The legislature conclusively determines, as a matter of public policy, that the lease or use agreement, and any grant agreement under this chapter that includes a specific performance clause:

(1) explicitly authorizes specific performance as a remedy for breach;

(2) is made for adequate consideration and upon terms which are otherwise fair and reasonable;

(3) has not been included through sharp practice, misrepresentation, or mistake;

(4) if specifically enforced, does not cause unreasonable or disproportionate hardship or loss to the NFL team or to third parties; and

(5) involves performance in a manner and the rendering of services of a nature and under circumstances that the beneficiary cannot be adequately compensated in damages.

Subd. 4. Lease or use agreements; revenues, payments. A lease or use agreement shall include rent and other fees and expenses to be paid by the NFL team. The authority shall agree to provide in the lease or use agreement for the NFL team to receive all NFL and team event related revenues, including, but not limited to, suite revenues, advertising, concessions, signage, broadcast and media, and club seat revenue except as provided in section 473J.13. The agreement shall also provide that all naming rights to the stadium are retained by the NFL team except as provided in section 473J.13, subject to the approval of the name or names by the authority consistent with those criteria set out in the lease or use agreement. The agreement shall provide for the authority to receive all general ticket revenues and other event revenues other than from NFL team games, NFL team-owned major league soccer games, and other NFL team events agreed to by the authority.

Subd. 5. Notice of breach or default. Until 30 years from the date of stadium completion, the NFL team must provide written notice to the authority not less than 180 days prior to any action, including any action imposed upon the NFL team by the NFL, which would result in a breach or default of provisions of the lease or use agreements required to be included under subdivision 3. If this notice provision is violated and the NFL team has already breached or been in default under the required provisions, the authority or the state of Minnesota may specifically enforce the lease or use agreement and Minnesota courts shall fashion equitable remedies so that the NFL team fulfills the conditions of the lease and use agreements.

Subd. 6. Enforceable financial commitments. The authority must determine before stadium construction begins that all public and private funding sources for construction, operating expenses, and capital improvements and repairs of the stadium are included in written agreements. The committed funds must be adequate to design, construct, furnish, and equip the stadium, and pay projected operating expenses and the costs of capital improvements and repairs during the term of the lease or use agreement with the NFL team. The NFL team must provide the authority access to NFL team financial or other information, which the authority deems necessary for such determination. Any financial information obtained by the authority under this subdivision is nonpublic data under section 13.02, subdivision 9.

Subd. 7. **Environmental requirements.** The authority must comply with all environmental requirements imposed by regulatory agencies for the stadium, site, and structure, except as provided by section 473J.07, subdivision 11, or by section 473J.25.

Subd. 8. **Public share on sale of NFL team.** The lease or use agreement must provide that, if the NFL team is sold or an interest in the NFL team is sold after the effective date of this chapter, a portion of the sale price must be used to pay down the remaining debt service. If any portion remains after debt service is paid, that amount is paid to the authority and deposited in a reserve fund for improvements to the stadium or expended as the authority may otherwise direct. The portion required to be so paid to the authority is 18 percent of the amount in excess of the purchase price of the NFL team by the selling owner or owners declining to zero 15 years after commencement of stadium construction. The agreement must provide exceptions for sales to members of the owners' family and entities and trusts beneficially owned by family members, sales to employees of equity interests aggregating up to ten percent, sales related to capital infusions not distributed to the owners, and sales amongst existing owners not exceeding 20 percent equity interest in the NFL team.

Subd. 9. **Authority's access to NFL team financial information.** A notice provision for a material breach shall be agreed to between the authority and the NFL team. In the event there is a material breach by the NFL team under the lease or use agreement, the lease or use agreement must provide the authority access to audited financial statements of the NFL team and other financial information that the authority deems necessary to enforce the terms of any lease or use agreements. Any financial information obtained by the authority under this subdivision is nonpublic data under section 13.02, subdivision 9.

Subd. 10. **NFL team name retained.** The lease or use agreement must provide that the NFL team and NFL will transfer to the state of Minnesota the Minnesota Vikings' heritage and records, including the name, logo, colors, history, playing records, trophies, and memorabilia in the event of relocation of the NFL team in violation of the lease or use agreement.

Subd. 11. **Stadium design.** (a) The authority and the NFL team will build a stadium that is environmentally and energy efficient and will make an effort to build a stadium that is eligible to receive the Leadership in Energy and Environmental Design (LEED) certification or the Green Building Initiative Green Globes certification for environmental design, and to the extent practicable, will strive to make the stadium design architecturally significant.

(b) The stadium design must, to the extent feasible, follow sustainable building guidelines established under section 16B.325.

(c) The authority and the team must ensure that the stadium be constructed with steel made in the USA.

Subd. 12. **Necessary approvals.** The authority and the NFL team must secure any necessary approvals to the terms of the lease and use agreement and the design and construction plans for the stadium, including prior approval of the NFL.

Subd. 13. **Affordable access.** The lease or use agreement must provide for an agreed-upon number of affordable tickets to the professional sporting events held in the stadium.

Subd. 14. **Major league soccer.** The authority shall, for five years after the first NFL team home game is played in the stadium, grant the NFL team the exclusive right to establish major league soccer at the stadium. The authority and the NFL team may enter into an agreement providing the terms and conditions of such an arrangement, provided:

(1) if any of the NFL team owners whose family owns at least three percent of the NFL team purchases full or partial ownership in a major league soccer franchise, such franchise may play in the stadium under a use agreement with similar terms as are applicable to the NFL team at no additional rent, but including a provision of payment of game-day costs and reasonable marginal costs incurred by the authority as a result of the major league soccer team; and

(2) capital improvements required by a major league soccer franchise must be financed by the owners of the major league soccer team, unless otherwise agreed to by the authority.

Subd. 15. **NFL team-related entities.** Subject to the prior approval of the authority, which shall not be unreasonably withheld, any of the obligations by the NFL team may be performed by the NFL team, a related entity, or a third party, and the NFL team, any entity related to the NFL team or third party may receive any revenues to which the NFL team is entitled hereunder; provided, however, the NFL team shall remain liable if any obligations are assigned to a related entity or third party.

Sec. 14. **[473J.19] STADIUM OPERATIONS; CAPITAL IMPROVEMENTS.**

Subdivision 1. **Stadium operation.** The stadium shall be operated in a first-class manner, similar to and consistent with other comparable NFL stadiums, such as the stadium in Indianapolis, Indiana, currently known as Lucas Oil Field. The authority and the team will mutually agree on a third-party management company or individual to manage the stadium and on certain major vendors to the stadium. The authority, with the approval of the NFL team, may enter into an agreement with a program manager for management of the stadium, for a maximum of 30 years.

Subd. 2. **Operating expenses.** (a) The authority must pay or cause to be paid all operating expenses of the stadium. The authority must require in the lease or use agreement with the NFL team that the NFL team pay the authority an amount to be agreed upon toward operating costs of the stadium. The authority may require the local partner to share in the operating costs. The state may contribute to operating expenses if authorized by law.

(b) The authority may establish an operating reserve to cover operating expense shortfalls and may accept funds from any source for deposit in the operating reserve. The establishment or funding of an authority operating reserve must not decrease the amounts required to be paid to the authority toward operating costs under this subdivision unless agreed to by the authority.

(c) The authority will be responsible for operating cost overruns unless otherwise agreed.

(d) After the joint selection of the third-party manager or program manager, the authority may agree with a program manager or other third-party manager of the stadium on a fixed cost operating, management, or employment agreement with operating cost protections under which the program manager or third-party manager assumes responsibility for stadium operating costs and shortfalls. The agreement with the manager must require the manager to prepare an initial and ongoing operating plan and operating budgets for approval by the authority in consultation with the NFL team. The manager must agree to operate the stadium in accordance with the approved operating plan and operating budget.

Subd. 3. **Public access.** The authority will work to maximize access for public and amateur sports, community, and civic events, and other public events in type and on terms consistent with those currently held at the existing football stadium, as defined in section 473.551, subdivision 9. The authority may provide that these events have exclusive use of the premises at agreed-upon times subject to the scheduling rights of the NFL team under the lease or use agreement.

Subd. 4. **Capital improvements.** (a) The authority shall establish a capital reserve fund. The authority shall be responsible for making, or for causing others to make, all capital repairs, replacements, and improvements for the stadium and stadium infrastructure. The authority shall maintain, or cause others to maintain, the stadium and

stadium infrastructure in a safe, clean, attractive, and first-class manner so as to cause them to remain in a condition comparable to that of other comparable NFL facilities of similar design and age. The authority shall make, or cause others to make, all necessary or appropriate repairs, renewals, and replacements, whether structural or nonstructural, interior or exterior, ordinary or extraordinary, foreseen or unforeseen, in a prompt and timely manner. In addition, the authority, with approval of the NFL team, may enter into an agreement with a program manager to perform some or all of the responsibilities of the authority in this subdivision and to assume and accept financial liability for the cost of performing the responsibilities.

(b) The NFL team must contribute an amount to be agreed upon for the term of the lease or use agreement to the operating reserve fund.

(c) The state may contribute an amount to be agreed upon for the term of the lease to the operating reserve fund.

(d) The authority, with input from the NFL team, shall develop short-term and long-term capital funding plans and shall use those plans to guide the future capital needs of the stadium and stadium infrastructure. The authority shall make the final determination with respect to funding capital needs. Any capital improvement proposed by the NFL team intended primarily to provide revenue enhancements to the NFL team shall be paid for by the NFL team, unless otherwise agreed to with the authority.

Subd. 5. **Game-day payments.** In addition to operating expense contributions of the NFL team under subdivision 2, the NFL team shall pay all NFL game day, NFL team-owned major league soccer, as provided in section 473J.17, subdivision 15, and other NFL team-sponsored event expenses within the stadium and stadium plaza areas.

Subd. 6. **Cooperation with financing.** The authority will cooperate with the NFL team to facilitate the financing of the NFL team's contribution. Such agreement to cooperate shall not require the authority to incur any additional costs or provide conduit financing. The lease, license, and other transaction documents shall include provisions customarily required by lenders in stadium financings.

Sec. 15. **[473J.21] EMPLOYMENT.**

Subdivision 1. **Hiring and recruitment.** In the design, development, construction, management, operation, maintenance and capital repair, replacement and improvement of the stadium and stadium infrastructure, the authority shall make every effort to employ, and cause the NFL team, the construction manager and other subcontractors, vendors, and concessionaires to employ women and members of minority communities when hiring. In addition, the authority shall contract with an employment assistance firm, preferably minority-owned, to create an employment program to recruit, hire, and retain minorities for the stadium facility.

Subd. 2. **Other required agreements.** The NFL team or the authority shall give food, beverage, retail, and concession workers presently employed by the NFL team or the Metropolitan Sports Facilities Commission or its vendors at the existing football stadium the opportunity to continue their employment in comparable positions at the new stadium. Workers who are presently represented under a collective bargaining agreement may seek to continue such representation in the facility and designate such, or another collective bargaining unit, as their representative.

Sec. 16. **[473J.23] USE OF THE STADIUM.**

Subdivision 1. **Amateur sports use.** The lessee of the stadium must make the facilities of the stadium available to the Minnesota Amateur Sports Commission up to ten days each year on terms satisfactory to the commission for amateur sports activities consistent with Minnesota Statutes, chapter 240A, each year during the time the bonds issued pursuant to this act are outstanding. The commission must negotiate in good faith for the time it uses the stadium.

Subd. 2. **High school league.** The lessee of the stadium must make the facilities of the stadium available for use by the Minnesota State High School League for at least seven days each year for high school soccer and football tournaments. The League must negotiate in good faith for the time it uses the stadium.

Sec. 17. **[473J.25] MUNICIPAL ACTIVITIES.**

Subdivision 1. **Property acquisition and disposition.** The local unit of government may, to the extent legally permissible, acquire land, air rights, and other property interests within the development area for the stadium site and stadium infrastructure and convey it to the authority with or without consideration, prepare a site for development as a stadium, and acquire and construct any related stadium infrastructure. To the extent property parcels or interests acquired are more extensive than the stadium infrastructure requirements, the local unit of government may sell or otherwise dispose of the excess.

Subd. 2. **Claims.** Except as may be mutually agreed to by the local unit of government and the authority, the local unit of government has no interest in or claim to any assets or revenues of the authority.

Subd. 3. **Environmental; planning and zoning.** The authority is the responsible governmental unit for an environmental impact statement for the stadium prepared under section 116D.04, if an environmental impact statement is necessary. Notwithstanding section 116D.04, subdivision 2b, and implementing rules: (1) the environmental impact statement shall not be required to consider alternative stadium sites; and (2) the environmental impact statement must be determined to be adequate before commencing work on the foundation of the stadium, but the stadium and stadium infrastructure may otherwise be started and all preliminary and final government decisions and actions may be made and taken including, but not limited to, acquiring land; obtaining financing; granting permits or other land use approvals; entering into grant, lease, or use agreements; or preparing the site or related stadium infrastructure prior to a determination of the adequacy of the environmental impact statement.

Subd. 4. **Local government expenditure.** The local unit of government may make expenditures or grants for other costs incidental and necessary to further the purposes of this chapter and may, by agreement, reimburse in whole or in part, any entity that has granted, loaned, or advanced funds to the local unit of government to further the purposes of this chapter. The local unit of government may reimburse the authority or a local governmental entity or make a grant to the authority or such a governmental unit or be reimbursed by the authority or local governmental entity for site acquisition, preparation of the site for stadium development, and stadium infrastructure.

Subd. 5. **Municipal authority.** The legislature intends that, except as expressly limited herein, the local unit of government may acquire and develop stadium infrastructure, enter into contracts with the authority and other governmental or nongovernmental entities, appropriate funds, and make employees, consultants, and other revenues available for those purposes.

Subd. 6. **Stadium implementation committee; city review.** In order to accomplish the objectives of this act within the required time frame, it is necessary to establish an alternative process for municipal land use and development review. It is hereby found and declared that the construction of a stadium within the development area is consistent with the adopted area plan, is the preferred stadium location, and is a permitted land use. This subdivision establishes a procedure for all land use and development reviews and approvals by the city for the stadium and related stadium infrastructure and supersedes all land use and development rules and restrictions and procedures imposed by other law, charter, or ordinance, including without limitation section 15.99. No later than 30 days after the effective date of this act, the city shall establish a stadium implementation committee to make recommendations on the design plans submitted for the stadium, and stadium infrastructure, and related improvements. The implementation committee must take action to issue its recommendations within the time frames established in the planning and construction timetable issued by the authority which shall provide for no less than 60 days for the committee's review. The recommendations of the implementation committee shall be forwarded to the city's planning commission, if there is one, for an advisory recommendation and then to the city

council for final action in a single resolution, which final action must be taken within 45 days of the submission of the recommendations to the planning commission. The city council shall not impose any unreasonable conditions on the recommendations of the implementation committee, nor take any action or impose any conditions that will result in delay from the time frames established in the planning and construction timetable or in additional overall costs. Failure of the city council to act within the 45-day period shall be deemed to be approval. The authority may seek de novo review in the district court of any city council action. The district court or any appellate court shall expedite review to the maximum extent possible and timely issue relief, orders, or opinions as necessary to give effect to the provisions and objectives in this act.

Sec. 18. **[473J.27] LIQUOR LICENSES.**

At the request of the authority, the city may issue intoxicating liquor licenses that are reasonably requested for the premises of the stadium site. These licenses are in addition to the number authorized by law. All provisions of chapter 340A not inconsistent with this section apply to the licenses authorized under this section.

Sec. 19. **[473J.29] METROPOLITAN SPORTS FACILITIES COMMISSION ASSETS; LIABILITIES TO AUTHORITY.**

Subdivision 1. **Authority expenses.** The Metropolitan Sports Facilities Commission shall pay the operating expenses of the authority including salaries, compensation, and other personnel, office, equipment, consultant and any other costs, until the commission is abolished pursuant to subdivision 3.

Subd. 2. **Transfer.** Within 90 days of the enactment of this chapter, the Metropolitan Sports Facilities Commission shall pay its outstanding obligations, settle its accounts, and transfer its remaining assets, liabilities, obligations, and any proceeds to the authority, for its purposes.

Subd. 3. **Metropolitan Sports Facilities Commission abolished; interim powers conferred on authority.** Upon transfer to the authority of all remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission, in subdivision 2, the Metropolitan Sports Facilities Commission is abolished. When the remaining assets, liabilities, and obligations of the Metropolitan Sports Facilities Commission have been transferred to the authority and the commission has been abolished, the powers and duties of the commission under sections 473.551 to 473.599, and any other law shall devolve upon the authority, in addition to the powers and duties of the authority under this chapter, until the first NFL home game is played at the stadium.

Subd. 4. **Employees.** Upon transfer of ownership all persons employed by the Metropolitan Sports Facilities Commission shall be transferred to the Minnesota Sports Facilities Authority without loss of right or privilege. Nothing in this section shall be construed to give any such person the right or privilege to continue in the same level or classification of employment previously held. The Minnesota Sports Facilities Authority may assign any such person to an employment level and classification which it deems appropriate and desirable in accordance with its personnel code.

Sec. 20. **PUBLIC REFERENDUM.**

Nothing in this act shall be construed to override, preempt, or waive a provision in a county or city charter.

Sec. 21. **EFFECTIVE DATE.**

Except as otherwise provided, this article is effective the day following final enactment.

ARTICLE 2
STATE STADIUM FUNDING

Section 1. **[16A.965] APPROPRIATION BONDS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision and in chapter 473J apply to this section.

(b) "Appropriation bond" means a bond, note, or other similar instrument of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law from the general fund, including, without limitation, revenues deposited in the general fund as provided in articles 4 and 5, in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (b);

(2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds.

Subd. 2. **Authorization to issue appropriation bonds.** (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, including, in particular, the financing of all or a portion of the acquisition, construction, improving, and equipping of the stadium project of the Minnesota Sports Facilities Authority as provided by chapter 473J. Proceeds of the appropriation bonds must be credited to a special appropriation stadium bond proceeds fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation stadium bond proceeds fund.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds, deposits for debt service reserve funds, and costs of credit enhancement for achieving the purposes authorized as provided under paragraph (a), and pay debt service, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that appropriation bonds issued and unpaid shall not exceed \$512,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4.

(c) Appropriation bonds may be issued from time to time in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 30 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including, but not limited to, trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with, or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(f) The appropriation bonds are not subject to chapter 16C.

Subd. 3. Form; procedure. (a) Appropriation bonds may be issued in the form of bonds, notes, or other similar instruments, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale upon such terms as the commissioner shall determine are not inconsistent with this section and may be sold at any price or percentage of par value. Any bid received may be rejected.

(d) Appropriation bonds must bear interest at a fixed or variable rate.

(e) Notwithstanding any other law, appropriation bonds issued under this section shall be fully negotiable.

Subd. 4. Refunding bonds. The commissioner from time to time may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding appropriation bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on the investment may also be applied to the payment of the appropriation bonds to be refunded or interest or premiums on the refunded appropriation bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the general fund or, if applicable, the special appropriation stadium bond proceeds fund for use in any lawful manner. All refunding bonds issued under this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the appropriation bonds to be refunded.

Subd. 5. Appropriation bonds as legal investments. Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. No full faith and credit; state not required to make appropriations. The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the appropriation bonds in any fiscal year. Appropriation bonds shall be canceled and shall no longer be outstanding on the earlier of (1) the first day of a fiscal year for which the legislature shall not have appropriated amounts sufficient for debt service, or (2) the date of final payment of the principal of and interest on the appropriation bonds.

Subd. 7. Appropriation of proceeds. The proceeds of appropriation bonds and interest credited to the special appropriation stadium bond proceeds fund are appropriated to the commissioner for payment of capital expenses, debt service on outstanding indebtedness of the state, operating and capital reserves of the authority, and the funding of debt service reserves for the appropriation bonds, each as permitted by state and federal law, and nonsalary expenses incurred in conjunction with the sale of the appropriation bonds, and such proceeds may be granted, loaned, or otherwise provided to the authority for the public purpose provided by subdivision 2, paragraph (a).

Subd. 8. Commissioner; determination of available revenues. (a) By March 15 of each fiscal year, the commissioner, in consultation with the commissioner of revenue, shall determine the estimated revenues received from fees imposed under section 473J.13. All calculations under this paragraph must be made net of estimated refunds of the taxes required to be paid.

(b) Available revenues for purposes of subdivision 9, equal the amount determined under paragraph (a), less the appropriation to principal and interest on appropriation bonds under subdivision 8, paragraph (a).

(c) The provisions of this subdivision apply only after the issuance of appropriation bonds under subdivision 2.

Subd. 9. Appropriation for debt service and other purposes. (a) The amount needed to pay principal and interest on appropriation bonds issued under this section is appropriated each year from the general fund to the commissioner, subject to repeal, unallotment under section 16A.152, or cancellation otherwise pursuant to subdivision 6, for deposit into the bond payment accounts established for such purpose in the special appropriation stadium bond proceeds fund.

(b) To the extent the commissioner determines revenues are available under the provisions of subdivision 8, paragraph (b), for the fiscal year, the available revenues are appropriated from the general fund for deposit in a general reserve account established by order of the commissioner of management and budget. Amounts in this reserve are appropriated as necessary for application against any shortfall in the amounts deposited to the general fund under section 473J.13. After consultation of the legislative commission on planning and fiscal policy, amounts in the reserve are appropriated to the commissioner of management and budget for other uses related to the stadium authorized in section 473J.01 that the commissioner deems financially prudent including upfront cash payments to the authority for construction, reimbursements, refundings, and prepaying debt. In no event shall available revenues be pledged, nor shall the appropriations of available revenues made by this section constitute a pledge of available revenues as security for the prepayment of principal and interest on the appropriation bonds under this section.

Subd. 10. Waiver of immunity. The waiver of immunity by the state provided for by section 3.751, subdivision 1, shall be applicable to the appropriation bonds and any ancillary contracts to which the commissioner is a party.

Subd. 11. Validation. (a) Appropriation bonds issued under this section may be validated in the manner provided by this subdivision. If comparable appropriation bonds are judicially determined to be valid, nothing in this subdivision shall be construed to prevent the sale or delivery of any appropriation bonds or notes without entry of a judgment of validation by the Minnesota Supreme Court pursuant to this subdivision with respect to the appropriation bonds authorized under this section.

(b) Any appropriation bonds issued under this section that are validated shall be validated in the manner provided by this subdivision.

(c) The Minnesota Supreme Court shall have original jurisdiction to determine the validation of appropriation bonds and all matters connected therewith.

(d) The commissioner may determine the commissioner's authority to issue appropriation bonds and the legality of all proceedings in connection with issuing bonds. For this purpose, a complaint shall be filed by the commissioner in the Minnesota Supreme Court against the state and the taxpayers and citizens.

(e) As a condition precedent to filing of a complaint for the validation of appropriation bonds, the commissioner shall take action providing for the issuance of appropriation bonds in accordance with law.

(f) The complaint shall set out the state's authority to issue appropriation bonds, the action or proceeding authorizing the issue and its adoption, all other essential proceedings had or taken in connection with issuing bonds, the amount of the appropriation bonds to be issued and the maximum interest they are to bear, and all other pertinent matters.

(g) The Minnesota Supreme Court shall issue an order directed against the state and taxpayers, citizens, and others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected by the bonds, allowing all persons, in general terms and without naming them, and the state through its attorney general, to appear before the Minnesota Supreme Court at a designated time and place and show why the complaint should not be granted and the proceedings and appropriation bonds validated. A copy of the complaint and order shall be served on the attorney general at least 20 days before the time fixed for hearing. The attorney general shall examine the complaint, and, if it appears or there is reason to believe that it is defective, insufficient, or untrue, or if in the opinion of the attorney general the issuance of the appropriation bonds in question has not been duly authorized, defense shall be made by the attorney general as the attorney general deems appropriate.

(h) Before the date set for hearing, as directed by the Minnesota Supreme Court, either the clerk of the Minnesota appellate courts or the commissioner shall publish a copy of the order in a legal newspaper of general circulation in Ramsey County and the state, at least once each week for two consecutive weeks, commencing with the first publication, which shall not be less than 20 days before the date set for hearing. By this publication, all taxpayers, citizens, and others having or claiming any right, title, or interest in the state, are made parties defendant to the action and the Minnesota Supreme Court has jurisdiction of them to the same extent as if named as defendants in the complaint and personally served with process.

(i) Any taxpayer, citizen, or person interested may become a party to the action by moving against or pleading to the complaint at or before the time set for hearing. The Minnesota Supreme Court shall determine all questions of law and fact and make orders that will enable it to properly try and determine the action and render a final judgment within 30 days of the hearing with the least possible delay.

(j) If the judgment validates appropriation bonds, the judgment is forever conclusive as to all matters adjudicated and as against all parties affected and all others having or claiming any right, title, or interest affected by the issuance of appropriation bonds, or to be affected in any way by issuing the bonds, and the validity of appropriation bonds or of any revenues pledged for the payment of the bonds, or of the proceedings authorizing the issuance of the bonds, including any remedies provided for their collection, shall never be called in question in any court by any person or party.

(k)(1) Appropriation bonds, when validated under this section, shall have stamped or written on the bonds, by the proper officers of the state issuing them, a statement in substantially the following form: "This appropriation bond is one of a series of appropriation bonds which were validated by judgment of the Supreme Court of the State of Minnesota, rendered on(year)"

(2) A certified copy of the judgment or decree shall be received as evidence in any court in this state.

(l) The costs shall be paid by the state, except when a taxpayer, citizen, or other person contests the action or intervenes, the court may tax the whole or any part of the costs against the person that is equitable.

(m) A justice of the Minnesota Supreme Court is not disqualified in any validation action because the justice is a landowner or taxpayer of the state.

ARTICLE 3 CONFORMING CHANGES

Section 1. Minnesota Statutes 2010, section 3.971, subdivision 6, is amended to read:

Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements of the state of Minnesota required by section 16A.50 and, as resources permit, shall audit Minnesota State Colleges and Universities, the University of Minnesota, state agencies, departments, boards, commissions, courts, and other state organizations subject to audit by the legislative auditor, including the State Agricultural Society, Agricultural Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco, ~~Metropolitan Sports Facilities Commission~~, Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial audits must be conducted according to generally accepted government auditing standards. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with and may, as part of a financial audit or separately, investigate allegations of noncompliance.

Sec. 2. Minnesota Statutes 2010, section 13.55, subdivision 1, is amended to read:

Subdivision 1. **Not public classification.** The following data received, created, or maintained by or for publicly owned and operated convention facilities, or civic center authorities, ~~or the Metropolitan Sports Facilities Commission~~ are classified as nonpublic data pursuant to section 13.02, subdivision 9; or private data on individuals pursuant to section 13.02, subdivision 12:

(a) a letter or other documentation from any person who makes inquiry to or who is contacted by the facility regarding the availability of the facility for staging events;

(b) identity of firms and corporations which contact the facility;

(c) type of event which they wish to stage in the facility;

(d) suggested terms of rentals; and

(e) responses of authority staff to these inquiries.

Sec. 3. Minnesota Statutes 2010, section 352.01, subdivision 2a, is amended to read:

Subd. 2a. **Included employees.** (a) "State employee" includes:

(1) employees of the Minnesota Historical Society;

(2) employees of the State Horticultural Society;

(3) employees of the Minnesota Crop Improvement Association;

(4) employees of the adjutant general whose salaries are paid from federal funds and who are not covered by any federal civilian employees retirement system;

(5) employees of the Minnesota State Colleges and Universities who are employed under the university or college activities program;

(6) currently contributing employees covered by the system who are temporarily employed by the legislature during a legislative session or any currently contributing employee employed for any special service as defined in subdivision 2b, clause (8);

(7) employees of the legislature who are appointed without a limit on the duration of their employment and persons employed or designated by the legislature or by a legislative committee or commission or other competent authority to conduct a special inquiry, investigation, examination, or installation;

(8) trainees who are employed on a full-time established training program performing the duties of the classified position for which they will be eligible to receive immediate appointment at the completion of the training period;

(9) employees of the Minnesota Safety Council;

(10) any employees who are on authorized leave of absence from the Transit Operating Division of the former Metropolitan Transit Commission and who are employed by the labor organization which is the exclusive bargaining agent representing employees of the Transit Operating Division;

(11) employees of the Metropolitan Council, Metropolitan Parks and Open Space Commission, ~~Metropolitan Sports Facilities Commission~~, or Metropolitan Mosquito Control Commission unless excluded under subdivision 2b or are covered by another public pension fund or plan under section 473.415, subdivision 3;

(12) judges of the Tax Court;

(13) personnel who were employed on June 30, 1992, by the University of Minnesota in the management, operation, or maintenance of its heating plant facilities, whose employment transfers to an employer assuming operation of the heating plant facilities, so long as the person is employed at the University of Minnesota heating plant by that employer or by its successor organization;

(14) personnel who are employed as seasonal employees in the classified or unclassified service;

(15) persons who are employed by the Department of Commerce as a peace officer in the Insurance Fraud Prevention Division under section 45.0135 who have attained the mandatory retirement age specified in section 43A.34, subdivision 4;

(16) employees of the University of Minnesota unless excluded under subdivision 2b, clause (3);

(17) employees of the Middle Management Association whose employment began after July 1, 2007, and to whom section 352.029 does not apply; and

(18) employees of the Minnesota Government Engineers Council to whom section 352.029 does not apply.

(b) Employees specified in paragraph (a), clause (13), are included employees under paragraph (a) if employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer.

Sec. 4. Minnesota Statutes 2010, section 473.121, subdivision 5a, is amended to read:

Subd. 5a. **Metropolitan agency.** "Metropolitan agency" means the Metropolitan Parks and Open Space Commission, and the Metropolitan Airports Commission, ~~and Metropolitan Sports Facilities Commission.~~

Sec. 5. Minnesota Statutes 2010, section 473.164, is amended to read:

473.164 SPORTS, AIRPORT COMMISSIONS TO PAY COUNCIL COSTS.

Subdivision 1. **Annually reimburse.** ~~The Metropolitan Sports Facilities Commission and the Metropolitan Airports Commission~~ shall annually reimburse the council for costs incurred by the council in the discharge of its responsibilities relating to the commission. The costs may be charged against any revenue sources of the commission as determined by the commission.

Subd. 2. **Estimates, budget, transfer.** On or before May 1 of each year, the council shall transmit to ~~each the~~ the commission an estimate of the costs which the council will incur in the discharge of its responsibilities related to the commission in the next budget year including, without limitation, costs in connection with the preparation, review, implementation and defense of plans, programs and budgets of the commission. ~~Each The~~ The commission shall include the estimates in its budget for the next budget year and may transmit its comments concerning the estimated amount to the council during the budget review process. Prior to December 15 of each year, the amount budgeted by ~~each the~~ the commission for the next budget year may be changed following approval by the council. During each budget year, the commission shall transfer budgeted funds to the council in advance when requested by the council.

Subd. 3. **Final statement.** At the conclusion of each budget year, the council, in cooperation with ~~each the~~ the commission, shall adopt a final statement of costs incurred by the council for ~~each the~~ the commission. Where costs incurred in the budget year have exceeded the amount budgeted, ~~each the~~ the commission shall transfer to the council the additional moneys needed to pay the amount of the costs in excess of the amount budgeted, and shall include a sum in its next budget. Any excess of budgeted costs over actual costs may be retained by the council and applied to the payment of budgeted costs in the next year.

Sec. 6. Minnesota Statutes 2010, section 473.565, subdivision 1, is amended to read:

Subdivision 1. **In MSRS; exceptions.** All employees of the former commission shall be members of the Minnesota State Retirement System with respect to service rendered on or after May 17, 1977, except as provided in this section.

Sec. 7. Minnesota Statutes 2010, section 473.755, subdivision 4, is amended to read:

Subd. 4. **Bylaws.** The authority shall adopt bylaws to establish rules of procedure, the powers and duties of its officers, and other matters relating to the governance of the authority and the exercise of its powers. Except as provided in this section, the bylaws adopted under this subdivision shall ~~be similar in form and substance to bylaws adopted by the Metropolitan Sports Facilities Commission pursuant to section 473.553~~ include provisions on the name and composition of the authority; officers of the authority; meeting requirements of the authority; compensation and expense reimbursement; official documents; process to amend bylaws; and any other necessary provisions.

Sec. 8. **REPEALER.**

Minnesota Statutes 2010, sections 473.551; 473.552; 473.553, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13; 473.556, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, and 17; 473.561; 473.564, subdivisions 2 and 3; 473.572; 473.581; 473.592, subdivision 1; 473.595; 473.598; 473.599; and 473.76, are repealed.

Sec. 9. **EFFECTIVE DATE.**

This article is effective June 30, 2016."

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker called Davids to the Chair.

Mahoney moved to amend the Benson, M., et al amendment to H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 7, line 21, delete "three" and insert "five"

Page 7, line 22, delete "one member" and insert "two members"

Page 7, line 23, delete "one member" and insert "two members"

Page 7, line 24, after the period, insert: "At least one member of the authority will be from Ramsey County, at least one member will be from Hennepin County, and at least one member must be from outside the seven-county metropolitan area."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

The question recurred on the Benson, M., et al amendment and the roll was called. There were 57 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Allen	Downey	Hancock	Lenczewski	McDonald	Scott
Anderson, B.	Drazkowski	Hausman	Lesch	McElpatrick	Stensrud
Anderson, D.	Eken	Hornstein	Liebling	Moran	Urdahl
Barrett	Falk	Hortman	Loeffler	Mullery	Vogel
Benson, M.	Gauthier	Johnson	Lohmer	Paymar	Wagenius
Carlson	Gottwalt	Kahn	Loon	Peppin	Wardlow
Champion	Greene	Kiffmeyer	Mahoney	Quam	Winkler
Clark	Greiling	Knuth	Mariani	Runbeck	
Davnie	Gruenhagen	Laine	Marquart	Scalze	
Dettmer	Hackbarth	Leidiger	Mazorol	Schomacker	

Those who voted in the negative were:

Abeler	Anzelc	Beard	Brynaert	Crawford	Dean
Anderson, P.	Atkins	Benson, J.	Buesgens	Daudt	Dill
Anderson, S.	Banaian	Bills	Cornish	Davids	Dittrich

Doepke	Hilty	Kriesel	Murphy, M.	Poppe	Tillberry
Erickson	Holberg	Lanning	Murray	Rukavina	Torkelson
Fabian	Hoppe	LeMieur	Myhra	Sanders	Ward
Franson	Hosch	Lillie	Nelson	Shimanski	Westrom
Fritz	Howes	Mack	Nornes	Simon	Woodard
Garofalo	Huntley	McFarlane	Norton	Slawik	Spk. Zellers
Gunther	Kath	McNamara	O'Driscoll	Slocum	
Hamilton	Kelly	Melin	Pelowski	Smith	
Hansen	Kieffer	Morrow	Persell	Swedzinski	
Hilstrom	Kiel	Murphy, E.	Petersen, B.	Thissen	

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

Runbeck, Loeffler, Anzelc, Hausman, Westrom, Allen, Scott, Dettmer, Moran, Mullery, Mariani, Quam and Clark moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 22, after line 9, insert:

"Subd. 17. **Television access.** As a condition of receipt of public funds for a stadium, the NFL team will agree to have local broadcast partners that provides free access to the general public in Minnesota."

A roll call was requested and properly seconded.

The question was taken on the Runbeck et al amendment and the roll was called. There were 39 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gruenhagen	Laine	Mack	Runbeck
Allen	Davnie	Hausman	Leidiger	Mariani	Scalze
Anderson, B.	Dettmer	Hornstein	Lenczewski	McDonald	Scott
Anderson, S.	Falk	Hortman	Liebling	Moran	Slawik
Bills	Franson	Johnson	Loeffler	Mullery	
Carlson	Greene	Kahn	Lohmer	Myhra	
Clark	Greiling	Kath	Loon	Quam	

Those who voted in the negative were:

Anderson, D.	Dill	Hansen	Lillie	Paymar	Tillberry
Anderson, P.	Dittrich	Hilstrom	Mahoney	Pelowski	Torkelson
Anzelc	Doepke	Hilty	Marquart	Peppin	Urdahl
Atkins	Downey	Holberg	Mazorol	Persell	Vogel
Banaian	Drazkowski	Hoppe	McElpatrick	Petersen, B.	Wagenius
Barrett	Eken	Hosch	McFarlane	Poppe	Ward
Beard	Erickson	Howes	McNamara	Rukavina	Wardlow
Benson, J.	Fabian	Huntley	Melin	Sanders	Westrom
Benson, M.	Fritz	Kelly	Morrow	Schomacker	Winkler
Brynaert	Garofalo	Kieffer	Murphy, E.	Shimanski	Woodard
Buesgens	Gauthier	Kiel	Murphy, M.	Simon	Spk. Zellers
Champion	Gottwalt	Knuth	Murray	Slocum	
Cornish	Gunther	Kriesel	Nelson	Smith	
Daudt	Hackbarth	Lanning	Nornes	Stensrud	
Davids	Hamilton	LeMieur	Norton	Swedzinski	
Dean	Hancock	Lesch	O'Driscoll	Thissen	

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

Champion; Winkler; Loeffler; Kahn; Wagenius; Carlson; Doepke; Greene; Davnie; Stensrud; Allen; Downey; Benson, J.; Hornstein; Loon; Hortman; Mazorol; Simon; Mullery; Anderson, S.; Smith; Slocum; Clark and Nelson moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 76, line 33, after "2050;" insert "and"

Page 77, delete lines 1 and 2

Page 77, line 3, delete "(5)" and insert "(4)"

Page 77, delete section 3

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Barrett, Crawford and Nornes moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 25, after line 29, insert:

"Sec. 23. **[473J.27] AGREEMENT WITH NFL; SUPER BOWL.**

(a) As a condition of building a stadium pursuant to this act, the authority shall enter into an agreement with the National Football League that would establish that the new stadium shall be the host site of an NFL Super Bowl no later than the third NFL season following completion of the stadium.

(b) The penalty for breach of this agreement shall be a surcharge on rent in the lease or use agreement under section 473J.15, subdivisions 3 and 4, equal to three times the rent paid for the remainder of the term of the lease or use agreement, or until the stadium hosts a Super Bowl."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Champion, Clark, Moran and Mullery moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 15, line 15, after the period, insert "In addition, the authority shall contract with an employment assistance firm, preferably minority-owned, or owned by a disabled individual or a woman, to create an employment program to recruit, hire, and retain minorities for the stadium facility. The authority shall hold a job fair and recruit and advertise at Minneapolis Urban League, Sabathani, American Indian OIC, Youthbuild organizations, and other such organizations."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Scott moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 15, after line 27, insert:

"Subd. 3. **E-verify.** An employer after hiring an employee under this section shall verify the employment eligibility of the employee through the federal e-verify program and shall keep a record of the verification through the duration of the employee's employment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Westrom moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 79, after line 33, insert:

"ARTICLE 7
WHITE EARTH-STATE CASINO

Section 1. **[3.92225] TRIBAL-STATE CASINO.**

Subdivision 1. **Negotiated agreement.** The state of Minnesota is authorized to conduct negotiations and complete a contractual agreement with the White Earth tribal government to allow one tribal-owned metropolitan area casino. The contractual agreement shall be conducted by a state negotiation team consisting of three persons to be appointed by the governor and shall be staffed by the attorney general. An agreement under this section must be finalized by September 1, 2012, and is authorized by law and effective upon certification in the State Register that an agreement has been completed. All details of any such agreement shall be public and shall be published in the State Register. An agreement under this section must have the following components:

(1) the White Earth tribal government will provide an advanced payment of \$400,000,000 to the state of Minnesota, to be remitted in a timely manner upon completion of the agreement and certification by the state that a White Earth tribal casino is allowed to operate per the negotiated agreement;

(2) a requirement that the State Lottery lease the slot machines to the casino and that the Department of Public Safety provide inspections, licensing, and oversight of casino operations to ensure the public trust;

(3) a requirement that the casino operated under the negotiated agreement allow all compacted games and all state-allowed games, and any games negotiated in the contract;

(4) a requirement that the tribal-owned casino be operated in a fashion that meets the highest industry standards for a gaming establishment;

(5) a requirement that the White Earth tribal government work with the Minnesota Racing Commission and the horse industry to supplement purses and to assist in making Minnesota's horse industry competitive with surrounding states; and

(6) a requirement that the state share from the White Earth tribal casino provide revenues sufficient to retire existing debt at the Xcel Energy Center.

Subd. 2. **Implementation.** Notwithstanding any law to the contrary, the commissioner of public safety and director of the State Lottery are required to use all of the resources and statutory authority available to implement any agreement between the state of Minnesota and the White Earth tribal government, and instructed to submit legislation necessary to further enact any such agreement in the 2013 legislative session.

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

Sec. 2. **APPROPRIATION.**

(a) Up to \$2,000,000 in funds generated by the agreement reached under Minnesota Statutes section 3.92225 sufficient to cover enforcement and operation costs of the state are appropriated to the commissioner of public safety and the director of the State Lottery.

(b) \$398,000,000 from the agreement reached under Minnesota Statutes section 3.92225 shall be reserved in a special account within the general fund, and this amount is appropriated to the commissioner of management and budget for use in constructing a professional football stadium project."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Simon, Hamilton and Champion moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 20, delete lines 20 to 24 and insert "effective date of this chapter, a portion of the sale price must be used to pay down the remaining debt service. If any portion remains after the debt service is paid, that amount must be deposited in the general fund. The portion required to be so paid is 25 percent of the amount in excess of the purchase price of the NFL team by the selling owner or owners, declining to 15 percent ten years after commencement of stadium construction in increments of 1.0 percent each year."

Page 20, line 25, delete everything before "The"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Murphy, M.; Kriesel; Lanning; Morrow and Atkins moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 75, after line 8, insert:

"Sec. 63. **DEPARTMENT OF PUBLIC SAFETY; OVERSIGHT OF BACKGROUND CHECKS.**

The Department of Public Safety shall exercise oversight over all background checks on manufacturers and distributors who supply machines, games, software, or other gambling materials used in electronic pull-tabs, electronic bingo, or professional sports tipboards, to ensure the integrity of new forms of gambling entering the Minnesota market."

Page 75, line 16, before "\$1,219,000" insert "(a)"

Page 75, after line 19, insert:

"(b) \$250,000 in fiscal year 2013 is appropriated from the lawful gambling regulation account in the special revenue fund to the Department of Public Safety for expenses related to the oversight of lawful gambling for electronic pull-tabs and electronic linked bingo."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Atkins, Kriesel, Hoppe, Lillie, Lanning and Morrow moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 75, after line 8, insert:

"Sec. 63. **PROVISION OF MACHINES; CONTRACTS.**

(a) The Gambling Control Board shall issue a request for proposals for bids to supply and repair electronic pull tab and electronic bingo devices made legal under this article. These machines shall be provided to licensed lawful gambling organizations at state expense, for a period of no less than three years. Vendors of existing gambling supplies and amusement devices shall be invited to bid for provisions of these machines, as well as other potential vendors. The process for selecting a winning bid or bids shall be supervised by the Department of Administration, and shall conform to the standards of chapter 16C of Minnesota Statutes.

(b) Bidders must include in any bid a plan for the bidder to finance the state purchase of machines allowed under this provision, and a proposed schedule for repayment with interest of this loan to the state.

(c) The state shall repay any advances allowed under this section with funds from increased tax revenues as determined under article 4, section 6.

(d) Funds sufficient to provide repayments required under this section are appropriated from the general fund to the Gambling Control Board on an ongoing basis.

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

A roll call was requested and properly seconded.

The question was taken on the Atkins et al amendment and the roll was called. There were 37 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Kahn	McFarlane	Rukavina	Ward
Allen	Dill	Knuth	Melin	Scalze	Spk. Zellers
Anderson, P.	Fritz	Kriesel	Morrow	Slocum	
Anzelc	Hamilton	Lanning	Murphy, M.	Smith	
Atkins	Hilty	LeMieur	Nelson	Thissen	
Brynaert	Hoppe	Loeffler	O'Driscoll	Tillberry	
Davids	Huntley	Mack	Poppe	Torkelson	

Those who voted in the negative were:

Anderson, B.	Davnie	Gruenhagen	Kiel	McNamara	Schomacker
Anderson, D.	Dettmer	Gunther	Kiffmeyer	Moran	Scott
Anderson, S.	Dittrich	Hackbarth	Laine	Mullery	Shimanski
Banaian	Doepke	Hancock	Leidiger	Murphy, E.	Simon
Barrett	Downey	Hansen	Lenczewski	Murray	Slawik
Beard	Drazkowski	Hausman	Lesch	Myhra	Stensrud
Benson, J.	Eken	Hilstrom	Liebling	Nornes	Swedzinski
Benson, M.	Erickson	Holberg	Lillie	Norton	Urdahl
Bills	Fabian	Hornstein	Lohmer	Paymar	Vogel
Buesgens	Falk	Hortman	Loon	Pelowski	Wagenius
Carlson	Franson	Hosch	Mahoney	Peppin	Wardlow
Champion	Garofalo	Howes	Mariani	Persell	Westrom
Clark	Gauthier	Johnson	Marquart	Petersen, B.	Winkler
Cornish	Gottwalt	Kath	Mazorol	Quam	Woodard
Crawford	Greene	Kelly	McDonald	Runbeck	
Daudt	Greiling	Kieffer	McElpatrick	Sanders	

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

Nelson moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 18, line 28, delete "30-year" and insert "40-year"

Page 18, line 33, delete "30 years" and insert "40 years"

Page 19, line 8, delete "30-year" and insert "40-year"

The motion prevailed and the amendment was adopted.

Benson, M.; Hansen; Lanning; Gruenhagen and Kahn moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 76, after line 2, insert:

"Section 1. **LEGISLATIVE AUDITOR REQUESTED GAMBLING STUDY.**

The legislative auditor is requested to conduct an evaluation of the effects of the expansion of lawful gambling in Minnesota two years after adoption of this act, and over a 20-year period after adoption of this act. The auditor is requested to publish a report based on this study two years after adoption of this act and at four-year intervals after that date. Funds raised under this act shall be appropriated to the commissioner of management and budget to reimburse the auditor for all expenses accrued from the conduct of this evaluation.

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.

Downey moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 15, after line 3, insert:

"Subd. 5. **Wages.** Sections 177.41 to 177.44 do not apply to construction of the stadium."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Downey amendment and the roll was called. There were 36 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Franson	Kiffmeyer	McDonald	Stensrud
Anderson, S.	Dettmer	Gruenhagen	Leidiger	Myhra	Torkelson
Benson, M.	Doepke	Hancock	Lohmer	Peppin	Wardlow
Bills	Downey	Holberg	Loon	Quam	Westrom
Buesgens	Drazkowski	Hoppe	Mack	Runbeck	Woodard
Crawford	Erickson	Kieffer	Mazorol	Scott	Spk. Zellers

Those who voted in the negative were:

Abeler	Anderson, P.	Banaian	Benson, J.	Champion	Daudt
Allen	Anzelc	Barrett	Brynaert	Clark	Davids
Anderson, D.	Atkins	Beard	Carlson	Cornish	Davnie

Dill	Hamilton	Kelly	Mariani	Nornes	Simon
Dittrich	Hansen	Kiel	Marquart	Norton	Slawik
Eken	Hausman	Knuth	McElpatrick	O'Driscoll	Slocum
Fabian	Hilstrom	Kriesel	McFarlane	Paymar	Smith
Falk	Hilty	Laine	McNamara	Pelowski	Swedzinski
Fritz	Hornstein	Lanning	Melin	Persell	Thissen
Garofalo	Hortman	LeMieur	Moran	Petersen, B.	Tillberry
Gauthier	Hosch	Lenczewski	Morrow	Poppe	Urdahl
Gottwalt	Howes	Lesch	Mullery	Rukavina	Vogel
Greene	Huntley	Liebling	Murphy, E.	Sanders	Wagenius
Greiling	Johnson	Lillie	Murphy, M.	Scalze	Ward
Gunther	Kahn	Loeffler	Murray	Schomacker	Winkler
Hackbarth	Kath	Mahoney	Nelson	Shimanski	

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

Kahn and Morrow moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 26, after line 2, insert:

"Section 1. **[16A.6455] MINNESOTA FIRST BONDS.**

Subdivision 1. **Program established.** The commissioner of management and budget may establish the Minnesota First bond program to encourage individuals to invest in state general obligation or appropriation bonds to provide revenues for the purposes of reducing the state's and the city of Minneapolis's financial obligations under this act. The program consists of:

(1) issuing a portion of the state general obligation or appropriation bonds in denominations and maturities that will be attractive to individuals; and

(2) developing a program for marketing the bonds to investors.

Subd. 2. **Denominations.** The commissioner shall determine the appropriate denominations and maturities for the Minnesota First bonds. It is the intent of the legislature to make bonds available in as small denominations as is feasible given the costs of marketing and administering the bond issue. Minimum denominations of \$1,000 must be made available. The minimum denomination bonds need not be made available for bonds of all maturities. If a zero coupon bond is sold, "denomination" means the compounded maturity amount of the bond.

Subd. 3. **Direct sale permitted.** The commissioner may sell any series of savings bonds directly to the public or to financial institutions for prompt resale to the public upon the terms and conditions and the restrictions the commissioner prescribes. The commissioner may enter into all contracts deemed necessary or desirable to accomplish the sale in a cost-effective manner including a private or negotiated sale, but the commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services.

Subd. 4. **Marketing plan.** The commissioner shall develop a plan for marketing Minnesota First bonds. The plan must include strategies to:

(1) inform the public about the availability of the bonds;

(2) take orders for the bonds;

(3) target the sale of the bonds to Minnesota residents; and

(4) market the bonds at the lowest cost to the state.

Subd. 5. **Allocation of revenue.** The commissioner of management and budget shall allocate the revenue generated to offset the public financial obligations under this act equally between the city of Minneapolis and the state."

Page 26, line 27, before "and" insert "revenue generated under section 16A.6455, and allocated by the commissioner of management and budget for this purpose"

Page 32, line 9, before "has" insert "minus the revenue generated under Minnesota Statutes, section 16A.6455, and allocated by the commissioner of management and budget for this purpose"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Wagenius, Knuth and Rukavina moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 21, line 6, delete everything after "team" and insert "shall build a stadium that is carbon neutral and may utilize a variety of methods, including (1) utilizing environmentally and energy efficient designs, one of which would be building a stadium that is eligible to receive the Leadership in Energy and Environmental Design (LEED) certification for environmental design; and (2) purchasing carbon credits. All solar panels purchased by the authority and the NFL team shall be manufactured in Minnesota. To the extent practicable, the authority and the NFL team shall strive to make the stadium design architecturally significant."

Page 21, delete lines 7 to 11

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Persell moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 15, after line 3, insert:

"Subd. 5. **Stadium lighting.** As part of the emergency lighting system for the stadium, all exit signs listed under Underwriters Laboratories (UL) Standard 924 must be listed to a 100 linear foot viewing distance, be listed for outdoor and wet locations, and have a 25-year warranty. To meet industrywide energy efficiency standards, all signs must consume less than five watts of electricity during standard operation."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Hortman moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 16, line 20, delete "authority" and insert "NFL team"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hortman amendment and the roll was called. There were 66 yeas and 65 nays as follows:

Those who voted in the affirmative were:

Allen	Davnie	Greiling	Kieffer	Mazorol	Quam
Anderson, B.	Dean	Gruenhagen	Kiffmeyer	McDonald	Runbeck
Anderson, D.	Dettmer	Gunther	Knuth	Moran	Scalze
Anderson, S.	Dittrich	Hackbarth	Laine	Mullery	Scott
Barrett	Doepke	Hansen	Leidiger	Murphy, E.	Simon
Benson, M.	Downey	Hausman	Lenczewski	Myhra	Slawik
Bills	Drazkowski	Hornstein	Liebling	Norton	Stensrud
Buesgens	Erickson	Hortman	Loeffler	Paymar	Wagenius
Carlson	Falk	Johnson	Loon	Peppin	Wardlow
Champion	Franson	Kahn	Mack	Persell	Westrom
Clark	Greene	Kath	Mariani	Petersen, B.	Spk. Zellers

Those who voted in the negative were:

Abeler	Davids	Hilty	Lesch	Murray	Smith
Anderson, P.	Dill	Holberg	Lillie	Nelson	Swedzinski
Anzelc	Eken	Hoppe	Lohmer	Nornes	Thissen
Atkins	Fabian	Hosch	Mahoney	O'Driscoll	Tillberry
Banaian	Fritz	Howes	Marquart	Pelowski	Torkelson
Beard	Garofalo	Huntley	McElpatrick	Poppe	Urdahl
Benson, J.	Gauthier	Kelly	McFarlane	Rukavina	Vogel
Brynaert	Gottwalt	Kiel	McNamara	Sanders	Ward
Cornish	Hamilton	Kriesel	Melin	Schomacker	Winkler
Crawford	Hancock	Lanning	Morrow	Shimanski	Woodard
Daudt	Hilstrom	LeMieur	Murphy, M.	Slocum	

The motion prevailed and the amendment was adopted.

Loeffler moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 65, line 20, delete "or off-sale"

Page 65, line 23, delete "and" and insert a comma

Page 65, line 24, after "100" insert ", and holds a license as of May 1, 2012"

Page 67, line 18, delete "or off-sale"

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

Kath moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 17, after line 36, insert:

"Sec. 17. **[473J.14] ADMISSIONS TAX.**

(a) Upon notification by the commissioner of management and budget under section 16A.1524, the commission shall by resolution impose and maintain a ten percent tax on:

(1) the gross receipts received for the rental of box seats, suites, sky boxes, and similar in the NFL stadium; and

(2) the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to professional sporting events at the NFL stadium.

(b) Each tax must be imposed in the years specified by the commissioner of management and budget. The suites rental tax under paragraph (a), clause (1), applies to the gross receipts, as defined under section 297A.61, received by the seller, as defined in section 297A.61, and is a debt owed by the seller to the authority. The admission tax under paragraph (a), clause (2), must be stated and charged separately from the sales price so far as practicable and the grantor, seller, or distributor must collect the tax from the person admitted and the tax is a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected is a debt owed by the grantor, issuer, seller, or distributor to the authority. Any tax imposed under this section is recoverable at law by the authority from the grantor, issuer, seller, or distributor in the same manner as other debts. Every person granting, issuing, selling, or distributing tickets for taxable admissions or renting boxes, suites, or similar may be required, as provided in resolutions of the authority, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay the penalties for nonpayment and interest on late payments, as the authority deems necessary or expedient to assure the prompt and uniform collection of either or both of the taxes.

(c) The authority shall remit the proceeds of any taxes imposed under this section to the commissioner of management and budget for deposit in the state's general fund.

(d) Notwithstanding any other provisions of this section, the imposition of an admission tax upon a national superbowl football game conducted at the NFL stadium is discretionary with the authority."

Page 31, after line 14, insert:

"Sec. 2. **[295.76] STADIUM SALES GROSS RECEIPTS TAX.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of revenue.

(c) "Gross receipts" means the total amount received for all sales at retail as measured by the sale price, but does not include any taxes imposed directly on the consumer that are separately stated on the invoice, bill of sale, or similar document given to the purchaser.

(d) "Stadium sales" means any transaction, including transfers of tangible personal property, including but not limited to merchandise and concessions, and provision of taxable services, that occurs on the premises of the stadium site.

(e) "Stadium site" has the meaning given in section 473J.03, subdivision 10.

(f) "Vendor" means any person providing goods or services on the premises of the stadium site subject to the stadium sales gross receipts tax under this section.

Subd. 2. **Gross receipts tax imposed.** A tax is imposed on stadium sales equal to ten percent of gross receipts from stadium sales.

Subd. 3. **Payment; reporting.** A vendor shall report the tax on a return prescribed by the commissioner of revenue, and shall remit the tax with the return. The return and the tax must be filed and paid using the filing cycle and due dates provided for taxes imposed under chapter 297A.

Subd. 4. **Administration.** Unless specifically provided otherwise by this section, the audit, assessment, refund, penalty, interest, enforcement, collection remedies, appeal, and administrative provisions of chapters 270 and 289A that are applicable to taxes imposed under chapter 297A apply to taxes imposed under this section.

Subd. 5. **Deposit of revenues.** The commissioner shall deposit all revenues derived from the tax imposed by this section to the general fund.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2012."

Page 76, line 33, after the semicolon, insert "and"

Page 77, line 1, delete "; and" and insert a period

Page 77, delete line 3

Page 78, delete section 4

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kath amendment and the roll was called. There were 44 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Allen	Falk	Hortman	Lenczewski	Morrow	Scalze
Brynaert	Gauthier	Johnson	Liebling	Mullery	Stensrud
Carlson	Greene	Kahn	Loeffler	Murphy, E.	Wagenius
Champion	Greiling	Kath	Loon	Norton	Winkler
Clark	Hansen	Kieffer	Mariani	Paymar	
Davnie	Hausman	Knuth	Marquart	Persell	
Dittrich	Hoppe	Laine	Melin	Poppe	
Eken	Hornstein	LeMieur	Moran	Rukavina	

Those who voted in the negative were:

Abeler	Cornish	Gottwalt	Kriesel	Murray	Slawik
Anderson, B.	Crawford	Gruenhagen	Lanning	Myhra	Slocum
Anderson, D.	Davids	Gunther	Leidiger	Nelson	Smith
Anderson, P.	Dean	Hackbarth	Lesch	Nornes	Swedzinski
Anderson, S.	Dettmer	Hamilton	Lillie	O'Driscoll	Thissen
Anzelc	Dill	Hancock	Lohmer	Pelowski	Tillberry
Atkins	Doepke	Hilstrom	Mack	Peppin	Torkelson
Banaian	Downey	Hilty	Mahoney	Petersen, B.	Urdahl
Barrett	Drazkowski	Holberg	Mazorol	Quam	Vogel
Beard	Erickson	Hosch	McDonald	Runbeck	Ward
Benson, J.	Fabian	Huntley	McElpatrick	Sanders	Wardlow
Benson, M.	Franson	Kelly	McFarlane	Schomacker	Westrom
Bills	Fritz	Kiel	McNamara	Scott	Woodard
Buesgens	Garofalo	Kiffmeyer	Murphy, M.	Shimanski	Spk. Zellers

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

Hackbarth moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 76, after line 15, insert:

"ARTICLE 6
ADDITIONAL DEBT SERVICE FUNDING; FIREWORKS

Section 1. Minnesota Statutes 2010, section 624.20, subdivision 1, is amended to read:

Subdivision 1. **Regulation.** (a) As used in sections 624.20 to 624.25, ~~the term "fireworks" means any substance or combination of substances or article prepared for the purpose of producing a visible or an audible effect by combustion, explosion, deflagration, or detonation, and includes blank cartridges, toy cannons, and toy canes in which explosives are used, the type of balloons which require fire underneath to propel them, firecrackers, torpedoes, skyrocketes, Roman candles, daygo bombs, sparklers other than those specified in paragraph (c), or other fireworks of like construction, and any fireworks containing any explosive or inflammable compound, or any tablets or other device containing any explosive substance and commonly used as fireworks;~~

(1) "aerial and audible devices" means fireworks in a finished state, suitable for use by the public, listed in APA 87-1, sections 3.1.2, 3.1.3, and 3.5, and containing 75 grams or less of chemical mixture per tube for a total of 500 grams or less for multiple tubes in a device;

(2) "APA 87-1" means the American Pyrotechnic Association Standard 87-1 from the Standard for Construction and Approval for Transportation of Fireworks, Novelties, and Theatrical Pyrotechnics, 2001 Edition;

(3) "display fireworks" means firework devices in a finished state, exclusive of mere ornamentation, primarily intended for commercial displays that are designed to produce visible effects, audible effects, or both, by combustion, deflagration, or detonation. The term includes, but is not limited to, salutes containing more than 130 milligrams of explosive composition, aerial shells containing more than 40 grams of chemical composition exclusive of light charge, and other exhibition display items that exceed the limits contained in APA 87-1 for aerial and audible devices. The term does not include any toy pistols, toy guns, paper caps, sparkling devices, or novelties;

(4) "fireworks" means any device, other than sparkling devices, novelties, aerial and audible devices, or theatrical pyrotechnic articles that are intended to produce visible effects, audible effects, or both, by combustion, deflagration, or detonation. The term includes "display fireworks";

(5) "novelties" means a device containing small amounts of pyrotechnic composition that is listed in APA 87-1, Sections 3.2, 3.3, and 3.4. The term includes deregulated sparklers, snakes and glow worms, smoke devices, and trick noisemakers, including paper streamers, party poppers, string poppers, snappers, drop pops, each consisting of not more than 25/100 grains of explosive mixture, toy pistols, toy guns, in which paper caps containing 25/100 grains or less of explosive compound are used, and toy pistol caps that contain less than 20/100 grains of explosive mixture; and

(6) "sparkling devices" means ground-based or handheld devices that produce a shower of sparks that are listed in APA 87-1, Sections 3.1.1 and 3.5. The term includes fountains, torches, wheels, ground spinners, flutter sparklers, toy smoke devices, and sparklers.

~~(b) The term "fireworks" shall not include toy pistols, toy guns, in which paper caps containing 25/100 grains or less of explosive compound are used and toy pistol caps which contain less than 20/100 grains of explosive mixture.~~

(b) Nothing in sections 624.20 to 624.25 authorizes the possession or use of novelties, sparkling devices, or aerial and audible devices on public property or the purchase of these items by persons younger than 18 years of age. A person selling novelties, sparkling devices, or aerial and audible devices shall verify the age of a purchaser by photographic identification.

~~(c) The term also does not include wire or wood sparklers of not more than 100 grams of mixture per item, other sparkling items which are nonexplosive and nonaerial and contain 75 grams or less of chemical mixture per tube or a total of 500 grams or less for multiple tubes, snakes and glow worms, smoke devices, or trick noisemakers which include paper streamers, party poppers, string poppers, snappers, and drop pops, each consisting of not more than twenty-five hundredths grains of explosive mixture. The use of items listed in this paragraph is not permitted on public property. This paragraph does not authorize the purchase of items listed in it by persons younger than 18 years of age. The age of a purchaser of items listed in this paragraph must be verified by photographic identification.~~

~~(d) (c) A local unit of government may impose an annual license fee for the retail sale of items authorized under paragraph (e) aerial and audible devices. The fee must be set at a reasonable amount based on the public safety issues and inspections associated with these devices. The annual license fee of each retail seller that is in the business of selling only the items authorized under paragraph (c) may not exceed \$350, and the annual license of each other retail seller may not exceed \$100. A local unit of government may not:~~

(1) impose any fee or charge, other than the fee authorized by this paragraph, on the retail or wholesale sale of ~~items authorized under paragraph (e)~~ aerial and audible devices;

(2) impose any permit, license, fee, or charge on the retail or wholesale sale of sparkling devices or novelties;

~~(2)~~ (3) prohibit or restrict the sale or display of ~~items novelties, sparkling devices, or aerial and audible devices~~ for from any permanent or temporary retail sale authorized under paragraph (e) structure that ~~comply~~ complies with National Fire Protection Association Standard 1124 (2003 2006 edition); or

~~(3)~~ (4) impose on a retail seller any financial guarantee requirements, including bonding or insurance provisions, containing restrictions or conditions not imposed on the same basis on all other business licensees; or

(5) enact any ordinance, rule, or regulation that prohibits, limits, or restricts the wholesale or retail sale of sparkling devices or novelties.

(d) This section does not preempt a town or home rule charter or statutory city from enacting and enforcing ordinances under the city charter or chapters 365, 368, 412 or 462, that regulate the conditions of use for aerial and audible devices and display fireworks. An ordinance to regulate use must be reasonable and must not prohibit all use in the jurisdiction, except as provided in paragraph (f).

(e) For the purposes of regulating the conditions of use for aerial and audible devices, display fireworks, sparkling devices, and novelties, a county has the same authority and power granted to a statutory city by chapter 412 and paragraph (d). If a home rule charter or statutory city or town has enacted an ordinance, rule, or regulation under paragraph (d), that ordinance, rule, or regulation prevails within the city or town.

(f) Aerial and audible devices may only be sold or used in the state from June 1 to July 7 of any year.

EFFECTIVE DATE. This section is effective June 1, 2012.

Sec. 2. **ALLOCATION OF REVENUES.**

Subdivision 1. **Application; revenues not pledged.** The provisions of this subdivision apply only after the issuance of appropriation bonds under section 16A.965, subdivision 2, but do not constitute a pledge of available revenues as security for payment of principal and interest on appropriation bonds issued under section 16A.965.

Subd. 2. **Debt service funding.** Any increase in revenues resulting from the sale of fireworks under this article shall be deposited in the general fund and allocated for the payment of principle and interest on appropriation bonds issued section 16A.695."

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hackbarth amendment and the roll was called. There were 47 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, D.	Beard	Crawford	Dittrich	Drazkowski	Falk
Anderson, S.	Bills	Daudt	Doepke	Erickson	Franson
Banaian	Buesgens	Dean	Downey	Fabian	Gruenhagen

Gunther	Kiel	Mack	Petersen, B.	Stensrud	Wardlow
Hackbarth	Kiffmeyer	Mazorol	Runbeck	Swedzinski	Westrom
Hoppe	Leidiger	McDonald	Scott	Torkelson	Woodard
Howes	LeMieur	Nornes	Shimanski	Urdahl	Spk. Zellers
Kieffer	Lohmer	Peppin	Smith	Vogel	

Those who voted in the negative were:

Abeler	Davnie	Hilstrom	Lanning	Moran	Quam
Anderson, B.	Dettmer	Hilty	Lenczewski	Morrow	Rukavina
Anderson, P.	Dill	Holberg	Lesch	Mullery	Sanders
Anzelc	Eken	Hornstein	Liebling	Murphy, E.	Scalze
Atkins	Fritz	Hortman	Lillie	Murphy, M.	Schomacker
Barrett	Garofalo	Hosch	Loeffler	Murray	Simon
Benson, J.	Gauthier	Huntley	Loon	Myhra	Slawik
Benson, M.	Gottwalt	Johnson	Mahoney	Nelson	Slocum
Brynaert	Greene	Kahn	Mariani	Norton	Thissen
Carlson	Greiling	Kath	Marquart	O'Driscoll	Tillberry
Champion	Hamilton	Kelly	McElfrick	Paymar	Wagenius
Clark	Hancock	Knuth	McFarlane	Pelowski	Ward
Cornish	Hansen	Kriesel	McNamara	Persell	Winkler
Dauids	Hausman	Laine	Melin	Poppe	

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

Wardlow; Doepke; Bills; Peppin; Franson; Leidiger; Downey; Quam; Buesgens; McDonald; Anderson, B., and Draskowski moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 15, line 26, after "facility" insert ", except that such representation shall be nonexclusive."

Page 15, line 27, after "their" insert "nonexclusive" and after the period, insert "Notwithstanding any other law to the contrary, a person employed or seeking employment in connection with the facility shall have the right to negotiate, bargain, and contract freely, whether individually or together with others, and whether directly or through a representative, as to the wages, compensation, and other terms and conditions of such employment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Anderson, B.	Doepke	Gunther	Leidiger	Peppin	Vogel
Anderson, S.	Downey	Hackbarth	Lohmer	Petersen, B.	Wardlow
Benson, M.	Draskowski	Hancock	Loon	Quam	Westrom
Bills	Erickson	Holberg	Mack	Runbeck	Woodard
Buesgens	Fabian	Hoppe	Mazorol	Scott	Spk. Zellers
Dean	Franson	Kieffer	McDonald	Shimanski	
Dettmer	Gruenhagen	Kiffmeyer	Myhra	Stensrud	

Those who voted in the negative were:

Abeler	Daudt	Hilstrom	LeMieur	Murphy, E.	Slawik
Allen	Davids	Hilty	Lenczewski	Murphy, M.	Slocum
Anderson, D.	Davnie	Hornstein	Lesch	Murray	Smith
Anderson, P.	Dill	Hortman	Liebling	Nelson	Swedzinski
Anzelc	Dittrich	Hosch	Lillie	Nornes	Thissen
Atkins	Eken	Howes	Loeffler	Norton	Tillberry
Banaian	Falk	Huntley	Mahoney	O'Driscoll	Torkelson
Barrett	Fritz	Johnson	Mariani	Paymar	Urdahl
Beard	Garofalo	Kahn	Marquart	Pelowski	Wagenius
Benson, J.	Gauthier	Kath	McElpatrick	Persell	Ward
Brynaert	Gottwalt	Kelly	McFarlane	Poppe	Winkler
Carlson	Greene	Kiel	McNamara	Rukavina	
Champion	Greiling	Knuth	Melin	Sanders	
Clark	Hamilton	Kriesel	Moran	Scalze	
Cornish	Hansen	Laine	Morrow	Schomacker	
Crawford	Hausman	Lanning	Mullery	Simon	

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

Davnie and Mahoney moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 76, after line 15, insert:

"Sec. 2. **ARENA COOPERATION.**

The city of St. Paul and the city of Minneapolis shall by January 1, 2014, establish a joint governing structure for the marketing, promotion, and scheduling of events at Target Center and XCEL Energy Center, including additional items related to the operation and financing of the facilities. By January 1, 2014, the cities shall submit a report to the legislature that provides a framework for a coordinated governance structure for publicly owned and operated convention facilities or centers in the cities of St. Paul and Minneapolis."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

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

Winkler moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 11, after line 32, insert:

"Subd. 14. **Study; raffle.** The authority shall study the feasibility of conducting a raffle for chances to win a pair or other limited numbers of prime seats (such as lower deck, 50 yard line seats) in the stadium for professional football games for the duration of the lease or use agreement. In conducting the study, the authority must consult with the NFL team. If the authority determines that conducting the raffle is financially feasible, the authority in cooperation with the director of the gambling control board shall conduct the raffle. The proceeds of the raffle must

be transmitted to the commissioner of revenue for deposit in the general fund and are appropriated to the commissioner of management and budget for prepayment of principal and interest on appropriation bonds under section 16A.965."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Falk, Hansen, Kahn and Persell moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 20, after line 29, insert:

"Subd. 8a. **Right of first refusal.** The lease or use agreement must provide that if a majority ownership interest in the NFL team is to be offered for sale, the NFL team must first notify the governor. The governor shall convene a board of directors for Minnesota Vikings, Inc. according to article 7. The lease or use agreement must provide that Minnesota Vikings, Inc. has the right of first refusal for purchasing the majority ownership interest and that Minnesota Vikings, Inc. be given a reasonable amount of time to raise money according to article 7."

Page 79, after line 33, insert:

"ARTICLE 7
MINNESOTA VIKINGS, INC.

Section 1. **MINNESOTA VIKINGS, INC.**

Subdivision 1. **Establishment.** (a) A nonprofit corporation to be operated exclusively for the purposes of this act and as contemplated by section 501(c)(3) of the United States Internal Revenue Code, is established and shall be known as Minnesota Vikings, Inc.

(b) The corporation must be organized and operated exclusively for the benefit of, and to carry out the purposes of, Minnesota Vikings, Inc. The corporation shall adopt articles of incorporation and may solicit, receive, hold, invest, and contribute funds and property for the use and benefit of the corporation in a manner consistent with the public good and primarily for capital expenditures and other needs not funded by other means.

(c) Except as otherwise provided in this section, the corporation is governed by Minnesota Statutes, chapter 317A.

(d) This section is effective only upon notification under Minnesota Statutes, section 473J.15, subdivision 8a.

Subd. 2. **Executive committee.** Minnesota Vikings, Inc. shall be governed by a seven-member executive committee, which shall be elected by the board of directors, as provided in subdivision 3. The executive committee consists of the following members: a president, vice president, treasurer, secretary, and three members-at-large. Members of the executive committee shall serve at the pleasure of the board of directors. The president shall be the only officer of the executive committee to draw compensation, however, all members of the executive committee may be reimbursed for reasonable expenditures. The committee shall direct corporate management, approve major capital expenditures, establish broad policy, and monitor management's performance in conducting the business and affairs of the corporation. The president shall serve as the representative of the corporation at NFL owner meetings and other league functions.

Subd. 3. **Board of directors.** A 45-member Minnesota Vikings Board of Directors is established as the owner of record of the Minnesota Vikings Football Club. The board shall meet annually, at a minimum, and must elect an executive committee, as provided in subdivision 2. Members of the board shall be appointed by the governor with the advice and consent of the senate. Members of the board serve without compensation. The board of directors shall determine and adopt the rules of its proceedings. The membership term for members appointed by the governor shall be one year. The removal of members, and filling of vacancies for members, for members appointed by the governor, shall be as provided in section 15.0575. Thereafter, the terms, removal, and filling of vacancies for members shall be as provided by rules adopted by the board.

Subd. 4. **Acquisition; stock sale.** Minnesota Vikings, Inc. shall acquire the Minnesota Vikings Football Club, from the current ownership, at a price to be agreed upon between the two parties. To raise money for the purchase of the Minnesota Vikings, Minnesota Vikings, Inc. shall offer at public sale, shares of stock, at a price and in a quantity necessary to raise sufficient proceeds to finance the purchase. Shares of stock issued by Minnesota Vikings, Inc. may not pay a dividend to owners of stock and may not appreciate in value. The redemption price of shares of stock issued by Minnesota Vikings, Inc. must be minimal. Stock ownership may not entitle the owner to season ticket privileges. Shares of stock provide the owner the right to attend and vote at an annual shareholders meeting. No single person may own more than five percent of the stock offered by Minnesota Vikings, Inc.

Subd. 5. **Shareholders meeting; election of board.** At the first annual shareholders meeting following the expiration of terms of members appointed by the governor, as provided in subdivision 3, the shareholders shall elect a board of directors. Members of the board of directors that were appointed by the governor are eligible to stand for election by the shareholders for membership to the board."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Falk amendment and the roll was called. There were 19 yeas and 111 nays as follows:

Those who voted in the affirmative were:

Allen	Greiling	Hortman	Lesch	Persell
Clark	Hansen	Kahn	Liebling	Rukavina
Falk	Hausman	Kath	Mariani	Wagenius
Greene	Hornstein	Knuth	Melin	

Those who voted in the negative were:

Abeler	Beard	Crawford	Downey	Gottwalt	Hoppe
Anderson, B.	Benson, J.	Daudt	Drazkowski	Gruenhagen	Hosch
Anderson, D.	Benson, M.	Davids	Eken	Gunther	Howes
Anderson, P.	Bills	Davnie	Erickson	Hackbarth	Huntley
Anderson, S.	Brynaert	Dean	Fabian	Hamilton	Johnson
Anzelc	Buesgens	Dettmer	Franson	Hancock	Kelly
Atkins	Carlson	Dill	Fritz	Hilstrom	Kieffer
Banaian	Champion	Dittrich	Garofalo	Hilty	Kiel
Barrett	Cornish	Doepke	Gauthier	Holberg	Kiffmeyer

Kriesel	Mack	Murphy, E.	Peppin	Simon	Vogel
Laine	Mahoney	Murphy, M.	Petersen, B.	Slawik	Ward
Lanning	Marquart	Murray	Poppe	Slocum	Wardlow
Leidiger	Mazorol	Myhra	Quam	Smith	Westrom
LeMieur	McDonald	Nelson	Runbeck	Stensrud	Winkler
Lenczewski	McElpatrick	Nornes	Sanders	Swedzinski	Woodard
Lillie	McFarlane	Norton	Scalze	Thissen	Spk. Zellers
Loeffler	McNamara	O'Driscoll	Schomacker	Tillberry	
Lohmer	Moran	Paymar	Scott	Torkelson	
Loon	Morrow	Pelowski	Shimanski	Urdahl	

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

Clark, Allen, Rukavina, Lesch, Champion, Moran, Hausman, Loeffler, Johnson, Winkler, Slawik, Kahn, Greene, Davnie, Greiling, Hornstein and Mariani offered an amendment to H. F. No. 1485, the sixth engrossment, as amended.

POINT OF ORDER

Garofalo raised a point of order pursuant to rule 3.21 that the Clark et al amendment was not in order. The Speaker ruled the point of order well taken and the Clark et al amendment out of order.

The Speaker called Davids to the Chair.

Rukavina, Anzelc, Dill and Melin moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 12, after line 25, insert:

"The agreement must provide that at least 25 percent of the materials, supplies, and equipment used in the construction, operation, maintenance, and use of the stadium and related facilities and stadium infrastructure, other than the material subject to section 473J.15, subdivision 11, paragraph (c), must be made or produced by Minnesota businesses."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Rukavina et al amendment and the roll was called. There were 70 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Allen	Anzelc	Benson, M.	Champion	Davnice	Eken
Anderson, B.	Barrett	Brynaert	Clark	Dettmer	Falk
Anderson, P.	Benson, J.	Carlson	Crawford	Dill	Fritz

Gauthier	Hornstein	LeMieur	McDonald	Paymar	Slocum
Gottwalt	Hortman	Lesch	McElfrick	Persell	Smith
Greene	Hosch	Liebling	Melin	Poppe	Tillberry
Greiling	Howes	Lillie	Moran	Quam	Wagenius
Hackbarth	Johnson	Loeffler	Morrow	Rukavina	Ward
Hansen	Kahn	Mahoney	Mullery	Runbeck	Westrom
Hausman	Kath	Mariani	Murphy, E.	Scalze	Winkler
Hilstrom	Knuth	Marquart	Nelson	Simon	
Hilty	Laine	Mazorol	Norton	Slawik	

Those who voted in the negative were:

Abeler	Davids	Gruenhagen	Kiffmeyer	Murray	Shimanski
Anderson, D.	Dean	Gunther	Kriesel	Myhra	Stensrud
Anderson, S.	Dittrich	Hamilton	Lanning	Nornes	Swedzinski
Atkins	Doepke	Hancock	Leidiger	O'Driscoll	Thissen
Banaian	Downey	Holberg	Lohmer	Pelowski	Torkelson
Beard	Drazkowski	Hoppe	Loon	Peppin	Urdahl
Bills	Erickson	Huntley	Mack	Petersen, B.	Vogel
Buesgens	Fabian	Kelly	McFarlane	Sanders	Wardlow
Cornish	Franson	Kieffer	McNamara	Schomacker	Woodard
Daudt	Garofalo	Kiel	Murphy, M.	Scott	Spk. Zellers

The motion prevailed and the amendment was adopted.

Loeffler, Hornstein, Clark, Greene, Davnie, Mullery, Wagenius and Kahn moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 8, line 19, delete "may" and insert "must"

Page 22, line 14, delete "with or without" and insert "for fair market value"

Page 24, delete lines 12 to 18 and insert "person for uses related to NFL team offices and administrative facilities, locker rooms, exercise facilities, lounges, storage, and other facilities related to the operation of a professional sports franchise, concessions and services for events at the stadium, ticket sales window, a hall of fame and sale of sports memorabilia is exempt from taxation regardless of the length of the lease or use agreement or the characteristics of the entity leasing or using the property."

Page 33, line 5, delete "NFL team" and insert "state"

Page 33, line 6, delete "after consulting with the NFL team"

Page 33, line 18, before "net" insert "(1)" and after "taxes" insert "minus any growth in revenues due to tax base changes or new development,"

Page 33, line 19 after "exceeds" insert "(2)"

Page 33, line 26, after the period, insert "For purposes of paragraph (a), clause (5), "growth in revenues due to tax base changes or new development" means any increase in revenues since calendar year 2011 due to a change in the items subject to the tax since June 30, 2012, or to new commercial development since June 30, 2012, other than the construction of the stadium authorized under article 1."

Page 35, line 15, delete the new language

Page 35, line 16, delete the new language

Page 35, line 21, after "fund" insert "capital" and after "projects" insert ", including related financing costs,"

Page 35, line 27, strike "(a) For revenues"

Page 35, strike lines 28 to 33

Page 35, line 34, strike "(b)"

Page 35, line 35, delete "5" and insert "3"

Page 35, line 36, after "subdivision 3," insert "clauses (1) to (4),"

Page 36, line 1, after "revenue" insert ", including the growth in revenues due to tax base changes or new development as defined in section 297A.994, subdivision 4, paragraph (b),"

Page 36, line 3, after "neighborhoods" insert ", including the construction, improvement, and equipping of an existing sports arena and event facility"

Page 36, line 3, delete "the basketball arena, other" and insert "these capital projects."

Page 36, delete lines 4 to 7

Page 76, after line 15, insert:

"Subd. 3. **City of Minneapolis.** The lessee of the stadium must make the facilities of the stadium available for use by the city of Minneapolis for at least 25 days each year for community, school district, or other events, as approved by the city. The lessee of the stadium must provide, and may not charge the city a fee, for this use, including security, ticket takers, custodial or cleaning services, or other similar services in connection with this use."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

The Speaker resumed the Chair.

Kahn moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 76, after line 2, insert:

"Section 1. Minnesota Statutes 2010, section 137.58, is amended to read:

137.58 MITIGATION FUND.

(a) The board is requested to cooperate with the reconstituted stadium area advisory group described in the University of Minnesota On-Campus Football Stadium-Final EIS, dated February 13, 2006, to mitigate the impact of the construction and operation of the stadium. The board shall also establish a mitigation fund for the support of

community initiatives that relate to the impacts of the operation of the stadium. On July 1, 2007, the university shall deposit \$1,500,000 into a fund to be managed by the board. Income from the fund shall be made available exclusively to pay for mitigation activities. The use of the funds must be coordinated through the reconstituted stadium area advisory group.

(b) Notwithstanding any provision in law to the contrary, the NFL team may impose a \$1 charge on each ticket sold for an NFL team game in the stadium. Within 14 calendar days after each NFL team game played in the stadium, the NFL team must transfer to the board an amount equal to \$1 for each ticket sold to be deposited in the mitigation fund. Funds deposited into the mitigation fund under this paragraph shall be made available exclusively to pay for mitigation activities. For purposes of this paragraph, "NFL team" means the owner and operator of the NFL professional football team known, as of the effective date of this chapter, as the Minnesota Vikings or any team owned and operated by someone who purchases or otherwise takes ownership or control of or reconstitutes the NFL team known as the Minnesota Vikings."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kahn amendment and the roll was called. There were 18 yeas and 112 nays as follows:

Those who voted in the affirmative were:

Allen	Falk	Hornstein	Loeffler	Mullery	Simon
Clark	Greene	Kahn	Mariani	Murphy, E.	Wagenius
Davnie	Greiling	Liebling	Moran	Murphy, M.	Winkler

Those who voted in the negative were:

Abeler	Daudt	Hackbarth	Kriesel	Morrow	Scott
Anderson, B.	Dauids	Hamilton	Laine	Murray	Shimanski
Anderson, D.	Dean	Hancock	Lanning	Myhra	Slawik
Anderson, P.	Dettmer	Hansen	Leidiger	Nelson	Slocum
Anderson, S.	Dill	Hilstrom	LeMieur	Nornes	Smith
Anzelc	Dittrich	Hilty	Lenczewski	Norton	Stensrud
Atkins	Doepke	Holberg	Lesch	O'Driscoll	Swedzinski
Banaian	Downey	Hoppe	Lillie	Paymar	Thissen
Barrett	Drazkowski	Hortman	Lohmer	Pelowski	Tillberry
Beard	Eken	Hosch	Loon	Peppin	Torkelson
Benson, J.	Erickson	Howes	Mack	Persell	Urdahl
Benson, M.	Fabian	Huntley	Mahoney	Petersen, B.	Vogel
Bills	Franson	Johnson	Marquart	Poppe	Ward
Brynaert	Fritz	Kath	Mazorol	Quam	Wardlow
Buesgens	Garofalo	Kelly	McDonald	Rukavina	Westrom
Carlson	Gauthier	Kieffer	McElpatrick	Runbeck	Woodard
Champion	Gottwalt	Kiel	McFarlane	Sanders	Spk. Zellers
Cornish	Gruenhagen	Kiffmeyer	McNamara	Scalze	
Crawford	Gunther	Knuth	Melin	Schomacker	

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

Loeffler, Hornstein, Davnie, Allen, Greene, Kahn, Champion, Wagenius and Clark moved to amend H. F. No. 1485, the sixth engrossment, as amended, as follows:

Page 34, line 27, delete everything after the period

Page 34, delete line 28

Page 34, line 29, delete "section 1."

Page 36, delete line 28

Page 36, line 29, delete "commissioner of management and budget as specified in article 6, section 1."

Page 76, delete lines 32 and 33

Page 77, line 1, delete "(4)" and insert "(3)"

Page 77, line 3, delete "(5)" and insert "(4)"

Page 79, delete section 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Loeffler et al amendment and the roll was called. There were 29 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Allen	Davnie	Hilty	Lenczewski	Moran	Simon
Buesgens	Falk	Hornstein	Liebling	Mullery	Thissen
Carlson	Greene	Johnson	Loeffler	Murphy, E.	Wagenius
Champion	Greiling	Kahn	Mariani	Rukavina	Winkler
Clark	Hansen	Laine	Marquart	Scalze	

Those who voted in the negative were:

Abeler	Bills	Drazkowski	Hamilton	Kiel	Mahoney
Anderson, B.	Brynaert	Eken	Hancock	Kiffmeyer	Mazorol
Anderson, D.	Cornish	Erickson	Hilstrom	Knuth	McDonald
Anderson, P.	Crawford	Fabian	Holberg	Kriesel	McElpatrick
Anderson, S.	Daudt	Franson	Hoppe	Lanning	McFarlane
Anzelc	Dauids	Fritz	Hortman	Leidiger	McNamara
Atkins	Dean	Garofalo	Hosch	LeMieur	Melin
Banaian	Dettmer	Gauthier	Howes	Lesch	Morrow
Barrett	Dill	Gottwalt	Huntley	Lillie	Murphy, M.
Beard	Dittrich	Gruenhagen	Kath	Lohmer	Murray
Benson, J.	Doepke	Gunther	Kelly	Loon	Myhra
Benson, M.	Downey	Hackbarth	Kieffer	Mack	Nelson

Nornes	Persell	Sanders	Slocum	Torkelson	Westrom
Norton	Petersen, B.	Schomacker	Smith	Urdahl	Woodard
O'Driscoll	Poppe	Scott	Stensrud	Vogel	Spk. Zellers
Pelowski	Quam	Shimanski	Swedzinski	Ward	
Peppin	Runbeck	Slawik	Tillberry	Wardlow	

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

H. F. No. 1485 was read for the third time.

CALL OF THE HOUSE

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

Abeler	Davids	Hackbarth	Laine	Morrow	Scott
Allen	Davnie	Hamilton	Lanning	Mullery	Shimanski
Anderson, B.	Dean	Hancock	Leidiger	Murphy, E.	Simon
Anderson, D.	Dettmer	Hansen	LeMieur	Murphy, M.	Slawik
Anderson, P.	Dill	Hausman	Lenczewski	Murray	Slocum
Anderson, S.	Dittrich	Hilstrom	Lesch	Myhra	Smith
Anzelc	Doepke	Hilty	Liebling	Nelson	Stensrud
Atkins	Downey	Holberg	Lillie	Nornes	Swedzinski
Banaian	Drazkowski	Hoppe	Loeffler	Norton	Thissen
Barrett	Eken	Hornstein	Lohmer	O'Driscoll	Tillberry
Beard	Erickson	Hortman	Loon	Paymar	Torkelson
Benson, J.	Fabian	Hosch	Mack	Pelowski	Urdahl
Benson, M.	Falk	Huntley	Mahoney	Peppin	Vogel
Bills	Franson	Johnson	Mariani	Persell	Wagenius
Brynaert	Fritz	Kahn	Marquart	Petersen, B.	Ward
Buesgens	Garofalo	Kath	Mazorol	Poppe	Wardlow
Carlson	Gauthier	Kelly	McDonald	Quam	Westrom
Champion	Gottwalt	Kieffer	McElpatrick	Rukavina	Winkler
Clark	Greene	Kiel	McFarlane	Runbeck	Woodard
Cornish	Greiling	Kiffmeyer	McNamara	Sanders	Spk. Zellers
Crawford	Gruenhagen	Knuth	Melin	Scalze	
Daudt	Gunther	Kriesel	Moran	Schomacker	

Dean 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. 1485, A bill for an act relating to stadiums; providing for a new National Football League stadium in Minnesota; establishing a Minnesota Stadium Authority; authorizing the sale and issuance of state appropriation bonds; abolishing the Metropolitan Sports Facilities Commission; providing for use of certain local tax revenue; providing for electronic pull-tab games, electronic linked bingo games, and sports-themed tipboard games; providing for the conditional imposition of certain taxes and collection of other revenues; modifying certain rates of tax on lawful gambling; appropriating money; amending Minnesota Statutes 2010, sections 3.971, subdivision 6; 3.9741, by adding a subdivision; 297A.71, by adding a subdivision; 297E.01, subdivisions 7, 8, 9; 297E.02, subdivisions 1, 3, 6, 7, 10, 11, by adding subdivisions; 297E.13, subdivision 5; 349.12, subdivisions 3b, 3c, 5, 6a, 12a, 18, 25, 25b, 25c, 25d, 29, 31, 32, 34, 35, by adding subdivisions; 349.13; 349.151, subdivisions 4b, 4c, by adding subdivisions; 349.155, subdivisions 3, 4; 349.161, subdivisions 1, 5; 349.162, subdivision 5; 349.163,

subdivisions 1, 5, 6; 349.1635, subdivisions 2, 3, by adding a subdivision; 349.165, subdivision 2; 349.17, subdivisions 6, 7, 8, by adding a subdivision; 349.1711, subdivisions 1, 2; 349.1721; 349.18, subdivision 1; 349.19, subdivisions 2, 3, 5, 10; 349.211, subdivisions 1a, 2c; 352.01, subdivision 2a; Minnesota Statutes 2011 Supplement, sections 10A.01, subdivision 35; 340A.404, subdivision 1; 473.757, subdivision 11; Laws 1986, chapter 396, sections 4, as amended; 5, as amended; proposing coding for new law in Minnesota Statutes, chapters 16A; 297A; 297E; 349A; proposing coding for new law as Minnesota Statutes, chapter 473J; repealing Minnesota Statutes 2010, sections 297E.02, subdivision 4; 349.15, subdivision 3; 349.19, subdivision 2a.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 73 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abeler	Eken	Howes	Mariani	Pelowski	Tillberry
Anderson, P.	Fabian	Huntley	Marquart	Persell	Torkelson
Anzelc	Fritz	Johnson	McFarlane	Poppe	Urdahl
Atkins	Garofalo	Kath	McNamara	Rukavina	Vogel
Beard	Gauthier	Kelly	Melin	Sanders	Ward
Benson, J.	Gottwalt	Kiel	Moran	Schomacker	Westrom
Brynaert	Gunther	Knuth	Morrow	Shimanski	Winkler
Champion	Hamilton	Kriesel	Murphy, M.	Simon	Woodard
Cornish	Hilstrom	Lanning	Murray	Slawik	
Dauids	Hilty	LeMieur	Nelson	Slocum	
Dill	Hoppe	Lesch	Nornes	Smith	
Dittrich	Hortman	Lillie	Norton	Swedzinski	
Doepke	Hosch	Mahoney	O'Driscoll	Thissen	

Those who voted in the negative were:

Allen	Clark	Franson	Kahn	Mack	Quam
Anderson, B.	Crawford	Greene	Kieffer	Mazorol	Runbeck
Anderson, D.	Daudt	Greiling	Kiffmeyer	McDonald	Scalze
Anderson, S.	Davnie	Gruenhagen	Laine	McElfatrick	Scott
Banaian	Dean	Hackbarth	Leidiger	Mullery	Stensrud
Barrett	Dettmer	Hancock	Lenczewski	Murphy, E.	Wagenius
Benson, M.	Downey	Hansen	Liebling	Myhra	Wardlow
Bills	Drazkowski	Hausman	Loeffler	Paymar	Spk. Zellers
Buesgens	Erickson	Holberg	Lohmer	Peppin	
Carlson	Falk	Hornstein	Loon	Petersen, B.	

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2685, A bill for an act relating to transportation; modifying provisions governing transportation policy and finance, including trunk highway designation, work and contracting on trunk highways, motor vehicles, motor vehicle weight limit regulations, motor vehicle titles, manufactured home titles, electric-assisted bicycles and related regulations, bridge inspections, brake requirements, special veterans license plates, pupil transportation, municipal state-aid street fund eligibility and apportionment, small vehicle passenger service, driver and vehicle information system, deputy registrars of motor vehicles, civilian escort drivers, bicycle equipment, school buses, small business contracts, and legislative reports; making contingent appropriations; setting fees; renumbering statutes; making technical changes; amending Minnesota Statutes 2010, sections 160.27, by adding a subdivision; 160.2715; 161.14, by adding a subdivision; 161.20, subdivision 4; 161.321; 161.3212; 162.09, by adding a subdivision; 165.01; 165.03; 168.002, subdivisions 19, 20; 168.012, by adding a subdivision; 168.013, subdivision 3, by adding a subdivision; 168.185; 168A.01, by adding a subdivision; 168A.02, subdivision 3; 168A.03, subdivision 1; 168A.04, subdivision 1; 168A.05, subdivisions 1, 1a, 1b; 168A.07, subdivision 1; 168A.141, subdivision 1; 169.011, subdivisions 4, 27, 44, 45; 169.06, subdivision 4; 169.222, subdivisions 4, 6, 7, by adding subdivisions; 169.223, subdivisions 1, 5; 169.72, subdivision 1; 169.801, subdivision 10; 169.86, subdivision 3b; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 171.01, subdivision 41; 171.02, subdivision 2b; 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by adding a subdivision; 299D.09; 473.388, subdivisions 2, 4; 604A.21, subdivision 5; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123, subdivision 1; 171.075, subdivision 1; 299A.705, subdivision 3; Laws 2009, chapter 158, section 10; Laws 2011, First Special Session chapter 3, article 1, section 4; proposing coding for new law in Minnesota Statutes, chapters 161; 168A; 171; 375; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

The Senate has appointed as such committee:

Senators Gimse, Dibble and Howe.

Said House File is herewith returned to the House.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1721, A bill for an act relating to economic development; authorizing redevelopment demolition loans; eliminating a semiannual report; establishing a small business advocate office in the Business Assistance Center; granting Albert Lea the authority to establish an industrial sewer charge rebate program; amending Minnesota Statutes 2010, sections 116J.555, subdivision 2; 116J.571; 116J.572; 116J.575, by adding a subdivision; 116J.66; proposing coding for new law in Minnesota Statutes, chapter 116J.

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.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2337, A bill for an act relating to financing of state and local government; making changes to individual income, corporate franchise, property, sales and use, mineral, liquor, aggregate materials, local, and other taxes and tax-related provisions; changing and providing income and franchise tax credits, exemptions, and deductions; providing for taxation of foreign operating companies; providing a corporate tax benefit transfer

program; changing certain mining tax rates and allocation of tax proceeds; changing property tax interest, credits, and exemptions, and providing for use of a local levy; phasing out the state general levy; modifying the renter property tax refund and providing a supplemental targeting refund; modifying city aid payments; modifying tax increment financing district requirements; authorizing, changing, and extending tax increment financing districts in certain local governments; changing sales and use tax payment requirements and changing and providing exemptions; modifying use of revenues and authorizing extension of certain sales and lodging taxes for certain cities; changing liquor tax reporting and credits; allocating funds to border city enterprise zones; authorizing certain local governments to issue public debt; establishing a truth in taxation task force; establishing a tax reform action committee; establishing a greater Minnesota internship program; requiring reports; requiring a funds transfer appropriating money; amending Minnesota Statutes 2010, sections 116J.8737, subdivisions 5, 8, by adding a subdivision; 273.113; 275.025, subdivisions 1, 2, 4; 279.03, subdivisions 1a, 2; 289A.08, subdivision 3; 289A.20, subdivision 4; 290.01, subdivisions 19d, 29; 290.06, by adding subdivisions; 290.068, subdivision 1; 290.17, subdivision 4; 290.21, subdivision 4; 290A.04, subdivision 2a, by adding a subdivision; 290A.23, subdivision 1; 290B.07; 290B.08, subdivision 2; 297A.68, subdivision 5; 297A.70, subdivision 4, by adding a subdivision; 297A.8155; 297G.04, subdivision 2; 298.018, subdivision 1; 298.28, subdivision 4; 298.75, by adding a subdivision; 469.169, by adding a subdivision; 477A.011, subdivision 36; 477A.013, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 116J.8737, subdivisions 1, 2; 290.01, subdivision 19c; 290A.03, subdivisions 11, 13; 290A.04, subdivision 4; 298.01, subdivision 3; 298.015, subdivision 1; 298.28, subdivision 2; 469.176, subdivisions 4c, 4m; 469.1763, subdivision 2; 477A.013, subdivision 9; Laws 1971, chapter 773, section 1, subdivision 2, as amended; Laws 1988, chapter 645, section 3, as amended; Laws 1998, chapter 389, article 8, section 43, subdivision 3, as amended; Laws 2002, chapter 377, article 3, section 25, as amended; Laws 2003, chapter 127, article 12, section 28; Laws 2005, First Special Session chapter 3, article 5, section 37, subdivisions 2, 4; Laws 2008, chapter 366, article 5, section 34, as amended; article 7, section 19, subdivision 3, as amended; Laws 2010, chapter 389, article 1, section 12; proposing coding for new law in Minnesota Statutes, chapters 116J; 136A; repealing Minnesota Statutes 2010, section 290.0921, subdivision 7; Minnesota Statutes 2011 Supplement, section 289A.60, subdivision 31; Laws 2009, chapter 88, article 4, section 23, as amended.

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.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1143.

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

CAL R. LUDEMAN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 1143

A bill for an act relating to state government; classifying and authorizing sharing of data; making technical changes to data practices; amending Minnesota Statutes 2010, sections 13.02, subdivisions 3, 4, 8a, 9, 12, 13, 14, 15; 13.10, subdivision 1; 13.201; 13.202, subdivision 3; 13.35; 13.3805, subdivisions 1, 2; 13.384, subdivision 1; 13.39, subdivision 2; 13.392, subdivision 1; 13.393; 13.40, subdivision 1; 13.41, subdivision 2; 13.44, subdivision 3; 13.46, subdivisions 2, 3, 4, 5, 6; 13.462, subdivision 1; 13.467, subdivision 1; 13.47, subdivision 1; 13.485, by adding

subdivisions; 13.495; 13.51, subdivisions 1, 2; 13.52; 13.548; 13.55, subdivision 1; 13.585, subdivisions 2, 3, 4; 13.59, subdivisions 1, 2, 3; 13.591, subdivision 4; 13.601, subdivision 3; 13.643, subdivisions 1, 2, 3, 5, 6, 7; 13.6435, by adding a subdivision; 13.65, subdivisions 1, 2, 3; 13.67; 13.679, subdivisions 1, 2; 13.714; 13.719, subdivisions 1, 5; 13.7191, subdivisions 14, 18; 13.72, subdivisions 7, 11, by adding subdivisions; 13.792; 13.7932; 13.82, subdivisions 2, 3, 6, 7; 13.83, subdivisions 2, 4, 6; 13.861, subdivision 1; 13.87, subdivisions 1, 2; 79A.16; 79A.28; 216C.266; 237.701, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13D.

May 3, 2012

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt Zellers
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1143 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1143 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 13.02, subdivision 3, is amended to read:

Subd. 3. **Confidential data on individuals.** "Confidential data on individuals" ~~means~~ are data ~~which is~~ made not public by statute or federal law applicable to the data and ~~is~~ are inaccessible to the individual subject of ~~that~~ those data.

Sec. 2. Minnesota Statutes 2010, section 13.02, subdivision 4, is amended to read:

Subd. 4. **Data not on individuals.** "Data not on individuals" ~~means~~ are all government data ~~which is~~ that are not data on individuals.

Sec. 3. Minnesota Statutes 2010, section 13.02, subdivision 8a, is amended to read:

Subd. 8a. **Not public data.** "Not public data" ~~means~~ are any government data ~~which is~~ classified by statute, federal law, or temporary classification as confidential, private, nonpublic, or protected nonpublic.

Sec. 4. Minnesota Statutes 2010, section 13.02, subdivision 9, is amended to read:

Subd. 9. **Nonpublic data.** "Nonpublic data" ~~means~~ are data not on individuals ~~that is~~ made by statute or federal law applicable to the data: (a) not accessible to the public; and (b) accessible to the subject, if any, of the data.

Sec. 5. Minnesota Statutes 2010, section 13.02, subdivision 12, is amended to read:

Subd. 12. **Private data on individuals.** "Private data on individuals" ~~means~~ are data ~~which is~~ made by statute or federal law applicable to the data: (a) not public; and (b) accessible to the individual subject of ~~that~~ those data.

Sec. 6. Minnesota Statutes 2010, section 13.02, subdivision 13, is amended to read:

Subd. 13. **Protected nonpublic data.** "Protected nonpublic data" ~~means~~ are data not on individuals ~~which is~~ made by statute or federal law applicable to the data (a) not public and (b) not accessible to the subject of the data.

Sec. 7. Minnesota Statutes 2010, section 13.02, subdivision 14, is amended to read:

Subd. 14. **Public data not on individuals.** "Public data not on individuals" ~~means~~ are data ~~which is~~ accessible to the public pursuant to section 13.03.

Sec. 8. Minnesota Statutes 2010, section 13.02, subdivision 15, is amended to read:

Subd. 15. **Public data on individuals.** "Public data on individuals" ~~means~~ are data ~~which is~~ accessible to the public in accordance with the provisions of section 13.03.

Sec. 9. Minnesota Statutes 2010, section 13.02, subdivision 16, is amended to read:

Subd. 16. **Responsible authority.** (a) "Responsible authority" in a state agency or statewide system means the state official designated by law or by the commissioner as the individual responsible for the collection, use and dissemination of any set of data on individuals, government data, or summary data.

(b) "Responsible authority" in any political subdivision means the individual designated by the governing body of that political subdivision as the individual responsible for the collection, use, and dissemination of any set of data on individuals, government data, or summary data, unless otherwise provided by state law. Until an individual is designated by the political subdivision's governing body, the responsible authority is:

(1) for counties, the county coordinator or administrator. If the county does not employ a coordinator or administrator, the responsible authority is the county auditor;

(2) for statutory or home rule charter cities, the elected or appointed city clerk. If the home rule charter does not provide for an office of city clerk, the responsible authority is the chief clerical officer for filing and record keeping purposes;

(3) for school districts, the superintendent; and

(4) for all other political subdivisions, the chief clerical officer for filing and record keeping purposes.

Sec. 10. **[13.025] GOVERNMENT ENTITY OBLIGATION.**

Subdivision 1. **Data inventory.** The responsible authority shall prepare an inventory containing the authority's name, title, address, and a description of each category of record, file, or process relating to private or confidential data on individuals maintained by the authority's government entity. Forms used to collect private and confidential data may be included in the inventory. The responsible authority shall update the inventory annually and make any changes necessary to maintain the accuracy of the inventory. The inventory must be available from the responsible authority to the public according to the provisions of sections 13.03 and 15.17. The commissioner may require responsible authorities to submit copies of the inventory and may request additional information relevant to data collection practices, policies, and procedures.

Subd. 2. **Public data access policy.** The responsible authority shall prepare a written data access policy and update it no later than August 1 of each year, and at any other time as necessary to reflect changes in personnel, procedures, or other circumstances that impact the public's ability to access data.

Subd. 3. **Data subject rights and access policy.** The responsible authority shall prepare a written policy of the rights of data subjects under section 13.04 and the specific procedures used by the government entity for access by the data subject to public or private data on individuals. The written policy must be updated no later than August 1 of each year, and at any other time as necessary to reflect changes in personnel, procedures, or other circumstances that impact the public's ability to access data.

Subd. 4. **Availability.** The responsible authority shall make copies of the policies required under subdivisions 2 and 3 easily available to the public by distributing free copies to the public or by posting the policies in a conspicuous place within the government entity that is easily accessible to the public or by posting it on the government entity's Web site.

Sec. 11. Minnesota Statutes 2010, section 13.03, subdivision 2, is amended to read:

Subd. 2. **Procedures.** (a) The responsible authority in every government entity shall establish procedures, consistent with this chapter, to insure that requests for government data are received and complied with in an appropriate and prompt manner.

~~(b) The responsible authority shall prepare public access procedures in written form and update them no later than August 1 of each year as necessary to reflect any changes in personnel or circumstances that might affect public access to government data. The responsible authority shall make copies of the written public access procedures easily available to the public by distributing free copies of the procedures to the public or by posting a copy of the procedures in a conspicuous place within the government entity that is easily accessible to the public.~~

~~(c)~~ (b) Full convenience and comprehensive accessibility shall be allowed to researchers including historians, genealogists and other scholars to carry out extensive research and complete copying of all records containing government data except as otherwise expressly provided by law.

A responsible authority may designate one or more designees.

Sec. 12. Minnesota Statutes 2010, section 13.03, subdivision 4, is amended to read:

Subd. 4. **Change in classification of data; effect of dissemination among agencies.** (a) The classification of a government entity's data in the possession of an entity shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the possession of the disseminating or receiving entity.

(b) If data on individuals ~~is~~ are classified as both private and confidential by this chapter, or any other statute or federal law, the data ~~is~~ are private.

(c) To the extent that government data ~~is~~ are disseminated to a government entity by another government entity, the data disseminated shall have the same classification ~~in the hands of~~ at the entity receiving ~~it~~ them as ~~it~~ they had ~~in the hands of~~ at the entity providing ~~it~~ them.

(d) If a government entity disseminates data to another government entity, a classification provided for by law ~~in the hands of~~ at the entity receiving the data does not affect the classification of the data ~~in the hands of~~ at the entity that disseminates the data.

(e) To the extent that judicial branch data ~~is~~ are disseminated to government entities by the judicial branch, the data disseminated shall have the same level of accessibility ~~in the hands of the agency~~ at the government entity receiving it ~~them~~ them as ~~it~~ they had ~~in the hands of~~ at the judicial branch entity providing ~~it~~ them. If the data have a specific classification in state statute or federal law, the government entity must maintain the data according to the specific classification.

Sec. 13. Minnesota Statutes 2010, section 13.072, subdivision 2, is amended to read:

Subd. 2. **Effect.** Opinions issued by the commissioner under this section are not binding on the government entity or members of a body subject to chapter 13D whose data or performance of duties is the subject of the opinion, but an opinion described in subdivision 1, paragraph (a), must be given deference by a court or other

tribunal in a proceeding involving the data. The commissioner shall arrange for public dissemination of opinions issued under this section, and shall indicate when the principles stated in an opinion are not intended to provide guidance to all similarly situated persons or government entities. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written opinion. A government entity, members of a body subject to chapter 13D, or person that acts in conformity with a written opinion of the commissioner issued to the government entity, members, or person or to another party is not liable for compensatory or exemplary damages or awards of attorneys fees in actions for violations arising under section 13.08 or 13.085, or for a penalty under section 13.09 or for fines, awards of attorney fees, or any other penalty under chapter 13D. A member of a body subject to chapter 13D is not subject to forfeiture of office if the member was acting in reliance on an opinion.

Sec. 14. Minnesota Statutes 2010, section 13.10, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this chapter:

(a) "Confidential data on decedents" ~~means~~ are data which, prior to the death of the data subject, were classified by statute, federal law, or temporary classification as confidential data.

(b) "Private data on decedents" ~~means~~ are data which, prior to the death of the data subject, were classified by statute, federal law, or temporary classification as private data.

(c) "Representative of the decedent" ~~means~~ is the personal representative of the estate of the decedent during the period of administration, or if no personal representative has been appointed or after discharge of the personal representative, the surviving spouse, any child of the decedent, or, if there is no surviving spouse or children, the parents of the decedent.

Sec. 15. Minnesota Statutes 2010, section 13.202, subdivision 3, is amended to read:

Subd. 3. **Hennepin County.** (a) Data collected by the Hennepin Healthcare System, Inc. are governed under section ~~383B.17~~ 383B.917, subdivision 1.

(b) Records of Hennepin County board meetings permitted to be closed under section 383B.217, subdivision 7, are classified under that subdivision.

Sec. 16. Minnesota Statutes 2010, section 13.37, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them.

(a) "Security information" means government data the disclosure of which the responsible authority determines would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury. "Security information" includes crime prevention block maps and lists of volunteers who participate in community crime prevention programs and their home addresses and telephone numbers.

(b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(c) "Labor relations information" means management positions on economic and noneconomic items that have not been presented during the collective bargaining process or interest arbitration, including information specifically collected or created to prepare the management position.

(d) "Parking space leasing data" means the following government data on an applicant for, or lessee of, a parking space: residence address, home telephone number, beginning and ending work hours, place of employment, work telephone number, and location of the parking space.

Sec. 17. Minnesota Statutes 2010, section 13.37, subdivision 2, is amended to read:

Subd. 2. **Classification.** (a) The following government data is classified as nonpublic data with regard to data not on individuals, pursuant to section 13.02, subdivision 9, and as private data with regard to data on individuals, pursuant to section 13.02, subdivision 12: Security information; trade secret information; sealed absentee ballots prior to opening by an election judge; sealed bids, including the number of bids received, prior to the opening of the bids; parking space leasing data; and labor relations information, provided that specific labor relations information which relates to a specific labor organization is classified as protected nonpublic data pursuant to section 13.02, subdivision 13.

(b) If a government entity denies a data request based on a determination that the data are security information, upon request, the government entity must provide a short description explaining the necessity for the classification.

Sec. 18. Minnesota Statutes 2010, section 13.3805, subdivision 1, is amended to read:

Subdivision 1. **Health data generally.** (a) **Definitions.** As used in this subdivision:

(1) "Commissioner" means the commissioner of health.

(2) "Health data" ~~means~~ are data on individuals created, collected, received, or maintained by the Department of Health, political subdivisions, or statewide systems relating to the identification, description, prevention, and control of disease or as part of an epidemiologic investigation the commissioner designates as necessary to analyze, describe, or protect the public health.

(b) **Data on individuals.** (1) Health data are private data on individuals. Notwithstanding section 13.05, subdivision 9, health data may not be disclosed except as provided in this subdivision and section 13.04.

(2) The commissioner or a local board of health as defined in section 145A.02, subdivision 2, may disclose health data to the data subject's physician as necessary to locate or identify a case, carrier, or suspect case, to establish a diagnosis, to provide treatment, to identify persons at risk of illness, or to conduct an epidemiologic investigation.

(3) With the approval of the commissioner, health data may be disclosed to the extent necessary to assist the commissioner to locate or identify a case, carrier, or suspect case, to alert persons who may be threatened by illness as evidenced by epidemiologic data, to control or prevent the spread of serious disease, or to diminish an imminent threat to the public health.

(c) **Health summary data.** Summary data derived from data collected under section 145.413 may be provided under section 13.05, subdivision 7.

Sec. 19. Minnesota Statutes 2010, section 13.384, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section:

(a) "Directory information" means name of the patient, date admitted, and general condition.

(b) "Medical data" ~~means~~ are data collected because an individual was or is a patient or client of a hospital, nursing home, medical center, clinic, health or nursing agency operated by a government entity including business and financial records, data provided by private health care facilities, and data provided by or about relatives of the individual.

Sec. 20. Minnesota Statutes 2010, section 13.39, is amended by adding a subdivision to read:

Subd. 4. **Exclusion.** This section does not apply when the sole issue or dispute is a government entity's timeliness in responding to a data request.

Sec. 21. Minnesota Statutes 2010, section 13.43, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "personnel data" means government data on individuals maintained because the individual is or was an employee of or an applicant for employment by, performs services on a voluntary basis for, or acts as an independent contractor with a government entity. ~~Personnel data includes data submitted by an employee to a government entity as part of an organized self-evaluation effort by the government entity to request suggestions from all employees on ways to cut costs, make government more efficient, or improve the operation of government. An employee who is identified in a suggestion shall have access to all data in the suggestion except the identity of the employee making the suggestion.~~

Sec. 22. Minnesota Statutes 2010, section 13.43, is amended by adding a subdivision to read:

Subd. 7a. **Employee suggestion data.** Personnel data includes data submitted by an employee to a government entity as part of an organized self-evaluation effort by the government entity to request suggestions from all employees on ways to cut costs, make government more efficient, or improve the operation of government. An employee who is identified in a suggestion shall have access to all data in the suggestion except the identity of the employee making the suggestion.

Sec. 23. Minnesota Statutes 2010, section 13.43, is amended by adding a subdivision to read:

Subd. 19. **Employee of contractor or subcontractor.** The following data maintained as a result of a contractual relationship entered on or after August 1, 2012, between a government entity and a contractor or subcontractor are private: the personal telephone number, home address, and e-mail address of a current or former employee of the contractor or subcontractor. A government entity maintaining data under this subdivision must share the data with another government entity to perform a function authorized by law. The data must be disclosed to a government entity or any person for prevailing wage purposes.

Sec. 24. Minnesota Statutes 2010, section 13.44, subdivision 3, is amended to read:

Subd. 3. **Real property; appraisal data.** (a) **Confidential or protected nonpublic data.** Estimated or appraised values of individual parcels of real property that are made by personnel of a government entity or by independent appraisers acting for a government entity for the purpose of selling or acquiring land through purchase or condemnation are classified as confidential data on individuals or protected nonpublic data.

(b) **Private or nonpublic data.** Appraised values of individual parcels of real property that are made by appraisers working for fee owners or contract purchasers who have received an offer to purchase their property from a government entity are classified as private data on individuals or nonpublic data.

(c) **Public data.** The data made confidential or protected nonpublic under paragraph (a) or made private or nonpublic under paragraph (b) become public upon the occurrence of any of the following:

- (1) the data are submitted to a court-appointed condemnation commissioner;
- (2) the data are presented in court in condemnation proceedings; or
- (3) the negotiating parties enter into an agreement for the purchase and sale of the property.

The data made confidential or protected nonpublic under paragraph (a) also become public at the discretion of the government entity, determined by majority vote of the entity's governing body, or, in the case of a state agency, as determined by the commissioner of the agency.

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

Sec. 25. Minnesota Statutes 2010, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) ~~Unless the data is summary data or a statute specifically provides a different classification,~~ Data on individuals collected, maintained, used, or disseminated by the welfare system ~~is~~ are private data on individuals, and shall not be disclosed except:

- (1) according to section 13.05;
- (2) according to court order;
- (3) according to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) to the Department of Revenue to assess parental contribution amounts for purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;
- (9) between the Department of Human Services, the Department of Employment and Economic Development, and when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1 (c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced-price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions;

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; or

(30) child support data on the parents and the child may be disclosed to agencies administering programs under titles IV-B and IV-E of the Social Security Act, as provided by federal law. Data may be disclosed only to the extent necessary for the purpose of establishing parentage or for determining who has or may have parental rights with respect to a child, which could be related to permanency planning.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but ~~is~~ are not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 26. Minnesota Statutes 2010, section 13.46, subdivision 3, is amended to read:

Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law ~~is~~ are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

- (3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense; or
- (4) to provide notices required or permitted by statute.

The data referred to in this subdivision shall be classified as public data upon ~~its~~ submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.556 or 626.557, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

Sec. 27. Minnesota Statutes 2010, section 13.46, subdivision 4, is amended to read:

Subd. 4. **Licensing data.** (a) As used in this subdivision:

(1) "licensing data" ~~means~~ are all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" ~~means~~ are Social Security numbers, identity of and letters of reference, insurance information, reports from the Bureau of Criminal Apprehension, health examination reports, and social/home studies.

(b)(1) Except as provided in paragraph (c), the following data on applicants, license holders, and former licensees are public: name, address, telephone number of licensees, date of receipt of a completed application, dates of licensure, licensed capacity, type of client preferred, variances granted, record of training and education in child care and child development, type of dwelling, name and relationship of other family members, previous license history, class of license, the existence and status of complaints, and the number of serious injuries to or deaths of individuals in the licensed program as reported to the commissioner of human services, the local social services agency, or any other county welfare agency. For purposes of this clause, a serious injury is one that is treated by a physician.

When a correction order, an order to forfeit a fine, an order of license suspension, an order of temporary immediate suspension, an order of license revocation, an order of license denial, or an order of conditional license has been issued, or a complaint is resolved, the following data on current and former licensees and applicants are public: the substance and investigative findings of the licensing or maltreatment complaint, licensing violation, or substantiated maltreatment; the record of informal resolution of a licensing violation; orders of hearing; findings of fact; conclusions of law; specifications of the final correction order, fine, suspension, temporary immediate suspension, revocation, denial, or conditional license contained in the record of licensing action; whether a fine has been paid; and the status of any appeal of these actions. If a licensing sanction under section 245A.07, or a license denial under section 245A.05, is based on a determination that the license holder or applicant is responsible for maltreatment or is disqualified under chapter 245C, the identity of the license holder or applicant as the individual responsible for maltreatment or as the disqualified individual ~~is~~ are public data at the time of the issuance of the licensing sanction or denial.

(2) Notwithstanding sections 626.556, subdivision 11, and 626.557, subdivision 12b, when any person subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home is a substantiated perpetrator of maltreatment, and the substantiated maltreatment is a reason for

a licensing action, the identity of the substantiated perpetrator of maltreatment is public data. For purposes of this clause, a person is a substantiated perpetrator if the maltreatment determination has been upheld under section 256.045; 626.556, subdivision 10i; 626.557, subdivision 9d; or chapter 14, or if an individual or facility has not timely exercised appeal rights under these sections, except as provided under clause (1).

(3) For applicants who withdraw their application prior to licensure or denial of a license, the following data are public: the name of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, and the date of withdrawal of the application.

(4) For applicants who are denied a license, the following data are public: the name and address of the applicant, the city and county in which the applicant was seeking licensure, the dates of the commissioner's receipt of the initial application and completed application, the type of license sought, the date of denial of the application, the nature of the basis for the denial, the record of informal resolution of a denial, orders of hearings, findings of fact, conclusions of law, specifications of the final order of denial, and the status of any appeal of the denial.

(5) The following data on persons subject to disqualification under section 245C.14 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home, are public: the nature of any disqualification set aside under section 245C.22, subdivisions 2 and 4, and the reasons for setting aside the disqualification; the nature of any disqualification for which a variance was granted under sections 245A.04, subdivision 9; and 245C.30, and the reasons for granting any variance under section 245A.04, subdivision 9; and, if applicable, the disclosure that any person subject to a background study under section 245C.03, subdivision 1, has successfully passed a background study. If a licensing sanction under section 245A.07, or a license denial under section 245A.05, is based on a determination that an individual subject to disqualification under chapter 245C is disqualified, the disqualification as a basis for the licensing sanction or denial is public data. As specified in clause (1), if the disqualified individual is the license holder or applicant, the identity of the license holder or applicant is public data. If the disqualified individual is an individual other than the license holder or applicant, the identity of the disqualified individual shall remain private data.

(6) When maltreatment is substantiated under section 626.556 or 626.557 and the victim and the substantiated perpetrator are affiliated with a program licensed under chapter 245A, the commissioner of human services, local social services agency, or county welfare agency may inform the license holder where the maltreatment occurred of the identity of the substantiated perpetrator and the victim.

(7) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public if the county attorney has requested that data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters of complaints or alleged violations of licensing standards under chapters 245A, 245B, 245C, and applicable rules and alleged maltreatment under sections 626.556 and 626.557, are confidential data and may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12b.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning a license which has been suspended, immediately suspended, revoked, or denied.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, or 626.5572, subdivision 18, are subject to the destruction provisions of sections 626.556, subdivision 11c, and 626.557, subdivision 12b.

(h) Upon request, not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report of substantiated maltreatment as defined in section 626.556 or 626.557 may be exchanged with the Department of Health for purposes of completing background studies pursuant to section 144.057 and with the Department of Corrections for purposes of completing background studies pursuant to section 241.021.

(i) Data on individuals collected according to licensing activities under chapters 245A and 245C, and data on individuals collected by the commissioner of human services according to maltreatment investigations under sections 626.556 and 626.557, may be shared with the Department of Human Rights, the Department of Health, the Department of Corrections, the ombudsman for mental health and developmental disabilities, and the individual's professional regulatory board when there is reason to believe that laws or standards under the jurisdiction of those agencies may have been violated. Unless otherwise specified in this chapter, the identity of a reporter of alleged maltreatment or licensing violations may not be disclosed.

(j) In addition to the notice of determinations required under section 626.556, subdivision 10f, if the commissioner or the local social services agency has determined that an individual is a substantiated perpetrator of maltreatment of a child based on sexual abuse, as defined in section 626.556, subdivision 2, and the commissioner or local social services agency knows that the individual is a person responsible for a child's care in another facility, the commissioner or local social services agency shall notify the head of that facility of this determination. The notification must include an explanation of the individual's available appeal rights and the status of any appeal. If a notice is given under this paragraph, the government entity making the notification shall provide a copy of the notice to the individual who is the subject of the notice.

(k) All not public data collected, maintained, used, or disseminated under this subdivision and subdivision 3 may be exchanged between the Department of Human Services, Licensing Division, and the Department of Corrections for purposes of regulating services for which the Department of Human Services and the Department of Corrections have regulatory authority.

Sec. 28. Minnesota Statutes 2010, section 13.46, subdivision 5, is amended to read:

Subd. 5. **Medical data; contracts.** Data relating to the medical, psychiatric, or mental health of any individual, including diagnosis, progress charts, treatment received, case histories, and opinions of health care providers, that ~~is collected, are~~ are maintained, used, or disseminated by any agency to the welfare system is private data on individuals and will be available to the data subject, unless the private health care provider has clearly requested in writing that the data be withheld pursuant to sections 144.291 to 144.298. Data on individuals that is collected, maintained, used, or disseminated by a private health care provider under contract to any agency of the welfare system ~~is~~ are private data on individuals, and ~~is~~ are subject to the provisions of sections 13.02 to 13.07 and this section, except that the provisions of section 13.04, subdivision 3, shall not apply. Access to medical data referred to in this subdivision by the individual who is the subject of the data is subject to the provisions of sections 144.291 to 144.298. Access to information that is maintained by the public authority responsible for support enforcement and that is needed to enforce medical support is subject to the provisions of section 518A.41.

Sec. 29. Minnesota Statutes 2010, section 13.46, subdivision 6, is amended to read:

Subd. 6. **Other data.** Data collected, used, maintained, or disseminated by the welfare system that ~~is~~ are not data on individuals ~~is~~ are public pursuant to section 13.03, except the following data:

- (a) investigative data classified by section 13.39;
- (b) welfare investigative data classified by section 13.46, subdivision 3; and
- (c) security information classified by section 13.37, subdivision 2.

Sec. 30. Minnesota Statutes 2010, section 13.462, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "benefit data" ~~means~~ are data on individuals collected or created because an individual seeks information about becoming, is, or was an applicant for or a recipient of benefits or services provided under various housing, home ownership, rehabilitation and community action agency, Head Start, and food assistance programs administered by government entities. Benefit data does not include welfare data which shall be administered in accordance with section 13.46.

Sec. 31. Minnesota Statutes 2010, section 13.47, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) "Employment and training data" ~~means~~ are data on individuals collected, maintained, used, or disseminated because an individual applies for, is currently enrolled in, or has been enrolled in employment and training programs funded with federal, state, or local resources, including those provided under the Workforce Investment Act of 1998, United States Code, title 29, section 2801.

(b) "Employment and training service provider" means an entity certified, or seeking to be certified, by the commissioner of employment and economic development to deliver employment and training services under section 116J.401, subdivision 2, or an organization that contracts with a certified entity or the Department of Employment and Economic Development to deliver employment and training services.

(c) "Provider of training services" means an organization or entity that provides training under the Workforce Investment Act of 1998, United States Code, title 29, section 2801.

Sec. 32. Minnesota Statutes 2010, section 13.485, is amended by adding a subdivision to read:

Subd. 5. **Corporations created before May 31, 1997.** Government data maintained by a corporation created by a political subdivision before May 31, 1997, are governed by section 465.719, subdivision 14.

Sec. 33. Minnesota Statutes 2010, section 13.485, is amended by adding a subdivision to read:

Subd. 6. **Northern Technology Initiative, Inc.** Government data maintained by Northern Technology Initiative, Inc. are classified under section 116T.02, subdivisions 7 and 8.

Sec. 34. Minnesota Statutes 2010, section 13.548, is amended to read:

13.548 SOCIAL RECREATIONAL DATA.

The following data collected and maintained by political subdivisions for the purpose of enrolling individuals in recreational and other social programs are ~~classified as private, pursuant to section 13.02, subdivision 12:~~ the name, address, telephone number, any other data that ~~identifies~~ identify the individual, and any data which describes the health or medical condition of the individual, family relationships and living arrangements of an individual or which are opinions as to the emotional makeup or behavior of an individual.

Sec. 35. Minnesota Statutes 2010, section 13.585, subdivision 2, is amended to read:

Subd. 2. **Confidential data.** The following data on individuals maintained by the housing agency are ~~classified as confidential data, pursuant to section 13.02, subdivision 3:~~ correspondence between the agency and the agency's attorney containing data collected as part of an active investigation undertaken for the purpose of the commencement or defense of potential or actual litigation, including but not limited to: referrals to the Office of the Inspector General or other prosecuting agencies for possible prosecution for fraud; initiation of lease terminations and eviction actions; admission denial hearings concerning prospective tenants; commencement of actions against independent contractors of the agency; and tenant grievance hearings.

Sec. 36. Minnesota Statutes 2010, section 13.585, subdivision 3, is amended to read:

Subd. 3. **Protected nonpublic data.** The following data not on individuals maintained by the housing agency are ~~classified as~~ protected nonpublic data, pursuant to section 13.02, subdivision 13: correspondence between the agency and the agency's attorney containing data collected as part of an active investigation undertaken for the purpose of the commencement or defense of potential or actual litigation, including but not limited to, referrals to the Office of the Inspector General or other prosecuting bodies or agencies for possible prosecution for fraud and commencement of actions against independent contractors of the agency.

Sec. 37. Minnesota Statutes 2010, section 13.601, subdivision 3, is amended to read:

Subd. 3. **Applicants for appointment.** (a) Data about applicants for appointment to a public body collected by a government entity as a result of the applicant's application for appointment to the public body are private data on individuals except that the following are public:

- (1) name;
- (2) city of residence, except when the appointment has a residency requirement that requires the entire address to be public;
- (3) education and training;
- (4) employment history;
- (5) volunteer work;
- (6) awards and honors;
- (7) prior government service; ~~and~~
- (8) any data required to be provided or that ~~is~~ are voluntarily provided in an application for appointment to a multimember agency pursuant to section 15.0597: ; and
- (9) veteran status.

(b) Once an individual is appointed to a public body, the following additional items of data are public:

- (1) residential address; ~~and~~
- (2) either a telephone number or electronic mail address where the appointee can be reached, or both at the request of the appointee;

(3) first and last dates of service on the public body;

(4) the existence and status of any complaints or charges against an appointee; and

(5) upon completion of an investigation of a complaint or charge against an appointee, the final investigative report is public, unless access to the data would jeopardize an active investigation.

(c) Notwithstanding paragraph (b), any electronic mail address or telephone number provided by a public body for use by an appointee shall be public. An appointee may use an electronic mail address or telephone number provided by the public body as the designated electronic mail address or telephone number at which the appointee can be reached.

Sec. 38. Minnesota Statutes 2010, section 13.635, is amended by adding a subdivision to read:

Subd. 4a. **Dependent eligibility audit.** Data submitted to the commissioner of management and budget as part of a dependent eligibility audit are classified under section 43A.28.

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

Sec. 39. Minnesota Statutes 2010, section 13.64, is amended by adding a subdivision to read:

Subd. 3. **Unofficial fiscal notes.** (a) For purposes of this subdivision, "unofficial fiscal note" means a fiscal note requested by or on behalf of a member of the legislature on draft language for a bill that has not been introduced.

(b) This paragraph applies if a request for an unofficial fiscal note is accompanied by a directive from the requester that the data be classified under this paragraph. Government data on the request, the bill draft, and the unofficial fiscal note are private data on individuals or nonpublic data, provided that the data are accessible to, and may be disclosed by, the requester. If the unofficial fiscal note or an updated version is subsequently used for an introduced bill, or any legislation, including an amendment or a proposed bill, that any member of the legislature offers for consideration by a legislative committee, the fiscal note becomes public data.

Sec. 40. Minnesota Statutes 2010, section 13.643, subdivision 5, is amended to read:

Subd. 5. Data received from federal government. All data received by the Department of Agriculture from the United States Department of Health and Human Services, the Food and Drug Administration, and the Agriculture, Food Safety, and Inspection Service that is are necessary for the purpose of carrying out the Department of Agriculture's statutory food safety regulatory and enforcement duties are classified as nonpublic data under section 13.02, subdivision 9, and private data on individuals under section 13.02, subdivision 12. This section does not preclude the obligation of the Department of Agriculture to appropriately inform consumers of issues that could affect public health.

Sec. 41. Minnesota Statutes 2010, section 13.643, subdivision 7, is amended to read:

Subd. 7. Research, monitoring, or assessment data. (a) Except as provided in paragraph (b), the following data created, collected, and maintained by the Department of Agriculture during research, monitoring, or the assessment of farm practices and related to natural resources, the environment, agricultural facilities, or agricultural practices are classified as private or nonpublic:

(1) names, addresses, telephone numbers, and e-mail addresses of study participants or cooperators; and

(2) location of research, study site, and global positioning system data.

(b) The following data ~~is~~ are public:

(1) location data and unique well numbers for wells and springs unless protected under section 18B.10 or another statute or rule; and

(2) data from samples collected from a public water supply as defined in section 144.382, subdivision 4.

(c) The Department of Agriculture may disclose data collected under paragraph (a) if the Department of Agriculture determines that there is a substantive threat to human health and safety or to the environment, or to aid in the law enforcement process. The Department of Agriculture may also disclose data with written consent of the subject of the data.

Sec. 42. Minnesota Statutes 2010, section 13.6435, is amended by adding a subdivision to read:

Subd. 13. **Ethanol producer payments.** Audited financial statements and notes and disclosure statements submitted to the commissioner of agriculture regarding ethanol producer payments pursuant to section 41A.09 are governed by section 41A.09, subdivision 3a.

Sec. 43. Minnesota Statutes 2010, section 13.65, subdivision 1, is amended to read:

Subdivision 1. **Private data.** The following data created, collected and maintained by the Office of the Attorney General are ~~classified as~~ private data on individuals:

(a) the record, including but not limited to, the transcript and exhibits of all disciplinary proceedings held by a state agency, board or commission, except in those instances where there is a public hearing;

(b) communications and noninvestigative files regarding administrative or policy matters which do not evidence final public actions;

(c) consumer complaint data, other than ~~that~~ those data classified as confidential, including consumers' complaints against businesses and follow-up investigative materials;

(d) investigative data, obtained in anticipation of, or in connection with litigation or an administrative proceeding where the investigation is not currently active; and

(e) data collected by the Consumer Division of the Attorney General's Office in its administration of the home protection hot line including: the name, address, and phone number of the consumer; the name and address of the mortgage company; the total amount of the mortgage; the amount of money needed to bring the delinquent mortgage current; the consumer's place of employment; the consumer's total family income; and the history of attempts made by the consumer to renegotiate a delinquent mortgage.

Sec. 44. Minnesota Statutes 2010, section 13.65, subdivision 2, is amended to read:

Subd. 2. **Confidential data.** The following data created, collected and maintained by the Office of the Attorney General are ~~classified as~~ confidential, pursuant to section 13.02, subdivision 3: data acquired through communications made in official confidence to members of the attorney general's staff where the public interest would suffer by disclosure of the data.

Sec. 45. Minnesota Statutes 2010, section 13.65, subdivision 3, is amended to read:

Subd. 3. **Public data.** Data describing the final disposition of disciplinary proceedings held by any state agency, board, or commission are ~~classified as~~ public, pursuant to section 13.02, subdivision 15.

Sec. 46. Minnesota Statutes 2010, section 13.679, subdivision 2, is amended to read:

Subd. 2. **Utility or telephone company employee or customer.** (a) The following are private data on individuals: data collected by the commissioner of commerce or the Public Utilities Commission, including the names or any other data that would reveal the identity of either an employee or customer of a telephone company or public utility who files a complaint or provides information regarding a violation or suspected violation by the telephone company or public utility of any federal or state law or rule; except ~~this~~ these data may be released as needed to law enforcement authorities.

(b) The following are private data on individuals: data collected by the commission or the commissioner of commerce on individual public utility or telephone company customers or prospective customers, including copies of tax forms, needed to administer federal or state programs that provide relief from telephone company bills, public utility bills, or cold weather disconnection. The determination of eligibility of the customers or prospective customers may be released to public utilities or telephone companies to administer the programs.

Sec. 47. Minnesota Statutes 2010, section 13.719, subdivision 1, is amended to read:

Subdivision 1. **Comprehensive health insurance data.** (a) The following data on eligible persons and enrollees of the state comprehensive health insurance plan are classified as private: all data collected or maintained by the Minnesota Comprehensive Health Association, the writing carrier, and the Department of Commerce.

(b) The Minnesota Comprehensive Health Association is considered a state agency for purposes of this chapter.

(c) The Minnesota Comprehensive Health Association may disclose data on eligible persons and enrollees of the state comprehensive health insurance plan to conduct actuarial and research studies, notwithstanding the classification of ~~this~~ these data, if:

(1) the board authorizes the disclosure;

(2) no individual may be identified in the actuarial or research report;

(3) materials allowing an individual to be identified are returned or destroyed as soon as they are no longer needed; and

(4) the actuarial or research organization agrees not to disclose the information unless the disclosure would be permitted under this chapter is made by the association.

Sec. 48. Minnesota Statutes 2010, section 13.719, subdivision 5, is amended to read:

Subd. 5. **Data on insurance companies and township mutual companies.** The following data collected and maintained by the Department of Commerce are ~~classified as~~ nonpublic data:

(a) that portion of any of the following data which would identify the affected insurance company or township mutual company: (1) any order issued pursuant to section 60A.031, subdivision 5, or 67A.241, subdivision 4, and based in whole or in part upon a determination or allegation by the Commerce Department or commissioner that an insurance company or township mutual company is in an unsound, impaired, or potentially unsound or impaired condition; or (2) any stipulation, consent agreement, letter agreement, or similar document evidencing the settlement of any proceeding commenced pursuant to an order of a type described in clause (1), or an agreement between the department and an insurance company or township mutual company entered in lieu of the issuance of an order of the type described in clause (1); and

(b) any correspondence or attachments relating to the data listed in this subdivision.

Sec. 49. Minnesota Statutes 2010, section 13.7191, subdivision 14, is amended to read:

Subd. 14. **Requirements for health plan companies.** (a) **Minnesota Risk Adjustment Association.** Data privacy issues concerning the Minnesota Risk Adjustment Association are governed by section 62Q.03, subdivision 9.

(b) **Essential community provider.** Data on applications for designation as an essential community provider are classified under section 62Q.19, subdivision 2.

(c) **Disclosure of executive compensation.** Disclosure of certain data to consumer advisory boards is governed by section 62Q.64.

(d) **Audits conducted by independent organizations.** Data provided by an independent organization related to an audit report are governed by section 62Q.37, subdivision 8.

Sec. 50. Minnesota Statutes 2010, section 13.7191, subdivision 18, is amended to read:

Subd. 18. **Workers' compensation self-insurance.** (a) **Self-Insurers' Advisory Committee.** Data received by the Self-Insurers' Advisory Committee from the commissioner are classified under section 79A.02, subdivision 2.

(b) **Self-insurers' security fund.** Disclosure of certain data received by the self-insurers' security is governed by section 79A.09, subdivision 4.

(c) **Commercial self-insurers' security fund.** Disclosure of certain data received by the commercial self-insurers' security fund is governed by section 79A.26, subdivision 4.

(d) **Self-insurers' security fund and the board of trustees.** The security fund and its board of trustees are governed by section 79A.16.

(e) **Commercial self-insurance group security fund.** The commercial self-insurance group security fund and its board of trustees are governed by section 79A.28.

Sec. 51. Minnesota Statutes 2010, section 13.72, subdivision 11, is amended to read:

Subd. 11. **Design-build transportation project data.** (a) This subdivision applies to government data of the Department of Transportation when the Department commissioner of transportation undertakes a design-build transportation project as defined in section 161.3410, subdivision 6, the statement of qualification evaluation criteria and scoring methodology, statement of qualification evaluations, technical proposal evaluation criteria and scoring methodology, and technical proposal evaluations are classified as protected nonpublic data with regard to data not on individuals and as confidential data on individuals. The statement of qualification evaluation criteria and scoring methodology and statement of qualification evaluations are public when the Department of Transportation announces the short list of qualified contractors. The technical proposal evaluation criteria, scoring methodology, and technical proposal evaluations are public when the project is awarded.

(b) When the commissioner solicits a request for qualifications (RFQ), as defined in section 161.3410, subdivision 9:

(1) the statement of qualifications evaluation criteria and scoring methodology, identifying information concerning the members of the technical review committee, and the statement of qualifications evaluations are confidential data on individuals or protected nonpublic data; and

(2) the statement of qualifications submitted by a potential design-build firm, as defined in section 161.3410, subdivision 4, is nonpublic data.

When the commissioner announces the short list of qualified design-build firms, the statement of qualifications evaluation criteria and scoring methodology and the statement of qualifications evaluations classified under clause (1) become public data.

(c) When the commissioner solicits a request for proposals (RFP), as defined in section 161.3410, subdivision 8:

(1) the technical proposal; alternative technical concepts; preapproved elements; price proposal; disadvantaged business enterprise and equal employment opportunity submittal; and data used to evaluate the disadvantaged business enterprise and equal employment opportunity submittal, are nonpublic data; and

(2) the technical proposal evaluation criteria and scoring methodology, and technical proposal evaluations are protected nonpublic data.

(d) When the commissioner opens the price proposals under section 161.3426, subdivision 1, paragraph (b):

(1) the technical proposal evaluation scores and the dollar amounts in the price proposals become public data;

(2) the statement of qualifications submitted by a potential design-build firm; the technical proposal; alternative technical concepts; preapproved elements; the disadvantaged business enterprise and equal employment opportunity submittal; and data used to evaluate the disadvantaged business enterprise and equal employment opportunity submittal, remain nonpublic data until the project is awarded, with the exception of trade secret data as defined and classified in section 13.37; and

(3) the technical proposal evaluation criteria and scoring methodology; technical proposal evaluations, other than scores made public under clause (1); and identifying information concerning the members of the technical review committee, remain protected nonpublic data until the project is awarded.

(e) If all responses to a request for proposals are rejected before awarding the project, data that do not become public under this subdivision retain their classification until a resolicitation of the request for proposals results in award of the project or a determination is made to abandon the project. If a resolicitation of proposals does not occur within one year of the announcement of the short list of qualified design-build firms, all data under this subdivision become public.

Sec. 52. Minnesota Statutes 2010, section 13.72, is amended by adding a subdivision to read:

Subd. 17. **Adopt-a-highway data.** The following data on participants collected by the Department of Transportation to administer the adopt-a-highway program are classified as private data on individuals: home addresses, except for zip codes; home e-mail addresses; and home telephone numbers.

Sec. 53. Minnesota Statutes 2010, section 13.7932, is amended to read:

13.7932 LOGGER SAFETY AND EDUCATION PROGRAM DATA.

The following data collected from persons who attend safety and education programs or seminars for loggers established or approved by the commissioner under section 176.130, subdivision 11, ~~is~~ are public data:

- (1) the names of the individuals attending the program or seminar;
- (2) the names of each attendee's employer;
- (3) the city where the employer is located;
- (4) the date the program or seminar was held; and
- (5) a description of the seminar or program.

Sec. 54. Minnesota Statutes 2010, section 13.82, subdivision 2, is amended to read:

Subd. 2. **Arrest data.** The following data created or collected by law enforcement agencies which ~~documents~~ document any actions taken by them to cite, arrest, incarcerate or otherwise substantially deprive an adult individual of liberty shall be public at all times in the originating agency:

- (a) time, date and place of the action;
- (b) any resistance encountered by the agency;
- (c) any pursuit engaged in by the agency;
- (d) whether any weapons were used by the agency or other individual;
- (e) the charge, arrest or search warrants, or other legal basis for the action;
- (f) the identities of the agencies, units within the agencies and individual persons taking the action;
- (g) whether and where the individual is being held in custody or is being incarcerated by the agency;
- (h) the date, time and legal basis for any transfer of custody and the identity of the agency or person who received custody;
- (i) the date, time and legal basis for any release from custody or incarceration;
- (j) the name, age, sex and last known address of an adult person or the age and sex of any juvenile person cited, arrested, incarcerated or otherwise substantially deprived of liberty;
- (k) whether the agency employed wiretaps or other eavesdropping techniques, unless the release of this specific data would jeopardize an ongoing investigation;
- (l) the manner in which the agencies received the information that led to the arrest and the names of individuals who supplied the information unless the identities of those individuals qualify for protection under subdivision 17; and
- (m) response or incident report number.

Sec. 55. Minnesota Statutes 2010, section 13.82, subdivision 3, is amended to read:

Subd. 3. **Request for service data.** The following data created or collected by law enforcement agencies which ~~documents~~ document requests by the public for law enforcement services shall be public government data:

(a) the nature of the request or the activity complained of;

(b) the name and address of the individual making the request unless the identity of the individual qualifies for protection under subdivision 17;

(c) the time and date of the request or complaint; and

(d) the response initiated and the response or incident report number.

Sec. 56. Minnesota Statutes 2010, section 13.82, subdivision 6, is amended to read:

Subd. 6. **Response or incident data.** The following data created or collected by law enforcement agencies which ~~documents~~ document the agency's response to a request for service including, but not limited to, responses to traffic accidents, or which ~~describes~~ describe actions taken by the agency on its own initiative shall be public government data:

(a) date, time and place of the action;

(b) agencies, units of agencies and individual agency personnel participating in the action unless the identities of agency personnel qualify for protection under subdivision 17;

(c) any resistance encountered by the agency;

(d) any pursuit engaged in by the agency;

(e) whether any weapons were used by the agency or other individuals;

(f) a brief factual reconstruction of events associated with the action;

(g) names and addresses of witnesses to the agency action or the incident unless the identity of any witness qualifies for protection under subdivision 17;

(h) names and addresses of any victims or casualties unless the identities of those individuals qualify for protection under subdivision 17;

(i) the name and location of the health care facility to which victims or casualties were taken;

(j) response or incident report number;

(k) dates of birth of the parties involved in a traffic accident;

(l) whether the parties involved were wearing seat belts; and

(m) the alcohol concentration of each driver.

Sec. 57. Minnesota Statutes 2010, section 13.82, subdivision 7, is amended to read:

Subd. 7. **Criminal investigative data.** Except for the data defined in subdivisions 2, 3, and 6, investigative data collected or created by a law enforcement agency in order to prepare a case against a person, whether known or unknown, for the commission of a crime or other offense for which the agency has primary investigative responsibility is are confidential or protected nonpublic while the investigation is active. Inactive investigative data

is are public unless the release of the data would jeopardize another ongoing investigation or would reveal the identity of individuals protected under subdivision 17. Photographs which are part of inactive investigative files and which are clearly offensive to common sensibilities are classified as private or nonpublic data, provided that the existence of the photographs shall be disclosed to any person requesting access to the inactive investigative file. An investigation becomes inactive upon the occurrence of any of the following events:

(a) a decision by the agency or appropriate prosecutorial authority not to pursue the case;

(b) expiration of the time to bring a charge or file a complaint under the applicable statute of limitations, or 30 years after the commission of the offense, whichever comes earliest; or

(c) exhaustion of or expiration of all rights of appeal by a person convicted on the basis of the investigative data.

Any investigative data presented as evidence in court shall be public. Data determined to be inactive under clause (a) may become active if the agency or appropriate prosecutorial authority decides to renew the investigation.

During the time when an investigation is active, any person may bring an action in the district court located in the county where the data is are being maintained to authorize disclosure of investigative data. The court may order that all or part of the data relating to a particular investigation be released to the public or to the person bringing the action. In making the determination as to whether investigative data shall be disclosed, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, to the agency or to any person identified in the data. The data in dispute shall be examined by the court in camera.

Sec. 58. Minnesota Statutes 2010, section 13.82, is amended by adding a subdivision to read:

Subd. 30. Inactive financial transaction investigative data. Investigative data that become inactive under subdivision 7 that are a person's financial account number or transaction numbers are private or nonpublic data.

Sec. 59. Minnesota Statutes 2010, section 13.83, subdivision 2, is amended to read:

Subd. 2. **Public data.** Unless specifically classified otherwise by state statute or federal law, the following data created or collected by a medical examiner or coroner on a deceased individual is are public: name of the deceased; date of birth; date of death; address; sex; race; citizenship; height; weight; hair color; eye color; build; complexion; age, if known, or approximate age; identifying marks, scars and amputations; a description of the decedent's clothing; marital status; location of death including name of hospital where applicable; name of spouse; whether or not the decedent ever served in the armed forces of the United States; occupation; business; father's name (also birth name, if different); mother's name (also birth name, if different); birthplace; birthplace of parents; cause of death; causes of cause of death; whether an autopsy was performed and if so, whether it was conclusive; date and place of injury, if applicable, including work place; how injury occurred; whether death was caused by accident, suicide, homicide, or was of undetermined cause; certification of attendance by physician; physician's name and address; certification by coroner or medical examiner; name and signature of coroner or medical examiner; type of disposition of body; burial place name and location, if applicable; date of burial, cremation or removal; funeral home name and address; and name of local register or funeral director.

Sec. 60. Minnesota Statutes 2010, section 13.83, subdivision 4, is amended to read:

Subd. 4. **Investigative data.** Data created or collected by a county coroner or medical examiner which is are part of an active investigation mandated by chapter 390, or any other general or local law relating to coroners or medical examiners is are confidential data or protected nonpublic data, until the completion of the coroner's or medical examiner's final summary of findings but may be disclosed to a state or federal agency charged by law with investigating the death of the deceased individual about whom the medical examiner or coroner has medical

examiner data. Upon completion of the coroner's or medical examiner's final summary of findings, the data collected in the investigation and the final summary of it are private or nonpublic data. However, if the final summary and the record of death indicate the manner of death is homicide, undetermined, or pending investigation and there is an active law enforcement investigation, within the meaning of section 13.82, subdivision 7, relating to the death of the deceased individual, the data remain confidential or protected nonpublic. Upon review by the county attorney of the jurisdiction in which the law enforcement investigation is active, the data may be released to persons described in subdivision 8 if the county attorney determines release would not impede the ongoing investigation. When the law enforcement investigation becomes inactive, the data are private or nonpublic data. Nothing in this subdivision shall be construed to make not public the data elements identified in subdivision 2 at any point in the investigation or thereafter.

Sec. 61. Minnesota Statutes 2010, section 13.83, subdivision 6, is amended to read:

Subd. 6. **Classification of other data.** Unless a statute specifically provides a different classification, all other data created or collected by a county coroner or medical examiner that ~~is~~ are not data on deceased individuals or the manner and circumstances of their death ~~is~~ are public pursuant to section 13.03.

Sec. 62. Minnesota Statutes 2010, section 13.87, subdivision 2, is amended to read:

Subd. 2. **Firearms data.** All data pertaining to the purchase or transfer of firearms and applications for permits to carry firearms which are collected by government entities pursuant to sections 624.712 to 624.719 are ~~classified as~~ private, pursuant to section 13.02, subdivision 12.

Sec. 63. Minnesota Statutes 2010, section 13D.015, subdivision 5, is amended to read:

Subd. 5. **Notice.** If telephone or another electronic means is used to conduct a regular, special, or emergency meeting, the entity shall provide notice of the regular meeting location, of the fact that some members may participate by electronic means, and of the provisions of subdivision 4. The timing and method of providing notice is governed by section 13D.04. In addition, the entity must post the notice on its Web site at least ten days before ~~the~~ any regular meeting as defined in section 13D.04, subdivision 1.

Sec. 64. **[13D.08] OPEN MEETING LAW CODED ELSEWHERE.**

Subdivision 1. **Board of Animal Health.** Certain meetings of the Board of Animal Health are governed by section 35.0661, subdivision 1.

Subd. 2. **Minnesota Life and Health Guaranty Association.** Meetings of the Minnesota Life and Health Guaranty Association Board of Directors are governed by section 61B.22.

Subd. 3. **Comprehensive Health Association.** Certain meetings of the Comprehensive Health Association are governed by section 62E.10, subdivision 4.

Subd. 4. **Health Technology Advisory Committee.** Certain meetings of the Health Technology Advisory Committee are governed by section 62J.156.

Subd. 5. **Health Coverage Reinsurance Association.** Meetings of the Health Coverage Reinsurance Association are governed by section 62L.13, subdivision 3.

Subd. 6. **Self-insurers' security fund.** Meetings of the self-insurers' security fund and its board of trustees are governed by section 79A.16.

Subd. 7. **Commercial self-insurance group security fund.** Meetings of the commercial self-insurance group security fund are governed by section 79A.28.

Subd. 8. **Lessard-Sams Outdoor Heritage Council.** Certain meetings of the Lessard-Sams Outdoor Heritage Council are governed by section 97A.056, subdivision 5.

Subd. 9. **Enterprise Minnesota, Inc.** Certain meetings of the board of directors of Enterprise Minnesota, Inc. are governed by section 116O.03.

Subd. 10. **Minnesota Business Finance, Inc.** Certain meetings of Minnesota Business Finance, Inc. are governed by section 116S.02.

Subd. 11. **Northern Technology Initiative, Inc.** Certain meetings of Northern Technology Initiative, Inc. are governed by section 116T.02.

Subd. 12. **Agricultural Utilization Research Institute.** Certain meetings of the Agricultural Utilization Research Institute are governed by section 116V.01, subdivision 10.

Subd. 13. **Hospital authorities.** Certain meetings of hospitals established under section 144.581 are governed by section 144.581, subdivisions 4 and 5.

Subd. 14. **Advisory Council on Workers' Compensation.** Certain meetings of the Advisory Council on Workers' Compensation are governed by section 175.007, subdivision 3.

Subd. 15. **Electric cooperatives.** Meetings of a board of directors of an electric cooperative that has more than 50,000 members are governed by section 308A.327.

Subd. 16. **Town boards.** Certain meetings of town boards are governed by section 366.01, subdivision 11.

Subd. 17. **Hennepin County Medical Center and HMO.** Certain meetings of the Hennepin County Board on behalf of the HMO or Hennepin Healthcare System, Inc. are governed by section 383B.217.

Subd. 18. **Hennepin Healthcare System, Inc.** Certain meetings of the Hennepin Healthcare System, Inc. are governed by section 383B.917.

Sec. 65. Minnesota Statutes 2010, section 43A.28, is amended to read:

43A.28 ENROLLMENT.

Subdivision 1. **General.** The time, manner, and conditions and terms of eligibility for enrollment of persons eligible for state paid or individual paid life insurance, hospital, medical and dental benefits, and optional coverages authorized shall be determined and prescribed by the commissioner according to collective bargaining agreements and plans established pursuant to section 43A.18.

Subd. 2. **Audit data.** Data submitted to the commissioner by individuals for the purposes of a dependent eligibility audit conducted pursuant to Laws 2011, First Special Session chapter 10, article 3, section 40, for life insurance and hospital, medical, and dental benefits are private data on individuals as defined in section 13.02, subdivision 12, provided that the data may be shared with and used by an employer if necessary to pursue any action arising out of apparent ineligibility of a dependent.

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

Sec. 66. **[43A.281] LIMIT ON TERMINATION OF DEPENDENT COVERAGE.**

(a) The commissioner of management and budget may not terminate the enrollment of a dependent in the state employee group insurance program as a result of a failure to submit documentation required under a dependent eligibility verification audit unless all of the following have occurred:

(1) at least 30 days before the proposed termination of a dependent's coverage, the commissioner has notified the covered plan member by mail of each type of required documentation that has not been submitted;

(2) at least 30 days before the proposed termination of a dependent's coverage, the commissioner has notified the covered plan member of the name, telephone number, and e-mail address of one or more employees of the Department of Management and Budget who the covered plan member may contact regarding the proposed termination of the dependent's coverage;

(3) at least 30 days before the proposed termination of a dependent's coverage, the commissioner has notified the covered plan member of how the covered plan member may appeal a finding that a dependent is not eligible to continue in the program, and the appeal process has been completed; and

(4) if a covered plan member has demonstrated to the commissioner's satisfaction that it is impractical for the covered plan member to submit required documentation, the commissioner has provided the covered plan member an alternative compliance method that the commissioner has determined is a reasonable manner of proving eligible dependent status, and the covered plan member has not submitted documents required under this alternative method.

(b) This section expires on January 1, 2014.

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

Sec. 67. Minnesota Statutes 2010, section 79A.16, is amended to read:

79A.16 OPEN MEETING; ADMINISTRATIVE PROCEDURE ACT.

The security fund and its board of trustees shall not be subject to (1) the Open Meeting Law, chapter 13D, (2) the Open Appointments Law, (3) the ~~Data Privacy Law~~ Minnesota Government Data Practices Act, chapter 13, and (4) except where specifically set forth, the Administrative Procedure Act.

The Self-Insurers' Advisory Committee shall not be subject to clauses (2) and (4).

Sec. 68. Minnesota Statutes 2010, section 79A.28, is amended to read:

79A.28 OPEN MEETING; ADMINISTRATIVE PROCEDURE ACT.

The commercial self-insurance group security fund and its board of trustees shall not be subject to:

(1) the Open Meeting Law, chapter 13D;

(2) the Open Appointments Law;

(3) the ~~Data Privacy Law~~ Minnesota Government Data Practices Act, chapter 13; and

(4) except where specifically set forth, the Administrative Procedure Act.

Sec. 69. Minnesota Statutes 2010, section 84.0874, is amended to read:

84.0874 ELECTRONIC LICENSING SYSTEM DATA.

(a) The following data created, collected, stored, or maintained by the department for purposes of obtaining a noncommercial game and fish license, cross-country ski pass, horse pass, or snowmobile trail sticker; registering a recreational motor vehicle; or any other electronic licensing transaction are private data on individuals as defined in section 13.02, subdivision 12: name, addresses, driver's license number, and date of birth. The data may be disclosed for law enforcement purposes. The data, other than the driver's license number, may be disclosed to a government entity and for natural resources management purposes, including recruitment, retention, and training certification and verification.

(b) Private data on individuals under paragraph (a) may be disclosed as follows:

(1) for use by any government agency, including a court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a federal, state, or local agency in carrying out its functions;

(2) for use in connection with matters of vehicle or operator safety and theft, emissions, product alterations, recalls or advisories, and performance monitoring;

(3) for use in the normal course of business by a legitimate business or its agents, employees, or contractors, in order to verify the accuracy of personal information submitted by an individual. If the information as submitted is not correct or is no longer correct, correct information may be obtained only for the purpose of preventing fraud by, pursuing legal remedies against, or recovering on a debt or security interest against the individual. If the person requesting access is acting as the agent of a lienholder, the requestor must submit proof of a contract with the lienholder;

(4) for use in connection with any civil, criminal, administrative, or arbitration proceedings in any federal, state, or local court or agency or before any self-regulatory body, including service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a federal, state, or local court, provided that the requestor provides a copy of the court order;

(5) for use by any insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigation activities or antifraud activities. If the person requesting access is an agent of an insurance company, the requestor must provide the insurance company's name;

(6) for use in providing notice to the owners of towed or impounded recreational vehicles or watercraft. The person requesting access must provide the name, address, and telephone number of the entity that requested that the recreational vehicle or watercraft be towed;

(7) for use by any licensed private investigative agency or licensed security service for any purpose permitted under this section, provided that the person provides a copy of a valid license; or

(8) where the use is related to the physical safety or security of operators, vehicles, pedestrians, or property.

The commissioner must not disclose data under this paragraph if the commissioner concludes that the requester is likely to use the data for an improper purpose or other purpose not authorized by this paragraph.

Sec. 70. Minnesota Statutes 2010, section 216C.266, is amended to read:

216C.266 DATA PRIVACY; ENERGY PROGRAMS.

Subdivision 1. Classification of application data. Data on individuals collected, maintained, or created because an individual applies on behalf of a household for benefits or services provided by the energy assistance and weatherization programs ~~is~~ are private data on individuals and must not be disseminated except pursuant to section 13.05, subdivisions 3 and 4, or as provided in this section.

Subd. 2. Sharing energy assistance program data. The commissioner may disseminate to the commissioner of human services the name, telephone number, and last four digits of the Social Security number of any individual who applies on behalf of a household for benefits or services provided by the energy assistance program if the household is determined to be eligible for the energy assistance program.

Subd. 3. Use of shared data. Data disseminated to the commissioner of human services under subdivision 2 may be disclosed to a person other than the subject of the data only for the purpose of determining a household's eligibility for the telephone assistance program pursuant to section 13.46, subdivision 2, clause (23).

Subd. 4. Additional use of energy assistance program data. The commissioner may use the name, telephone number, and last four digits of the Social Security number of any individual who applies on behalf of a household for benefits or services provided by the energy assistance program for the purpose of determining whether the household is eligible for the telephone assistance program if the household is determined to be eligible for the energy assistance program.

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

Sec. 71. Minnesota Statutes 2010, section 237.701, subdivision 1, is amended to read:

Subdivision 1. **Fund created; authorized expenditures.** The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the commissioner of public safety representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to local service providers for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the reasonable administrative expenses of the commission, a portion of which may be used for periodic promotional activities, including, but not limited to, radio or newspaper advertisements, to inform eligible households of the availability of the telephone assistance program; ~~and~~

(3) reimbursement of the statewide indirect cost of the commission; and

(4) reimbursement of the reasonable expenses of the commissioner of commerce and the commissioner of human services for administering section 216C.266, subdivisions 2 and 4.

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

Sec. 72. **REPEALER.**

(a) Minnesota Statutes 2010, section 13.05, subdivisions 1, 2, and 8, are repealed.

(b) Minnesota Statutes 2010, sections 13.4967, subdivision 6a; and 298.22, subdivision 12, are repealed retroactively from the date of their final enactment."

Delete the title and insert:

"A bill for an act relating to state government; classifying and authorizing sharing of data; making technical and clarifying changes to data practices and open meeting law provisions; imposing a limitation on state dependent audits; repealing certain data practices provisions; adding cross-references to open meeting law provisions codified elsewhere; amending Minnesota Statutes 2010, sections 13.02, subdivisions 3, 4, 8a, 9, 12, 13, 14, 15, 16; 13.03, subdivisions 2, 4; 13.072, subdivision 2; 13.10, subdivision 1; 13.202, subdivision 3; 13.37, subdivisions 1, 2; 13.3805, subdivision 1; 13.384, subdivision 1; 13.39, by adding a subdivision; 13.43, subdivision 1, by adding subdivisions; 13.44, subdivision 3; 13.46, subdivisions 2, 3, 4, 5, 6; 13.462, subdivision 1; 13.47, subdivision 1; 13.485, by adding subdivisions; 13.548; 13.585, subdivisions 2, 3; 13.601, subdivision 3; 13.635, by adding a subdivision; 13.64, by adding a subdivision; 13.643, subdivisions 5, 7; 13.6435, by adding a subdivision; 13.65, subdivisions 1, 2, 3; 13.679, subdivision 2; 13.719, subdivisions 1, 5; 13.7191, subdivisions 14, 18; 13.72, subdivision 11, by adding a subdivision; 13.7932; 13.82, subdivisions 2, 3, 6, 7, by adding a subdivision; 13.83, subdivisions 2, 4, 6; 13.87, subdivision 2; 13D.015, subdivision 5; 43A.28; 79A.16; 79A.28; 84.0874; 216C.266; 237.701, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 13D; 43A; repealing Minnesota Statutes 2010, sections 13.05, subdivisions 1, 2, 8; 13.4967, subdivision 6a; 298.22, subdivision 12."

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

Senate Conferees: WARREN LIMMER, SCOTT J. NEWMAN and DAN D. HALL.

House Conferees: PEGGY SCOTT, MARY LIZ HOLBERG and STEVE SIMON.

Scott moved that the report of the Conference Committee on S. F. No. 1143 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1143, A bill for an act relating to state government; classifying and authorizing sharing of data; making technical changes to data practices; amending Minnesota Statutes 2010, sections 13.02, subdivisions 3, 4, 8a, 9, 12, 13, 14, 15; 13.10, subdivision 1; 13.201; 13.202, subdivision 3; 13.35; 13.3805, subdivisions 1, 2; 13.384, subdivision 1; 13.39, subdivision 2; 13.392, subdivision 1; 13.393; 13.40, subdivision 1; 13.41, subdivision 2; 13.44, subdivision 3; 13.46, subdivisions 2, 3, 4, 5, 6; 13.462, subdivision 1; 13.467, subdivision 1; 13.47, subdivision 1; 13.485, by adding subdivisions; 13.495; 13.51, subdivisions 1, 2; 13.52; 13.548; 13.55, subdivision 1; 13.585, subdivisions 2, 3, 4; 13.59, subdivisions 1, 2, 3; 13.591, subdivision 4; 13.601, subdivision 3; 13.643, subdivisions 1, 2, 3, 5, 6, 7; 13.6435, by adding a subdivision; 13.65, subdivisions 1, 2, 3; 13.67; 13.679, subdivisions 1, 2; 13.714; 13.719, subdivisions 1, 5; 13.7191, subdivisions 14, 18; 13.72, subdivisions 7, 11, by adding subdivisions; 13.792; 13.7932; 13.82, subdivisions 2, 3, 6, 7; 13.83, subdivisions 2, 4, 6; 13.861, subdivision 1; 13.87, subdivisions 1, 2; 79A.16; 79A.28; 216C.266; 237.701, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13D.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Hackbarth	Kriesel	Moran	Schomacker
Allen	Davnie	Hamilton	Laine	Morrow	Scott
Anderson, B.	Dean	Hancock	Lanning	Mullery	Shimanski
Anderson, D.	Dettmer	Hansen	Leidiger	Murphy, E.	Simon
Anderson, P.	Dill	Hausman	LeMieur	Murphy, M.	Slawik
Anderson, S.	Dittrich	Hilstrom	Lenczewski	Murray	Slocum
Anzelc	Doepke	Hilty	Lesch	Myhra	Smith
Atkins	Downey	Holberg	Liebling	Nelson	Stensrud
Banaian	Drazkowski	Hoppe	Lillie	Nornes	Swedzinski
Barrett	Eken	Hornstein	Loeffler	Norton	Thissen
Beard	Erickson	Hortman	Lohmer	O'Driscoll	Tillberry
Benson, J.	Fabian	Hosch	Loon	Paymar	Torkelson
Benson, M.	Falk	Howes	Mack	Pelowski	Vogel
Bills	Franson	Huntley	Mahoney	Peppin	Wagenius
Brynaert	Fritz	Johnson	Mariani	Persell	Ward
Buesgens	Garofalo	Kahn	Marquart	Petersen, B.	Wardlow
Carlson	Gauthier	Kath	Mazorol	Poppe	Westrom
Champion	Gottwalt	Kelly	McDonald	Quam	Winkler
Clark	Greene	Kieffer	McElpatrick	Rukavina	Woodard
Cornish	Greiling	Kiel	McFarlane	Runbeck	Spk. Zellers
Crawford	Gruenhagen	Kiffmeyer	McNamara	Sanders	
Daudt	Gunther	Knuth	Melin	Scalze	

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

CALL OF THE HOUSE LIFTED

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

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 1755.

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

CAL R. LUDEMAN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 1755

A bill for an act relating to state government; authorizing certain negotiations to avoid layoffs; amending Minnesota Statutes 2010, section 179A.22, by adding a subdivision.

May 3, 2012

The Honorable Michelle L. Fischbach
President of the Senate

The Honorable Kurt Zellers
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1755 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S. F. No. 1755 be further amended as follows:

Page 2, delete section 4

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

Senate Conferees: PAUL GAZELKA, THEODORE J. "TED" DALEY and AL D. DEKRUIF.

House Conferees: STEVE DRAZKOWSKI, MICHAEL V. NELSON and MIKE BENSON.

Drazkowski moved that the report of the Conference Committee on S. F. No. 1755 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1755, A bill for an act relating to state government; authorizing certain negotiations to avoid layoffs; amending Minnesota Statutes 2010, section 179A.22, by adding a subdivision.

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 78 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Davids	Gunther	Kriesel	Murray	Shimanski
Anderson, D.	Dean	Hackbarth	Lanning	Myhra	Slawik
Anderson, P.	Dettmer	Hamilton	Leidiger	Nelson	Smith
Anderson, S.	Doepke	Hancock	LeMieur	O'Driscoll	Stensrud
Banaian	Downey	Holberg	Lohmer	Pelowski	Swedzinski
Barrett	Drazkowski	Hoppe	Loon	Peppin	Torkelson
Beard	Eken	Hosch	Mack	Petersen, B.	Urdahl
Benson, M.	Erickson	Howes	Marquart	Poppe	Vogel
Bills	Fabian	Kath	Mazorol	Quam	Ward
Buesgens	Franson	Kelly	McDonald	Runbeck	Wardlow
Cornish	Garofalo	Kieffer	McElpatrick	Sanders	Westrom
Crawford	Gottwalt	Kiel	McFarlane	Schomacker	Woodard
Daudt	Gruenhagen	Kiffmeyer	McNamara	Scott	Spk. Zellers

Those who voted in the negative were:

Abeler	Davnie	Hausman	Laine	Morrow	Simon
Allen	Dill	Hilstrom	Lenczewski	Mullery	Slocum
Anzelc	Dittrich	Hilty	Lesch	Murphy, E.	Thissen
Atkins	Falk	Hornstein	Liebling	Murphy, M.	Tillberry
Benson, J.	Fritz	Hortman	Lillie	Norton	Wagenius
Brynaert	Gauthier	Huntley	Loeffler	Paymar	
Carlson	Greene	Johnson	Mariani	Persell	
Champion	Greiling	Kahn	Melin	Rukavina	
Clark	Hansen	Knuth	Moran	Scalze	

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2967, A bill for an act relating to state government; updating the equalizing factors and threshold rates to reflect the changed adjusted net tax capacity tax base; updating human services appropriations for changes reflected in the February forecast; making certain education shift adjustments; regulating the fire safety account; establishing a certain community outreach grant; appropriating money; amending Minnesota Statutes 2010, sections 123B.53, subdivisions 4, 5; 123B.591, subdivision 3; 124D.20, subdivision 5; 124D.22, subdivision 3; 126C.10, subdivisions 13a, 35; 126C.41, subdivision 5; 126C.63, subdivision 8; 126C.69, subdivisions 2, 9; 297I.06, subdivision 1; 299F.012, subdivision 1, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 16A.152, subdivision 2; 123B.54; 123B.57, subdivision 4; 127A.45, subdivision 2; 297I.06, subdivision 3.

CAL R. LUDEMAN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Holberg moved that the House concur in the Senate amendments to H. F. No. 2967 and that the bill be repassed as amended by the Senate.

Thissen moved that the House refuse to concur in the Senate amendments to H. F. No. 2967, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

A roll call was requested and properly seconded.

The question was taken on the Thissen motion and the roll was called. There were 58 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Allen	Benson, J.	Champion	Dittrich	Fritz	Greiling
Anzelc	Brynaert	Davnie	Eken	Gauthier	Hansen
Atkins	Carlson	Dill	Falk	Greene	Hausman

Hilstrom	Kahn	Lillie	Morrow	Persell	Thissen
Hilty	Kath	Loeffler	Mullery	Poppe	Tillberry
Hornstein	Knuth	Mahoney	Murphy, E.	Rukavina	Wagenius
Hortman	Laine	Mariani	Nelson	Scalze	Ward
Hosch	Lenczewski	Marquart	Norton	Simon	Winkler
Huntley	Lesch	Melin	Paymar	Slawik	
Johnson	Liebling	Moran	Pelowski	Slocum	

Those who voted in the negative were:

Abeler	Crawford	Gruenhagen	Lanning	Myhra	Swedzinski
Anderson, B.	Daudt	Gunther	Leidiger	Nornes	Torkelson
Anderson, D.	Davids	Hackbarth	LeMieur	O'Driscoll	Urdahl
Anderson, P.	Dean	Hamilton	Lohmer	Peppin	Vogel
Anderson, S.	Dettmer	Hancock	Loon	Petersen, B.	Wardlow
Banaian	Doepke	Holberg	Mack	Quam	Westrom
Barrett	Downey	Hoppe	Mazorol	Runbeck	Woodard
Beard	Drazkowski	Howes	McDonald	Sanders	Spk. Zellers
Benson, M.	Erickson	Kelly	McElfratrick	Schomacker	
Bills	Fabian	Kieffer	McFarlane	Scott	
Buesgens	Franson	Kiel	McNamara	Shimanski	
Clark	Garofalo	Kiffmeyer	Murphy, M.	Smith	
Cornish	Gottwalt	Kriesel	Murray	Stensrud	

The motion did not prevail.

Pursuant to rule 1.50, Dean moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

The question recurred on the Holberg motion that the House concur in the Senate amendments to H. F. No. 2967 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2967, A bill for an act relating to state government; updating the equalizing factors and threshold rates to reflect the changed adjusted net tax capacity tax base; updating education and human services appropriations for changes reflected in the February forecast; amending Minnesota Statutes 2010, sections 123B.53, subdivisions 4, 5; 123B.591, subdivision 3; 124D.20, subdivision 5; 124D.22, subdivision 3; 126C.10, subdivisions 13a, 35; 126C.41, subdivision 5; 126C.63, subdivision 8; 126C.69, subdivisions 2, 9; Minnesota Statutes 2011 Supplement, sections 123B.54; 123B.57, subdivision 4; Laws 2011, First Special Session chapter 11, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 10; article 2, section 50, subdivisions 2, 3, 4, 5, 6, 7, 9; article 3, section 11, subdivisions 2, 3, 4, 5; article 4, section 10, subdivisions 2, 3, 4, 6; article 5, section 12, subdivisions 2, 3, 4; article 6, section 2, subdivisions 2, 3, 5; article 7, section 2, subdivisions 2, 3, 4; article 8, section 2, subdivisions 2, 3; article 9, section 3, subdivision 2.

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

The question was taken on the repassage 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	Anderson, D.	Anzelc	Barrett	Benson, M.	Buesgens
Allen	Anderson, P.	Atkins	Beard	Bills	Carlson
Anderson, B.	Anderson, S.	Banaian	Benson, J.	Brynaert	Champion

Clark	Garofalo	Howes	Loeffler	Myhra	Simon
Cornish	Gauthier	Huntley	Lohmer	Nelson	Slawik
Crawford	Gottwalt	Johnson	Loon	Nornes	Slocum
Daudt	Greene	Kahn	Mack	Norton	Smith
Davids	Greiling	Kath	Mahoney	O'Driscoll	Stensrud
Davnie	Gruenhagen	Kelly	Mariani	Paymar	Swedzinski
Dean	Gunther	Kieffer	Marquart	Pelowski	Thissen
Dettmer	Hackbarth	Kiel	Mazorol	Peppin	Tillberry
Dill	Hamilton	Kiffmeyer	McDonald	Persell	Torkelson
Dittrich	Hancock	Knuth	McElfatrick	Petersen, B.	Urdahl
Doepke	Hansen	Kriesel	McFarlane	Poppe	Vogel
Downey	Hausman	Laine	McNamara	Quam	Wagenius
Drazkowski	Hilstrom	Lanning	Melin	Rukavina	Ward
Eken	Hilty	Leidiger	Moran	Runbeck	Wardlow
Erickson	Holberg	LeMieur	Morrow	Sanders	Westrom
Fabian	Hoppe	Lenczewski	Mullery	Scalze	Winkler
Falk	Hornstein	Lesch	Murphy, E.	Schomacker	Woodard
Franson	Hortman	Liebling	Murphy, M.	Scott	Spk. Zellers
Fritz	Hosch	Lillie	Murray	Shimanski	

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

Morrow was excused between the hours of 11:00 p.m. and 11:30 p.m.

FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of S. F. No. 1856.

S. F. No. 1856 was reported to the House.

Kriesel moved to amend S. F. No. 1856, the second unofficial engrossment, as follows:

Page 1, delete article 1

Page 25, delete article 2

Page 32, delete article 3

Page 37, delete article 4

Page 43, delete lines 24 and 25

Page 57, delete sections 28 and 29

Page 60, delete section 34

Page 70, delete sections 51 and 52

Page 79, delete section 60

Page 80, delete article 6

Page 81, delete article 7

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. 1856, A bill for an act relating to lawful gambling; allowing licensed organizations to contribute net profits from lawful gambling to 501(c)(19) organizations; amending Minnesota Statutes 2010, section 349.12, subdivision 25, by adding a subdivision.

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 74 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, D.	Dean	Hamilton	LeMieur	Pelowski	Swedzinski
Anderson, P.	Dill	Hancock	Lillie	Peppin	Tillberry
Anderson, S.	Dittrich	Hoppe	Loon	Persell	Torkelson
Anzelc	Doepke	Hortman	Marquart	Petersen, B.	Urdahl
Atkins	Eken	Hosch	McDonald	Poppe	Vogel
Banaian	Erickson	Howes	McFarlane	Rukavina	Ward
Barrett	Fabian	Kath	McNamara	Sanders	Westrom
Beard	Franson	Kieffer	Melin	Schomacker	Woodard
Benson, J.	Fritz	Kiel	Murphy, M.	Shimanski	Spk. Zellers
Buesgens	Garofalo	Knuth	Murray	Simon	
Cornish	Gottwalt	Kriesel	Nornes	Slawik	
Crawford	Gunther	Lanning	Norton	Slocum	
Davids	Hackbarth	Leidiger	O'Driscoll	Smith	

Those who voted in the negative were:

Abeler	Davnie	Hausman	Laine	McElpatrick	Scott
Allen	Dettmer	Hilstrom	Lenczewski	Moran	Stensrud
Anderson, B.	Downey	Hilty	Lesch	Mullery	Thissen
Benson, M.	Drazkowski	Holberg	Liebling	Murphy, E.	Wagenius
Bills	Falk	Hornstein	Loeffler	Myhra	Wardlow
Brynaert	Gauthier	Huntley	Lohmer	Nelson	Winkler
Carlson	Greene	Johnson	Mack	Paymar	
Champion	Greiling	Kahn	Mahoney	Quam	
Clark	Gruenhagen	Kelly	Mariani	Runbeck	
Daudt	Hansen	Kiffmeyer	Mazorol	Scalze	

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

Dean 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 the Speaker.

MOTIONS AND RESOLUTIONS

Kriesel moved that the name of Lanning be shown as chief author on H. F. No. 1485. The motion prevailed.

Dettmer moved that the name of Champion be added as an author on H. F. No. 1821. The motion prevailed.

Drazkowski moved that the name of Doepke be added as an author on H. F. No. 2140. The motion prevailed.

Holberg moved that her name be stricken and the name of Lanning be added as an author on H. F. No. 2958. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following change in membership of the Conference Committee on H. F. No. 2958:

Delete the names of Holberg, McElfatrick and Eken

Add the names of Lanning, Hoppe and Morrow.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 3:00 p.m., Tuesday, May 8, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Tuesday, May 8, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

